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PRACTITIONER'S GUIDE FOR ANTICORRUPTION PROGRAMMING

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Cover Photos (from upper left clockwise): Indonesia – Rally to support KPK. Source: posted to Flickr as membunuh KPK; USAID Afghanistan Social Outreach Program (ASOP) (2008-2012) – District Community Council members participate in Management and Governance Training Course. Source: Project Final Report by AECOM; USAID Burundi Policy Reform Program (2007-2011) – REMA FM journalist conducts an interview to educate the general population about the women's inheritance law. Source: Project Final Report by Chemonics International; MCC/USAID Zambia Threshold Project (ZTP) (2006-2008) – Zambia's Anti-Corruption Commission banner. Source: Project Final Report by Chemonics International; USAID Reducing Corruption in Albania project (2000-2004) – Citizen Advocate Office: "Stop Corruption. Do not sell your rights!" – MSI; USAID Sri Lanka Anticorruption Project (2005-2007) – Logo for the anticorruption movement. Source: Project Final Report by ARD; MCC/USAID Promoting Citizen Engagement in Combating Corruption in Ukraine (ACTION) project (2006-2009) – Presenting results of the public opinion survey. Source: Project Final Report by MSI.

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ACRONYMS

ACC	Anticorruption commission
ADB	Asian Development Bank
ADS	Automated Directives System
BTA	Bilateral Trade Agreement
CSO	Civil Society Organization
CDCS	Country Development Cooperation Strategy
DANIDA	Danish International Development Agency
DCHA	Bureau for Democracy, Conflict and Humanitarian Assistance
DFID	Department for International Development
DO	Development Objective
DRG	Democracy, Human Rights and Governance
DRG Center	USAID Center of Excellence in Democracy, Rights and Governance
EAP	East Asia and Pacific
ECOWAS	Economic Community of West African States
E&E	Europe and Eurasia
EG	Economic Growth and Trade
EITI	Extractive Industries Transparency Initiative
ENGAGE	Encouraging Global Anticorruption and Good Governance Efforts IQC
EU	European Union
GAO	General Accountability Office
G2G	Government-to-Government
GRECO	Group of States Against Corruption
IQC	Indefinite Quantity Contract
IT	Information technology
JICA	Japan International Cooperation Agency
LAC	Latin America and Caribbean
LG&D	Local Government and Decentralization
MCC	Millennium Challenge Corporation
M&E	Monitoring and evaluation
MENA	Middle East and North Africa
NGO	Non-governmental organization
OECD	Organization for Economic Cooperation and Development
OSS	One-stop Shop
OTI	Office of Transition Initiatives
PAD	Project Appraisal Document
PEA	Political Economy Analysis
PETS	Public Expenditure Tracking Survey
PFM	Public Financial Management
PFMRAF	Public Financial Management Risk Assessment Framework
RFA	Request for Applications

RFP	Request for Proposals
SAI	Supreme Audit Institutions
SCA	South and Central Asia
SSA	Sub-Saharan Africa
TCP	Threshold Country Plan
TI CPI	Transparency International Corruption Perception Index
TO	Task Order
UNCAC	United Nations Convention against Corruption
USAID	United States Agency for International Development
USG	United States government
WB	World Bank
WGI	Worldwide Governance Indicators
WTO	World Trade Organization

EXECUTIVE SUMMARY

This Guide offers practical programming and implementation advice for USAID field missions to support their development of effective anticorruption 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. All of this is wrapped in the logic of the USAID program cycle.

Many anticorruption approaches to reform have been tried by many stakeholders, some resulting in success, some in failure and some inconclusive. Inadequate indicators and monitoring limit our current knowledge of what clearly works under different circumstances. This Guide offers examples, tips, advice and illustrative approaches based on the few systematic and comparative studies of anticorruption program performance that have been conducted over the past decade and on a retrospective study of past USAID anticorruption programs.

This Guide provides:

- Global trends in fighting corruption and USAID's current policies
- A practical framework and assessment technique
- Guidance, based on USAID and other donor experience, for selecting and prioritizing programming goals and strategies
- Entry points for program design and implementation
- Lessons learned and tips for programming initiatives in anticorruption with examples from past projects
- Guidance and examples for monitoring and evaluation of anticorruption activities
- Anticorruption intervention issues and challenges
- Bibliographic and web site references of USAID's anticorruption program experience over the past decade.

This publication aims to help DRG officers decide if, when and how to initiate or enhance programs in anticorruption. It provides research reviews that can help in understanding the dynamics of corruption and the benefits and risks of anticorruption programs, key questions for practitioners to ask and consider, and tools that have been developed to assist practitioners design and implement successful programs.

The following pages provide myriad programming possibilities, country experiences, and a host of additional resources to assist USAID officers. It is hoped that, with the aid of this Guide, officers will be much better prepared to determine where the greatest opportunities for change lie; if, when, and where to begin programming; what activities offer the best prospects for results; and how to design and implement effective performance monitoring systems for anticorruption interventions.

Corruption and Development

Corruption - *the abuse of entrusted power for private gain* - is a major deterrent to effective and sustainable development. Research has demonstrated that corruption imposes major economic, political, social and human costs on a country, and can sabotage development programs across all sectors. The causes and dynamics of corruption are what programmers need to target in their initiatives, regardless of the sector.

The USAID Anticorruption Strategy and the USAID Democracy, Human Rights and Governance Strategy both lay out the rationale for how corruption can negatively impact development initiatives, as well as a country's democratic, governance and economic futures. These strategies suggest the urgent need for development programmers to assess the extent of corruption risks and entry points for anticorruption opportunities. The goal is to develop initiatives that do not tolerate corrupt tendencies but seek to reduce

their impact in all types of programs across all sectors. Sometimes that means designing programs that are exclusively devoted to fighting corruption; other times it means integrating anticorruption interventions into sectoral programs.

A Five-Phase Program Planning Process

This Guide applies a five-phase approach for anticorruption program planning. It recommends that practitioners, first, assess the environment for corruption vulnerabilities. Second, with the help of the assessment, the program officer should define and prioritize goals and strategies that target the greatest opportunity. Third, the officer will need to select entry points for anticorruption initiatives. Fourth, practical and appropriate programming options need to be identified and applied in context. Lastly, a monitoring and evaluation (M&E) plan needs to be designed and implemented that focuses specifically on the anticorruption outcomes and impact of the particular programs pursued.

Phase 1. Assessing the Environment

When designing new programs, corruption risks should be assessed systematically in the Country Development Cooperation Strategy so that initiatives are properly targeted to reduce corruption challenges. The USAID Anticorruption Assessment Handbook offers practical guidance so that field missions can identify the nature and extent of corruption risks in the country, where they exist, and how they might be mitigated. 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 anticorruption programming track records to assist in making and prioritizing specific programming recommendations.

Phase 2. Selecting Program Goals and Strategies

Anticorruption goals and strategies can be pursued not only through explicit anticorruption programs, but through sectoral programs as well that contribute to greater accountability and transparency.

Phase 3. Identifying Entry Points

After the assessment is complete and possible strategies have been identified, the third task is to detect useful entry points for an intervention. These might include utilizing existing champions for reform, legal and institutional opportunities, and existing resources that can open the way for effective program implementation.

Phase 4. Identifying Programming Options

There are a multitude of possible programming options, many cross-sectoral, that can be selected to implement anticorruption strategies. This Guide offers a range of tips and illustrative examples.

Phase 5. Targeting the M&E Plan

Lastly, to assess the impact of anticorruption initiatives and build the knowledge base for future programming, systematic and explicit monitoring and evaluation of interventions needs to be designed before projects are implemented. Experience shows that the best indicators are those that directly measure specific anticorruption interventions through to their outcomes and results. Broad and generic anticorruption indicators at the country level have been frequently used in the past, but are not well equipped to properly capture the performance of particular interventions.

Tips and Lessons Learned

Analytical findings presented in this Guide offer practical lessons learned and programming tips to field officers on what might work and what to avoid in their particular country context.

Assessing the Situation

- Develop anticorruption programming strategies and interventions based on systematic assessments that examine the drivers of corruption

Selecting Goals and Strategies

- Multipronged, multi-sector and whole-of-government strategies are key to effective anticorruption efforts
- Balance the complexity of the program with the timeframe and resources available

- Make anticorruption objectives explicit to facilitate better program outcomes
- In situations with low political will, rephrase strategic goals to improve governance rather than "fight corruption" explicitly
- Infuse anticorruption objectives into sectoral programming
- Do not shy away from grand corruption strategies, even if strategies that address administrative corruption appear more achievable
- Comprehensive programs that integrate both supply- and demand-side anticorruption initiatives may be most effective
- Seek out strong donor coordination of programming
- Include strong anticorruption controls when designing development assistance programs

Selecting Entry Points

- The political will to fight corruption is critical, but may change over time
- Diplomatic incentives can boost political will for anticorruption reforms
- Strong political will encourages civil society and government stakeholders to work together for effective program results
- Secure and maintain stakeholder commitment to achieve anticorruption goals
- Seize the opportunity to initiate anticorruption activities at times of political-economic transformation
- Strong democracies offer meaningful entry points, but this can be moderated by political-economic constraints

Designing Program Options

<u>For Explicit Anticorruption Programs</u>

- Make program initiatives context-appropriate
- Government institutions of accountability can be effective if they have independence and resources
- Address traditional and engrained cultures of corruption
- Active citizen engagement in anticorruption initiatives can add to program success
- Public awareness campaigns generate understanding of corruption costs and promote citizen advocacy
- Support for anticorruption coalitions can empower and sustain programs

<u>For Transparency, Accountability and Governance Programs</u>

- Preventive initiatives can be very effective in fighting corruption
- Streamlining and standardizing government processes reduce corrupt behaviors
- Civil service reforms should be designed to balance positive and negative incentives
- Civil service reforms are more effective where patronage-based systems are weak
- Focus reforms on making public financial flows more accountable
- Support for transparency and access to information programming are prerequisites for vital civil society engagement
- Social accountability mechanisms are critical tools for citizen engagement

<u>For Sectoral Programs</u>

- Rule of Law:
  - Rule of law initiatives tend to be successful in implementing measures that can reduce corruption
  - Support early development of a sound legal framework to strengthen the rule of law
  - Many initiatives can strengthen investigative and prosecutorial capacities
- Economic Growth:
  - The private sector can be vital in promoting and facilitating reforms that curb corruption
  - Technical fixes, such as IT systems, can reduce discretion
  - Anticorruption interventions often suffer from inadequate cooperation between governance and EG programmers
  - One-stop shops, e-government, and regulatory simplification are effective in many cases
- Health:
  - Increasing salaries for health sector workers does not guarantee reduced corruption
  - Community oversight offers a means of engaging citizens in health sector oversight to improve quality and integrity
  - Contracting out for health care services can reduce corruption, partly because it is easier to hold contractors accountable than it is for public workers
  - Establishing clear procurement and contracting rules and conducting frequent audits with sanctions for staff reduces corruption

- Multilateral Voluntary Initiatives:
  - Promote country participation in the EITI
- Education:
  - Conduct audit and accountability system to deal with absentee and ghost employees
  - Standardize compliance with existing education laws and decrease arbitrary decisions
  - Implement procurement reform to reduce discretionary decisions and increase competition and adherence of law
  - Strengthen the public financial management system within the Ministry of Education
  - Increase oversight and audit capacity of the Education Inspector General
  - Monitor and enforce the code of ethics for teachers and administrators
  - Conduct oversight and accountability for teacher certifications
  - Ensure that schools agree to delegate some oversight functions to teacher organizations and that their scorecards employ evidence-based impact evaluation approaches.

In Post-Conflict Situations

- Early anticorruption interventions in post-conflict countries can help to sustain the peace, but requires special forethought to avoid doing harm
- Program options need to be adjusted to take fragility of the state into account
- Civil society and the private sector can play a major role in rebuilding with sensitivity to corruption.

Targeting the M&E Plan

- Monitoring anticorruption efforts must take into account the time factor
- Know what you want to measure or benchmark, and find the appropriate measurement tool
- Using perceptual global indices can be problematic, while using performance indicators can be beneficial.

What to Avoid

Lessons learned also include some tips for what programming to avoid within particular contexts, for example:

- Avoid law enforcement programming in countries with a repressive political environment
- Refrain from setting explicit anticorruption goals in countries with minimal or questionable political will or tenuous stability
- Avoid the appearance of imposing anticorruption interventions on countries, and instead approach it as a collaborative effort that would boost commitment and ensure local ownership
- Refrain from setting unrealistic project timeframes that could leave reforms incomplete and breed public skepticism
- Avoid accountability and oversight interventions if enforcement and sanctions are not faithfully administered
- Refrain from mobilizing citizens to report corruption complaints when the justice system or other complaint handling systems have few ways of addressing grievances and following up on such cases.

Organization of this Guide

This Guide reviews what is currently known about anticorruption programming and provides a set of practical tools and considerations to support effective design. It contains seven chapters. Chapter 1 presents some global trends in fighting corruption and USAID's policies that address them. Chapters 2-6 discuss the phases for planning and building successful anticorruption programs: assessment, strategy, entry points, programming options, and monitoring and evaluation. Findings, lessons learned, examples and tips are included from reviews of the research literature on fighting corruption. Chapter 7 summarizes the key messages from this guide – the tips that practitioners should keep in mind when developing anticorruption programming.

Several annexes provide a broad summary of USAID programming in this field over the past decade; a list of programming highlights by sector and function; ways of integrating anticorruption into the USAID program cycle; and useful resources that can be accessed for additional support. An index of lessons learned and USAID programs referenced throughout the Guide is also provided.

I. CORRUPTION AND DEVELOPMENT

Global Trends in Fighting Corruption

A global movement to combat corruption has emerged since the mid-1990s. Many initiatives have been implemented by host governments, their civil societies and business communities, regional and international organizations, and international donors to reform laws, institutions and processes, strengthen enforcement, institute preventive measures, and generate greater public awareness about the negative consequences of corruption with varying degrees of success.

Policy reformers in and out of government have created international and regional conventions against corruption. Legal and regulatory frameworks and institutional reforms to counter corruption have been implemented. National civil society and business coalitions have been established, joined by an investigative mass media to create more awareness about the costs of corruption and the benefits of anticorruption programs. Governments and international donors have broadened their approach to countering corruption from enforcement to prevention through governance strengthening and economic restructuring to incorporating anticorruption components into sectoral programs such as agriculture, education, energy and health. More recently, the donor community has focused additional efforts on impact evaluations to discern lessons from experience and identify approaches that may achieve results in different country contexts.

Defining Corruption

While debates over the definition of corruption continue, many accept Transparency International's definition as "*the abuse of entrusted power for private gain*."[1] USAID has adopted the same definition in its *Anticorruption Strategy*.[2]

Corruption can exist at a *grand level* involving larger transactions and higher level officials or at an *administrative level* involving smaller transactions and lower level officials, often called *petty* corruption. Grand corruption is manifested, for example, by kickbacks to win large public procurements, embezzlement of public funds, and privatization to insiders at bargain prices. Administrative corruption includes small bribes, skimming paychecks, nepotism in appointments, selective enforcement of taxes, and absentee employees, teachers or doctors.

Opportunities, incentives and attitudes shape corruption levels, which can vary across institutions, regions and countries. No form of government is immune to corruption, but countries with weak political and economic institutions are particularly prone to endemic corruption. With partial or fledgling accountability systems, post-conflict countries and transitional regimes often are most vulnerable to corruption. In fact, twelve of the fifteen lowest ranked countries on Transparency International's Corruption Perception Index (CPI) have problems with insurgents or international security.[3]

Attention to the issue has increased, but sensitivities still exist regarding the word "corruption." Some host governments prefer not to use the word and instead describe anticorruption initiatives in terms of transparency, accountability and good governance. In other countries, the political discourse embraces frank treatment of the issue and use of the term. For more readings on corruption in the international development sphere, refer to the resources listed in the Annex D.

USAID Policies to Address Corruption

As corruption poses a considerable obstacle to development, fighting corruption has become a declared priority for USAID. The *USAID Development*

[1] Transparency International, Plain Language Guide (2009: 14): http://www.transparency.org/whatwedo/pub/the_anti_corruption_plain_language_guide

[2] USAID Anticorruption Strategy (2004): http://pdf.usaid.gov/pdf_docs/pdaca557.pdf

[3] Transparency International, Corruption Threats and International Missions: Practical guidance for leaders (2014: 9): http://www.ti-defence.org/publications/dsp-pubs/307-corruption-threats-and-international-missions.html

Framework for 2011-2015[4] identified support for democratic reforms among its core development objectives. The Framework underscored that "Without capable, transparent, accessible, and accountable public institutions, economic growth, broad-based opportunity, and key public services cannot be sustained." Anticorruption interventions that promote good governance, government transparency and accountability provide the tools that can support these objective across all sectors including those that fall within core objectives such as health, economic growth, food security, climate change, humanitarian aid and conflict resolution.

The *USAID Anticorruption Strategy* is a key document providing practical guidance to program officers on how to incorporate anticorruption objectives into USAID programming. The Strategy establishes a framework and multidisciplinary approach to combating corruption "that incorporates political competition, economic competition, social factors, and institutional and organizational performance across all sectors." It also calls for integrating anticorruption initiatives into all sectoral programs that may be affected by corruption and focusing democracy and governance and economic growth resources more explicitly on anticorruption targets.

Anticorruption activities also form a key component of USAID's 2013 *Democracy, Human Rights and Governance (DRG) Strategy*.[5] One of the four Development Objectives in the Strategy is to foster greater accountability of institutions and leaders to citizens and the law (see Figure 1). Under this objective, USAID supports a broad array of programming to strengthen vertical accountability driven by citizens, along with horizontal accountability pursued through state institutions. Strengthened accountability systems can halt the course of corrupt acts and also prevent future transgressions.

DO 2: Foster greater accountability of institutions and leaders to citizens and to the law

- **2.1:** Provide electoral assistance that enables citizens to exercise their right to select and replace their leaders through periodic, free and fair elections
- **2.2:** Support the ability of civil society and independent and open media to provide oversight and an informed critique of government
- **2.3:** Strengthen institutions and systems that enable the rule of law, and checks and balances among branches of government
- **2.4:** Assist state institutions at all levels in delivering on the mandates of their offices, fulfilling the public trust, and providing public goods and services through transparent and responsive governance

Programs to strengthen *horizontal* accountability work on the supply side of reform. They foster the rule of law and checks and balances among branches of government (DO 2.3) along with public sector reforms that reduce opportunities for corruption, increase transparency, and realign incentives (DO 2.4). Public sector reforms include civil service, public expenditure management and service delivery reforms, as well as reforms of state-owned enterprises, market regulations, property rights, banks and other economic structures.

Programs to strengthen *vertical* accountability foster competitive multiparty systems (DO 2.1) along with the ability of civil society, business and independent media to provide oversight and an informed critique of government (DO 2.2). Such programs work on the demand side of reform (see Figure 1).

Figure 1. Supply & Demand in Anticorruption Initiatives

Through these many channels, accountability reforms strengthen institutions in government and society and foster structured competition in politics and the economy.

[4] USAID Policy Framework 2011-2015 (2010): http://www.usaid.gov/sites/default/files/documents/1870/USAID%20Policy%20Framework%202011-2015.PDF

[5] USAID Strategy on Democracy, Human Rights and Governance, (June 2013): http://www.usaid.gov/sites/default/files/documents/1866/USAID%20DRG_%20final%20final%206-24%203%20(1).pdf

II. PHASE 1: ASSESSING THE ENVIRONMENT

An essential first step in designing and implementing targeted and appropriate anticorruption programming for a country is to conduct an assessment that helps you understand the political-economic context and drivers of corruption. Experience shows that there is no cookie-cutter approach to fighting corruption; each situation demands different solutions and, for best results, a comprehensive and probing assessment can help point the way to meaningful interventions.

Although corruption assessments are not mandatory within USAID, unlike for gender and biodiversity concerns, conducting such assessments periodically can provide evidence with which to identify appropriate strategic directions and programming interventions at the planning stage. It also provides an opportunity to analyze the political economy of the host country to identify laws, regulations, processes, institutions and cultural practices that promote corruption and, hence, may impede or threaten other development initiatives.

Tailoring anticorruption strategies and interventions to the specific context is paramount for effective programming. Information derived from an assessment can point to corruption issues that are most problematic, institutional weaknesses, political-economic dynamics that promote system weaknesses, and opportunities and challenges to reform.

Broad political economy dynamics can shape the corruption environment in a country. In particular, the concentration of political or economic power usually increases corruption.[6] Where political power is concentrated in undemocratic regimes, government leaders may act with impunity and put state power to personal use (often referred to as *state predation*). Similarly, when economic power is concentrated, business oligarchs may capture state laws and policies through payoffs (often called *state capture*). Thus, reforms that increase competition in political and economic structures are critical elements in a comprehensive strategy to reduce corruption.

Programmers need to examine the major corruption vulnerabilities faced by a country, the current political-economic realities, and how an anticorruption program might best be introduced to gain traction with stakeholders and achieve sustainability over the long term.

Political Economy

Seek to identify the situational factors that promote or mitigate corrupt behaviors by organizing focus groups, public or expert surveys, and legal-institutional studies.

- How is corruption defined in social-cultural terms in the country?
- How is corruption defined legally?
- Where does corruption reside – institutionally, sectorally, and at different levels of government?
- What are the major manifestations of corruption?
- Are most people accepting or resentful of corruption?
- What conditions in the country promote or inhibit opportunities for corruption (for example, economic or political crises, humanitarian emergencies, conflict or post-conflict, regime change, external pressures)?
- Are there existing laws, regulations and institutions against corruption and are they effectively implemented in practice?[7]

A political economy analysis (PEA) examines the deeply embedded national and sub-national structures that shape the character and the legitimacy of the state, its political system and economic choices. It seeks out the "rules of the game" – the norms by which stakeholders behave and how they are incentivized. PEAs also identify opportunities and impediments to change by looking at the dynamics that characterize behaviors – how stakeholders get what they want, compete with other stakeholders, and solve collective problems. Within the context of understanding the drivers of corruption, the following questions can be asked:

[6] Jakob Svensson, "Eight Questions about Corruption." *Journal of Economic Perspectives* (2005) 19: 19–42: http://www1.worldbank.org/publicsector/anticorrupt/Svensson%20Eight%20Questions%20About%20Corruption%20(JEP%20Vol%2019,%20No%203%202005).pdf

[7] USAID Anticorruption Assessment Handbook (2009): http://pdf.usaid.gov/pdf_docs/pa00jp37.pdf, Chapter 3 & Annex 8

- What are the primary ways that corruption manifests itself in this country (for example, through petty bribery, high stakes public procurement, fraudulent elections, business sector's dominance over politics, monopoly of state power by political elite, etc.)?
- How is power and wealth used to foster or inhibit corrupt behavior?
- How widespread is corruption in this country?
- Who are the main beneficiaries of corruption in this country?
- Who are the major losers from corruption in this country?
- What is the most important use of corruption (for example, to divert or control domestic wealth, to gain influence over specific decisions, to gain funds for political campaigns, to protect existing political power alignments, to make or protect very large deals, etc.)?
- What is the main resource used in this country's corruption (for example, personal control of state power, contending networks loyal to oligarchs, a tight ring of political/ bureaucratic/business elites, wealth used to influence politicians and decision makers, etc.)?
- How would you describe corrupt dealings, most of the time (for example, unpredictable and disruptive, unpredictable but benefiting a few top leaders, moderately predictable and not disruptive, highly predictable, etc.)?
- How have political and economic institutions developed and how open and accountable are they?

Stakeholders

A mapping of major stakeholders is a helpful way to analyze the relative support and opposition for anticorruption programs. It is critical to understand their interests and motivations, and their capacity to act.[8] Groups can be arrayed along one dimension in terms of their degree of support or opposition to anticorruption reforms, and along a second dimension in terms of the strength of their capacity and resources to follow through effectively to achieve their interests. Questions about stakeholders can include:

- Which groups have a stake in maintaining the existing state of corruption and which have interests in pursuing reforms?
- What types and how many resources can they mobilize to affect outcomes?
- What is their capacity to mobilize these resources?

Political Will

A critical factor in understanding the situation involves assessing the government leadership's political will to address corruption and the political will of other stakeholders to demand reforms and support their effective implementation. Without explicit political will – the commitment of actors to undertake programmatic actions for the long term – it is unlikely that a reform initiative will succeed. Examination of the following issues can help programmers assess the existence and strength commitment.[9]

- Has the government bought-in to the intervention?
- Have host country actors assessed the programming options, identified their costs and benefits, and independently accepted to act?
- Have many stakeholders been consulted, engaged and mobilized to participate in the implementation of the program?
- Have decision-makers publicly announced their reform goals and allocated sufficient resources to accomplish them?
- Have effective sanctions for corrupt behaviors been put in place and enforced?
- Is there evidence of a long term commitment to anticorruption reform?
- Have systems been put in place to monitor progress of anticorruption programming and adapt the reforms as circumstances change?

Sector Focus

Corruption operates differently in different sectors, functions and institutions. To program appropriately, it is essential that practitioners probe into the dynamics of key sectors where corrupt behavior has taken a foothold. These sectors can typically be prioritized based on surveys or focus group discussions.

To avoid making these sector assessments major time-consuming activities, Annex 4 in the USAID

[8] Derick Brinkerhoff and Benjamin Crosby, *Managing Policy Reform* (Bloomfield, CT: Kumarian Press 2002), especially Chapter 8, "Political and Institutional Mapping."

[9] Derick Brinkerhoff, "Unpacking the concept of political will to confront corruption," U4 Brief (May 2010, no. 1)

Anticorruption Assessment Handbook contains important diagnostic questions that are focused on 19 major sectors/functions (see Table 1).[10] Questions cover key vulnerabilities that may arise in institutional authority and capacity, independence, management, integrity mechanisms, accountability, transparency, internal controls, complaint/enforcement mechanisms, and demonstrated political will. Each sector also has sector-specific question categories based on expert literature.

Table 1. Sectors/Functions with Diagnostic Assessment Questions

Judiciary	Taxation System
Legislature	Customs
Public Institutions/Civil Service	Healthcare
Supreme Audit Institution	Education
Anticorruption Agencies	Private Sector
Regional and Local Government	Civil Society
	Privatization
Law Enforcement Institutions	Media and Access to Information
Electoral Commission and Election Process	Budget and Financial Management
Political Parties	Public Procurement

The selected questions can help programmers target the major sources of corruption risk, while also identifying potential initiatives that can remediate the situation. For example, in an assessment conducted in Ukraine, use of these sector-specific diagnostic guides helped the team detect critical deficiencies and identify recommendations for programmatic options, including:

- *Judicial sector.* Reform the judicial selection process to bring it into line with modern meritocracies. Implement court administration reforms to promote increased transparency.
- *Health sector.* Make the procurement of pharmaceuticals more transparent and accountable. Develop tracking systems to monitor and oversee budgetary expenditures to stem leakage.
- *Education sector.* Support CSO budget oversight. Expand standardized testing for school entrance exams.

[10] USAID Anticorruption Assessment Handbook, *op.cit.*

Using USAID's Anticorruption Assessment Methodology

USAID's Anticorruption Assessment Handbook is based on the political economy analysis of corruption to help guide programming. It leads users through most of the considerations outlined above via several steps to assess how corruption manifests itself in a particular country, the political-economic dynamics that facilitate corruption, institutional weaknesses and vulnerabilities, and opportunities for reform. This assessment approach leads practitioners from problem identification to possible programming responses.

The assessment framework provides practical tools for conducting the analysis and offers a rationale for setting priorities, choosing some approaches and rejecting others. The full text of the handbook, along with the sectoral diagnostic guides and other tools, is available at: http://pdf.usaid.gov/pdf_docs/pa00jp37.pdf.

Step 1 - Legal-Institutional Framework Analysis. Analysis of the legal-institutional framework examines the formal provisions for fighting corruption, the state of their implementation, and any gaps and deficiencies in the anticorruption regime. Weaknesses in the legal-institutional framework point to possible targets of reform. An annex to the assessment handbook provides a set of questions to guide the analysis. Mirroring the UN Convention against Corruption (UNCAC), the categories covered by the legal-institutional framework analysis include: national strategies and plans, enforcement laws and institutions, prevention laws and institutions, cultural dimensions, international cooperation, and compliance with international legal instruments.

Step 2 - Analysis of Political-Economic Dynamics. This analysis looks at the way people pursue, use and exchange wealth and power in particular contexts and the kinds of corruption problems that typically emerge.[11] The approach used looks at the dynamics of *corruption syndromes* in a country.[12] A corruption syndrome is a distinctive and complex pattern of corruption problems reflecting the

[11] USAID/DCHA/DRG is currently developing training on political economy analysis that might be useful for practitioners designing anticorruption programs.

[12] For more on using corruption syndromes, see USAID Anticorruption Assessment Handbook, *op.cit.*; also see Michael Johnston, *Syndromes of Corruption: Wealth, Power and Democracy* (Cambridge University Press, 2005).

ways people pursue, use and exchange wealth and power, as well as the political and economic institutions that facilitate and/or impede those processes. The Handbook provides descriptions of four basic types of syndromes that were empirically derived and that practitioners can review and relate to their targeted country. These include:

Type 1. Wealth pursues influence in public institutions
Type 2. High-level figures collude to weaken political/economic competitors
Type 3. Oligarchs contend in a setting of pervasive insecurity
Type 4. A dominant inner circle acts with impunity

By uncovering a country's corruption syndrome, analysts can identify the underlying causes of corruption and, thereby, better understand how to minimize their effects.

Step 3 - Analysis of Stakeholders. The assessment also analyzes the views of major players on anticorruption reform. The analysis considers the support or opposition of the ruling party, opposition, bureaucracy, subnational governments, judiciary, military, business, labor, civic groups, organized crime, donors, and foreign governments. This analysis examines whether the government is unified or composed of competing factions on corruption issues, and how the government's constituent base and any patron-client networks might be affected by inroads against corruption. The analysis also considers how groups that oppose reform can be contained. The stakeholder analysis can be captured in a political map, which visually indicates the more important groups in terms of resources and political influence.[13]

Step 4 - In-Depth Diagnosis of Sectors, Functions and Institutions. In many heavily corrupted societies, corruption appears throughout the government, but its impact is not uniform. To target interventions appropriately, the assessment explores more fully those areas of government where corruption is most damaging. To do so, the framework suggests conducting detailed diagnoses of the sectors, functions and institutions where corruption problems are concentrated. A library of 19 sector-by-sector Diagnostic Guides is available in an annex to the anticorruption assessment handbook and provides detailed questions to probe corruption issues.

Step 5 – Translating Diagnoses into Anticorruption Reform Options. Lessons from past anticorruption programs and comparative research are offered in Chapters 2-6 of this Guide. In addition, USAID/DCHA/DRG has recently developed a searchable database of several hundred programs implemented between 2007 and 2013 that provides information about what anticorruption options have been tried in different sectoral programs worldwide. Projects are searchable by region, country, sector, year, value, and extent of corruption or political stability in the country.[14] Together, these tools can guide appropriate anticorruption programming recommendations.

Assessing Anticorruption in G2G Programming

When USAID selects partner country systems (government-to-government or G2G) for implementation of projects, a *Public Financial Management Risk Assessment Framework* (PFMRAF) is required (with limited exceptions by ADS 220).[15] During a 2-stage process, PFMRAF provides an in-depth assessment of the country's public financial management and accountability systems, conducts DRG reviews if applicable, and examines the capacity, control systems, and day-to-day practices of the PFM systems in the ministries, departments, or agencies that may be responsible for making and carrying out decisions and actions related to USAID assistance.

ADS 220 specifically requires a PFMRAF to assess corruption and government commitment to address it through specific reforms. It also directs USAID Missions to "consider agreeing to tighter scopes of work, milestone type financing agreements, and other risk mitigation measures that address any vulnerability to corruption when working through partner country systems." When implemented as required by ADS 220, PFMRAF serves as a viable instrument for

[13] Benjamin Crosby, "Stakeholder Analysis: A Vital Tool for Strategic Managers," USAID IPC Technical Note 2 (1991): http://pdf.usaid.gov/pdf_docs/pnabr482.pdf

[14] The Center of Excellence on Democracy, Human Rights and Governance (DRG Center) plans to make this searchable database available on a USAID platform. Temporarily, the database can be accessed at: http://testing.msidevcloud.com/anticorruption. Also, see Annex C.

[15] USAID, ADS 220: Use of Reliable Partner Country Systems for Direct Management and Implementation of Assistance, 2012: http://www.usaid.gov/sites/default/files/documents/1868/220.pdf

incorporating anticorruption interventions in the G2G programming. It is essential, though, that the project tracks and measures the impact of these interventions on preventing or reducing corruption by having explicitly measured outcomes and objectives.

Lessons from Past Experience

Develop anticorruption programming strategies and interventions based on systematic assessments that examine the drivers of corruption[16]

The main objective of a corruption assessment is to assure that strategic planning starts by casting a wide analytical net to capture the breadth of issues that affect corruption and anticorruption prospects in a country and then provide a clearly justified, strategic rationale for ultimate programmatic recommendations. The results of such assessments diagnose the underlying causes of corruption by analyzing both the state of laws and institutions, as well as the political-economic dynamics of a country. By understanding country-specific drivers of corruption, assessment teams should be able to develop reasonable insights on government sectors and functions that are most vulnerable to corruption and the types of initiatives that can reverse or control these problems. The assessment should also provide a rationale for setting priorities, choosing some approaches and rejecting others.

Assessments are premised on several principles that are essential to understanding and addressing corruption:

1. *All corruption is not the same.* Corruption may manifest itself in similar ways across countries and over time – bribery, extortion, embezzlement, influence peddling, nepotism, and so on – but the underlying causes can be different and the areas that corruption attacks can vary across geographic region and over time. In the assessment, programmers need to identify different types of corruption (grand and administrative corruption, as well as state capture and predation), and the sectors and functions that are vulnerable to corruption in particular locales or points in time. By providing a better understanding of the nature of the problem and its root causes, the assessment supports development of a comprehensive strategic outlook that can offer a customized approach to controlling corruption.

2. *All countries do not possess the same proclivity toward the same types of corruption.* Rather, based on different patterns of development and political-economic dynamics, countries manifest differing corruption tendencies and vulnerabilities.

3. *All countries are not at the same level of anticorruption readiness.* First, the political will and commitment of governmental and nongovernmental leaders defines only one aspect of a country's readiness to deal effectively with the problem of corruption. Second, the capacity to act effectively is the other element that determines a country's readiness level. Third, there needs to be a basic framework of anticorruption laws, regulations and institutions in place that serve as the prerequisites or preconditions for all initiatives. Fourth, government officials and civil society, mass media, and business leaders must have the training, resources, and capacity to act effectively and with meaningful resolve over the long haul if anticorruption initiatives are to be adequately implemented.

Traditionally, corruption has been assessed primarily as a problem of weaknesses in legal and institutional arrangements. But to avoid government and donor responses that only treat the symptoms of corruption, it is essential to take a more strategic perspective that assesses underlying causes and the deeper political-economic dynamics that have influenced the evolution of corruption in a country and in particular sectors or functions.

* * *

So many factors can contribute to promoting and sustaining corruption that assessing the situation is essential to developing an appropriate programming strategy and intervention options. This section identifies readily available tools and sets of questions that practitioners need to apply to get a handle on the critical factors and proceed on a productive path for development programming.

[16] Craig Fagan and Felix Weth, "Good practice in donors' anti-corruption strategies," U4 Expert Answer, (October 2010), No. 261; USAID Anticorruption Assessment Handbook, *op.cit.*

III. PHASE 2: SELECTING PROGRAMMING GOALS AND STRATEGIES

The design and implementation of effective anticorruption programs depends on targeted goals and strategies, implemented through specific interventions that are framed to achieve those goals and customized based on careful assessments of the situation, as described in the previous section. But given the sensitive nature of most anticorruption programs, these strategies need to be identified in a careful manner so that they are acceptable to local stakeholders and implementable based on existing laws, regulations, institutions, and procedures. This section presents some overall programming objectives and strategies, and the considerations required.

Targeting Anticorruption Explicitly

Setting explicit programming goals that target corruption reduction can be effective if the government and other key stakeholders are willing to accept interventions that are so labeled. For example, countries seeking Millennium Challenge Corporation (MCC) Compact status but failing the anticorruption threshold may be extremely willing to engage in a program that targets anticorruption explicitly, so that it can achieve eligibility. In 2013, **Sierra Leone** was deselected as Compact-eligible because it did not pass the control of corruption indicator hurdle. After reviewing supplemental information on anticorruption efforts in Sierra Leone, the MCC Board urged the government to undertake efforts to demonstrate its commitment to anticorruption goals and improved performance. The Sierra Leonean government proceeded to develop a new national anticorruption campaign and signed a Memorandum of Understanding with the UK Department for International Development (DFID) to implement a crowd-sourced anticorruption mechanism that encourages citizen complaints about corruption and would feed these complaints directly to the government's Anticorruption Commission for serious investigation and prosecution.

On the other hand, some governments deny the extent of public corruption in their countries and, for example, protest Transparency International's annual release of country rankings. Others will acknowledge that corruption exists, but may not believe it is useful to attack the problem head on because of the vested interests that so many have in maintaining the networks and systems of corruption. In fact, some research suggests that attempts to eradicate corruption in some countries will do direct harm to the possibility of maintaining the economy or providing adequate public service delivery. Political and economic governance may be so intertwined with corrupt systems and networks in these countries that removing the corrupt elements can threaten their ability to operate and deliver at all.

So, serious consideration needs to be given if a future program should be framed explicitly as an anticorruption program and if that would be acceptable in a targeted country. The issue is not only the potential stigma of fighting corruption, but that corruption is not a single, monumental phenomenon. It can exist in many different government processes and functions, in many different sectors, and at different levels of government. To be realistic and effective in attacking corruption, strategies need to be smart in decomposing the problem into manageable and targetable components. That means that programmers might want to design an explicit anticorruption project that is focused on a particular sector or a particular vulnerable process within that sector.

For example, another MCC Threshold program in **Ukraine** targeted corruption very explicitly in particular sectors – strengthening civil society's monitoring and exposure of corruption, judicial reform, increased government monitoring and enforcement of ethical and administrative standards, streamlining and enforcing regulations, and combating corruption in higher education. In each of these components, anticorruption was clearly marked as the major goal of the activity. Most of

these projects were successful in achieving their anticorruption objectives.[17]

Targeting Accountability, Transparency or Governance

As hinted at in the previous section, it may be more palatable for local stakeholders if program strategies do not emphasize the fight against corruption, but rather assert that they are seeking to improve government performance and effectiveness through accountability, transparency and governance initiatives. Some country situations demonstrate a marginal political will or readiness to fight corruption. Other situations can present extreme sensitivity to initiating such programs because of an engrained culture of corruption. Yet other conditions might prompt fear that an explicit anticorruption program could do harm by threatening a fragile political-economic framework. When faced with such circumstances, USAID programmers have designed and implemented projects that have focused on enhancing accountability, transparency and governance to achieve anticorruption goals, rather than targeting corruption explicitly. Such goals can put the program in a more positive light, while removing the potential stigma of corruption being at the root of the activities.

In fact, there is a growing belief within the ranks of anticorruption researchers and practitioners that it may be more productive to address corruption problems through the lens of improved governance. The reliable measurement of corruption, for instance, has always been a sore point for researchers, largely because of the secretive nature of corrupt behaviors. Many now recommend that a better approach would be to monitor anticorruption indicators by measuring trends in governance performance and effectiveness.[18] Certainly, improvements in such measures might be influenced by other factors, but the reduction of corruption would also be a major ingredient.

As before, such a focus on accountability, transparency and governance needs to be decomposed into sub-goals – for example, to strengthen particular processes or institutions, or to improve auditing capacity, asset verification, open budget hearings, and so forth. Knowing how to set such sub-goals can be supported by detailed corruption assessments, as conducted with the USAID Anticorruption Assessment Handbook.[19]

The USAID Good Governance in **Georgia** project (2011-14)[20] is an example of such a de-emphasis of the word "anticorruption" while maintaining more positive sounding governance goals. The project sought to improve transparency and institutional efficiency and increase accountability at all levels of government by providing better services to citizens, as well as improving communication channels between governmental institutions and civil society. At the national level, the program promoted improved public administration, advancing public sector reform in target institutions using human and institutional capacity development approaches. At the municipal level, the program promoted more responsive, professional and engaged local governance. The project also provided greater space for civic engagement in ten cities across **Georgia**.

Targeting Particular Sectors

Where corruption exists, it can usually be found to pervade different sectors in somewhat different ways. Among the most pernicious corruption risks in the health sector deal with the procurement and distribution of pharmaceuticals and the bribes/gifts required to receive healthcare that is supposed to be provided for free. In the education field, salaries paid to "ghost teachers" and embezzlement of funds for textbooks and school buildings are frequently heard problems. The ways that corruption manifests itself in each sector depends on the flow of money, influence and power.

There have been insightful examinations of how corruption operates in many sectors and what can

[17] See final reports for these Ukraine MCC Threshold Programs: http://pdf.usaid.gov/pdf_docs/PDACR665.pdf; http://pdf.usaid.gov/pdf_docs/PDACQ648.pdf; http://pdf.usaid.gov/pdf_docs/PDACN921.pdf.

[18] See Chapter 6 in this Guide, and also Nikos Passas and Michael Johnston (2011) "Study Report on Anti-Corruption Measurement Methods:" http://www.academia.edu/1536609/Performance_indicators_-_governance_measuring_approach

[19] USAID Anticorruption Assessment Handbook *op.cit.*, and see Chapter 3 of this Guide.

[20] http://pdf.usaid.gov/pdf_docs/PA00JVTR.pdf

be done to stem its growth.[21] While there may be many similarities about how corruption impacts a particular sector across countries, there will always be differences. In some countries, for example, custom and tradition might strengthen the effects of nepotism or favoritism, but in other countries, control mechanisms might have been implemented that reduce the impact of these factors. See USAID's Anticorruption Assessment Handbook for detailed probing questions across 19 sectors to hone in on sectoral vulnerabilities and possible program solutions.

It is also important, as indicated earlier, to integrate anticorruption and/or governance goals into existing or future sectoral programming. Corruption mitigation is not a DG or EG problem exclusively; it is an obstacle that can impact many different development goals and all sectoral programming where corruption risks exist needs to incorporate anticorruption or good governance goals and measurement indicators to address the problem.

For example, the USAID **Philippines** Environmental Governance II (EcoGov) project (2004-11) contributed to good governance by developing a tool and process to assess environmental governance.[22] The Environmental Governance Guided Self-Assessment (GSA) was developed to measure the extent to which local governments adopted good practices in the sectors of forest/forestland, coastal resource, and urban environmental governance. Good governance was defined as including processes that are "participatory, consensus-oriented, accountable, transparent, responsive, effective and efficient, equitable and inclusive, and based on the rule of law" to ensure that corruption is minimized, the views of minorities are taken into account and the voices of the most vulnerable in society are heard.

The **Palestinian** Health Sector Reform and Development project (2008-14) worked with the Ministry of Health (MOH) to enhance its capacity as a service provider and regulator of the health sector by strengthening its institutional capacity, as well as that of partnering NGOs and academic institutions. With the help of the project, the MOH established a procurement committee to ensure a transparent and needs-based procurement process and initiated a financial management capacity strengthening program.[23] The project worked closely with the MOH in developing a national-level information management system that helps to manage pharmaceutical orders and enables hospital administration to control medical supply inventory, human resources administration, and facility finances. Digitizing the West Bank's health care system has improved hospital performance and accountability, decreased wait times for patients, and improved the MOH's ability to provide hospitals with necessary resources.

Other Programming Considerations

Programmers should consider various factors when determining whether to work in just one area or in several simultaneously. As well, the level of government political will for reform should be a primary consideration in determining whether programming at the national level is a wise investment of resources. Completion of the assessment outlined in the previous section will help programmers decide if any national level activity is warranted, if certain central government ministries or legislative body should receive particular attention, or if a local level focus holds the most promise. In addition, deciding on who should be the programs major counterparts is critical for implementation and sustainability.

Level. Programs need to be focused at either the local, regional or national levels.

- Where is the political will or champions for reform located?
- What is the most appropriate level for installing reforms that are sustainable and will have a meaningful impact on corruption?

Supply versus demand. It must be decided if programs are best implemented by government, by civil society or by both. Anticorruption programs are most effective when the host country is committed

[21] Bertram Spector, editor, *Fighting Corruption in Developing Countries* (Bloomfield, CT: Kumarian Press 2005), and J. Edgardo Campos and Sanjay Pradhan, editors, *The Many Faces of Corruption* (Washington, DC: The World Bank, 2007).
[22] Philippines EcoGov Final Evaluation, 2011: http://pdf.usaid.gov/pdf_docs/pdacr988.pdf

[23] Palestinian Health Sector Reform and Development Project. - Year 5 Annual Progress Report, 2013: http://pdf.usaid.gov/pdf_docs/PA00JVNB.pdf

and the program aligns with the government's priorities.

- If there is little political will or commitment to deal with corruption risks in government, can civil society and the media be handed the reins to advocate for such reforms?
- Are there ways to effectively design a comprehensive whole-of-government strategy that includes active dialogue and engagement of citizens, business and the media?

Prioritizing Anticorruption Interventions

Assessments typically identify too many issues for any one donor to address. First, when prioritizing interventions, it is essential to reflect on the anticipated impact on corruption. The impact is likely to be greater where interventions target the more damaging corruption issues identified in the assessment. Admittedly, identifying the more damaging corruption issues entails a subjective judgment, but the cost to people's well-being is one set of factors to consider and the cost to the legitimacy and effectiveness of government is another.

Second, prioritizing interventions should also reflect the likelihood of success. This likelihood will be higher where political will is strong and opposition is weak. The presence of champions both within and outside government can be a key factor in the decision to target specific sectors, functions or institutions. Again, experience has shown that anticorruption programs are most effective when they support efforts that have received commitments from host country counterparts and, more generally, align with government priorities. By the same token, the absence of strong opposition can be an important factor in USAID's decision. A focus on corruption involving the highest levels of government may be too politically sensitive in some contexts, for example, but administrative corruption may be a viable focus for USAID programming. While focusing reform efforts on petty corruption may seem incongruous if grand corruption is persisting, it may improve citizens' experience of public services while staying within the bounds of political feasibility. It may also help move the broader political culture toward opposing grand corruption.

Third, USAID officers should apply the "do no harm" principle to program prioritization. This entails considering the potential impact of anticorruption interventions on the personal safety of program beneficiaries and on sources of conflict between groups. Certain questions need to be asked. Do any of the proposed interventions put our partners at significant physical risk or have the potential to ignite conflict? Could the interventions be designed to minimize such harms? The riskier the intervention, the lower it should fall in the Mission's prioritization.

Finally, prioritization should also reflect Mission resources. In some cases, limited staff or budget resources mean that Missions cannot undertake standalone anticorruption programs, but must instead embed anticorruption efforts in other existing programming. The Mission's portfolio may then guide the prioritization of anticorruption efforts toward those sectors, institutions and functions where it is engaged. Improved efficiency, greater transparency, or a better business environment can be viable anticorruption entry points in this context. Coordination with other donors is another option.

Lessons from Past Experience

Multipronged, multi-sector and whole-of-government strategies are key to effective anticorruption efforts[24]

Several studies have shown the importance of multipronged, comprehensive and whole-of-government efforts that incorporate prevention, public education, and law enforcement.[25] For example, an analysis conducted by GAO of USG anticorruption programs implemented in sub-Saharan Africa between 2001 and 2002 found that out of 23 countries where anticorruption interventions were implemented, multipronged approaches were used in eight: **Benin, Ghana, Mozambique, Nigeria, Senegal, South Africa, Tanzania** and **Zambia**. While the majority of prevention and education efforts were implemented within USAID projects, enforcement interventions were typically addressed through Department of Justice activities. Taking into account restrictions on assistance in the law enforcement area imposed by

[24] US GAO, U.S. Anticorruption Programs in Sub-Saharan Africa Will Require Time and Commitment, GAO-04-506, April 2004
[25] Fagan and Weth, *op.cit.*

Section 660 of the Foreign Assistance Act of 1961, it is critical to ensure coordination among USG agencies and with other donors so that multipronged strategies are designed to complement and coordinate with each other. Donor coordination is also necessary to deal with limited funding and to maximize efficiency and effectiveness of efforts when planning for whole-of-government strategies.[26]

When you need to choose among types of interventions, many analysts agree that corruption prevention tends to be a more efficient path for programming strategies than a focus on investigations, in particular, in contexts where national judicial and law enforcement institutions are weak.[27] The World Bank came to the same conclusion, emphasizing that law enforcement, while key to fighting corruption, is most effective when combined with prevention and public education.

Moreover, in countries with a repressive political environment, it is usually advisable to avoid enforcement programming entirely. Some people may be considered "above the law" and those prosecuted may be selected based on biased criteria. In these circumstances, anticorruption actions may be transformed into a hunt for political opponents of the regime. Investment in strong legal constraints works best in developed institutional environments that have a strong rule of law tradition.[28]

Balance program complexity with timeframe and resources[29]

When programmers are designing anticorruption strategies, they need to strike a careful balance between the range of activities planned and the feasibility of their implementation within the project's timeframe. Many anticorruption strategies plan for comprehensive assistance in drafting and adopting relevant legislation in line with international standards, strengthening preventive capacities, increasing investigative and prosecutorial capacities to deal with corruption offenses, developing awareness-raising tools, and public outreach approaches towards corruption, among other activities. However, due to limited time horizons, the breadth of activities of such projects makes them vulnerable in terms of fulfilling expectations. It is better to plan longer term strategies for such complex initiatives or to take a more modest approach to strategy design if time is limited.

Projects with a lifespan of two years or less will be caught between different tensions: the need to quickly deliver activities versus rather slow political cycles in the country of implementation. Here are some examples of the challenges projects experience when implemented within very short periods of time:

- As with other MCC TCP projects, the two-year **Paraguay** TCP-I Fight Against Corruption and Impunity project had a broad scope of work: to strengthen the investigative capability and disciplinary system of the judiciary, internal government control systems and civil society participation in oversight activities at the Controller General's Office, the integrity of public registry information, and legislative oversight of public finances. While much was accomplished - including the design and installation of control and audit systems, training of hundreds of staff in administrative, ethical and technical skills, and procurement of data systems that offer improved transparency, accountability and control - the short duration sharply reduced the project's ability to impact critical systemic changes.[30]
- The **Djibouti** Anticorruption Program (DACP) promoted good governance and transparency of the public sector by working with the Office of the Inspector General (IGE) and Parliament and built public awareness about corruption and its impact. The short timetable - one-and-a-half year - limited the project's ability to build constituency support around key policy reforms. It also did not take into account delays that naturally occur when trying to engage a wide range of stakeholders, as the legislative and regulatory processes are generally slow. Thus, a longer time frame would be more suitable when

[26] Fagan and Weth, *op.cit.*
[27] NORAD, Contextual Choices in Fighting Corruption: Lessons Learned, Oslo (April 2011)
[28] NORAD (2011), *op.cit.*
[29] Vera Devine, "Lessons learned from the evaluation of five Council of Europe projects," U4 Practice Insight (2011:2)
[30] Paraguay Threshold Program I: Paraguay Threshold Country Program Fight Against Corruption and Impunity, Final Report, 2009: http://pdf.usaid.gov/pdf_docs/PDACQ482.pdf

seeking broad stakeholder engagement and a legislative or regulatory outcome.[31]

- The **Philippines** Economic Modernization through Efficient Reforms and Governance Enhancement (EMERGE) project had an ambitious objective to improve the country's economic policy environment through changes in policy, regulation, industry and government practices, and industrial relations related to trade, investment, and fiscal reforms. But the development, adoption, and full implementation of new systems and procedures take time to materialize. A short timetable limited the project from rolling out its automated Tax Compliance and Verification Drive (e-TCVD) and an automated system for calculating tax due nationwide. Finally, the short timetable did not account for political realities in the Philippines that require time for legislative action before reform proposals can be adopted and implemented.[32]
- An impact assessment of an OTI-funded anticorruption program in **Lebanon**[33] concluded that anticorruption programs need to be strategized from a long-term viewpoint. Institutionalization and sustainability need to be reasonable within the project's timeframe. It is not feasible to address anticorruption problems in a comprehensive manner within just a few years.

Overall, anticorruption reforms are difficult and they need a medium- to long-term approach in order to take effect. Project planning needs to reflect this.[34]

Making anticorruption objectives explicit facilitates better program outcomes[35]

When anticorruption is explicitly identified as one of the objectives of the overall strategy, project success in terms of anticorruption outcomes is more likely.

Analysis of USAID programs implemented between 2007 and 2013 showed that 64% of projects that had explicitly defined anticorruption objectives were effective in addressing corruption (see Annex A for a discussion of this analysis).

As an example, the Integrity Project (iPro) sponsored by USAID in the **Philippines** between 2009 and 2011 had an explicit overall goal of improved good governance in the Philippines by enhancing anticorruption efforts.[36] The project sought to enhance effectiveness and transparency in the management of corruption cases at the Office of the Ombudsman (the principal anticorruption agency at the central level) by strengthening the agency's capacity and supporting effective prosecution of corruption cases in the lower courts, and to introduce new anticorruption measures by cascading the fight against corruption to the local and regional levels. Among its many achievements, the project resulted in simplifying procedures for more efficient and effective investigation and prosecution of corruption cases, and harmonizing anticorruption and governance-related tools into a Local Development Initiative.

As we have pointed out earlier, for the most part, MCC TCP programs have had the best articulated anticorruption objectives. For example, the **Albania** Support to Millennium Challenge Account TCP project[37] clearly stated its objectives to reduce corruption and reform public procurement, tax administration, and business registration. To achieve these objectives, the project was tasked to remove opportunities for corruption in the tax administration office by reducing direct interactions between tax officials and taxpayers, implementing electronic government systems and promoting a transparent legal environment. In the procurement field, the project was explicitly structured to improve transparency and public scrutiny of the public procurement process, enable an oversight body by establishing the Ombudsman of Procurement, and implement e-procurement systems. Under the business registration reform component, the project was tasked to establish a one-stop shop for business registration, thereby

[31] Djibouti Anticorruption Program (DACP). – Final Report, 2010: http://pdf.usaid.gov/pdf_docs/PDACQ980.pdf
[32] Economic Modernization through Efficient Reforms and Governance Enhancement (EMERGE), Final Report, 2008: http://pdf.usaid.gov/pdf_docs/PDACS181.pdf
[33] USAID/Office of Transition Initiatives, An Impact Assessment of the OTI-funded Anti-Corruption Program in Lebanon (2001): http://pdf.usaid.gov/pdf_docs/pnacm303.pdf
[34] Devine, *op.cit.*
[35] Findings based on analysis of over 100 USAID programs implemented between 2007 and 2013 (see Annex A).
[36] Integrity Project Annual Report, December 2010: http://pdf.usaid.gov/pdf_docs/pdacu506.pdf
[37] Albania Support to Millennium Challenge Account TCP project, Final Report: http://pdf.usaid.gov/pdf_docs/PDACM504.pdf.

reducing administrative discretion and excessive personal interactions. The project resulted in a significant reduction of corruption in tax collection, public procurement and business registration. In addition, the project led to improved business satisfaction with government performance and eased the bureaucratic regulations imposed on the business environment, which typically reflects a reduction in corruption.

Having anticorruption objectives clearly established is crucial for the success of projects pursuing corruption, but it is still not guaranteed that such projects will achieve their anticorruption outcomes. For example, while the **Armenia** Mobilizing Action Against Corruption (MAAC)[38] (2007-2011) was explicitly targeted from the start to reduce corruption, it experienced many obstacles and challenges including lack of host government cooperation, which minimized the project's impacts on corruption overall.

With low political will, strategic goals should be rephrased to improve governance rather than to fight corruption explicitly

Under some circumstances – especially when there is minimal or questionable political will by government stakeholders or tenuous stability in the political economy – it is beneficial not to be so explicit about anticorruption goals, but to tell stakeholders that the objective of the programming strategy is to improve governance, accountability and/or transparency.[39] The strategy can focus, for example, on the incentives, interests and informal interactions among the key local stakeholders rather than on specific anticorruption reforms to be implemented in formal institutions.[40] It is probably best to seek out modest, less direct and less sensitive interventions that can produce some impact on corruption and lay the foundations for future programs.

For example, the **Vietnam** Support for Trade Acceleration Projects (STAR I and STAR II, from 2001 to 2010)[41] were built around the host country's goals of joining WTO and engaging in trade with the US. USAID's strategy was to emphasize these incentives upfront but pursue anticorruption goals indirectly by improving the legal and regulatory regime, harmonizing tariff systems, streamlining customs procedures and building capacity for legislative transparency and dispute resolution. The **Palestinian** Authority Capacity Enhancement (PACE) project pursued its indirect anticorruption objectives by focusing on the delivery of key public services, increasing financial transparency and accountability in public finance management, enhancing and sustaining the capacity of Palestinian Authority (PA) officials, and strengthening public communications and participation in PA decision-making.

Infuse anticorruption objectives into sectoral programming

It is established practice across all donors that an effective strategy should involve mainstreaming anticorruption measures throughout the donor's full program portfolio. If corruption vulnerabilities within each sector are reduced as part of larger cross-sectoral public management improvement programs, they are more likely to be successful.[42] Anticorruption interventions often suffer from inadequate cooperation between those working from a governance perspective and those working from an economics perspective.[43] But the effectiveness of anticorruption interventions can and should benefit from increased collaboration between the sectors.

[38] Mobilizing Action Against Corruption (MAAC), Mid-term Evaluation, September 2010: http://pdf.usaid.gov/pdf_docs/PDACR143.pdf

[39] Fagan and Weth, *op.cit.*

[40] Fagan and Weth, *op.cit.*; "Public Sector Reform: What Works and Why? An IEG Evaluation of World Bank Support," World Bank, 2008: http://web.worldbank.org/WBSITE/EXTERNAL/EXTOED/EXTPUBSECREF/0,,menuPK:4664077~pagePK:64829575~piPK:64829612~theSitePK:4663904,00.html.

[41] Performance Evaluation of the USAID/Vietnam support for Trade Acceleration (STAR) Project, May 2011: http://pdf.usaid.gov/pdf_docs/pdacs486.pdf

[42] Taryn Vian, William Savedoff and Harald Mathisen, editors, *Anticorruption in the Health Sector: Strategies for Transparency and Accountability.* (Sterling, VA: Kumarian Press, 2010)

[43] USAID Anti-Corruption Interventions in Economic Growth: Lessons learned for the Design of Future Projects (June 2006): http://pdf.usaid.gov/pdf_docs/pnadg601.pdf

An analysis of USAID programs implemented between 2007-2013 worldwide[44] shows that most calls for proposals for sectoral programs rarely included anticorruption as an explicit or cross-cutting theme. But, when calls for proposals did incorporate explicit anticorruption objectives, even in cross-sectoral programs, there were positive results for reduced corruption. This was true for MCC Threshold Country Programs targeting corruption in education, business licensing and justice sector in Ukraine; public procurement, tax administration, and business registration in Albania; and procurement in Kenya, among others.

Weave governance into sectoral programs

Better governance cannot be treated as a standalone activity, but instead should be integrated across all parts of the health system. Governance structures and processes influence how actors in the system are linked and interact, and ultimately affect the quality and sustainability of health services. To ensure strong governance, improved structures and processes should be woven into health systems strengthening interventions from the beginning.

Source: Health Systems 20/20. – Final Report, 2012.

Do not shy away from grand corruption strategies

While the majority of USAID anticorruption programs since 2007 have been focused on addressing administrative corruption with success in 66% of cases, a smaller number of programs targeted grand corruption but had even greater success. 75% of all USAID anticorruption programs that targeted grand corruption achieved successful anticorruption outcomes.[45] To be able to address grand corruption and expect success, political will and commitment from the host government is critical. Almost 90% of the USAID projects that tackled corruption and were deemed to be successful reported strong or acceptable levels of political will and cooperation of the government.

Grand corruption involves high level officials and large financial rewards, such as public procurement fraud, voter fraud, kickbacks, extortion, patronage and nepotism, among others. The **Egypt** Technical Assistance for Policy Reform II project (2005-2010) targeted big business reforms and customs. The project implemented many initiatives, simplifying and streamlining business process in public finance, taxation and customs. For example, the project contributed to improvements in several World Bank Doing Business indicators, which indirectly indicate reduced opportunities and practices of corruption, including a reduced number of days (from 14 to 8.6) to comply with all procedures required to import goods and a reduction in the weighted average tariff rate on imported goods from 14.6 to 6.9.

For the Aceh Technical Assistance Recovery Project (2005-2008), the anticorruption component focused on ensuring accountability for the billions of dollars in donor aid sent to help **Indonesia** recover from the effects of the tsunami. The project established an effective complaint and investigative system that resolved 98% of all cases, earning it a solid reputation for deterring high level corruption.

The Financial Services Project in **Egypt** (2004-2010) assisted the government in building market infrastructure with significant oversight and controls to strengthen the real estate finance sector without the threat of corrupt practices.[46] The anticorruption success of the project was measured, in part, by improvements in "doing business:" by the end of the project, the number of days required to legally register property dropped from 193 days to 72 days and the cost to do so dropped from 6.8 percent of the total property value to 0.9 percent. Other similar indicators showed significant improvement in the speed and quality of government services that could be directly related to project initiatives. The project worked with both public and private entities and cooperated and coordinated its efforts with other donor agencies including the World Bank, the International Finance Corporation, the European Union, the Canadian International Development Agency, and complementary USAID projects. To achieve its objectives, USAID/Egypt worked with representatives from the Government of Egypt's ministries of Investment, Finance, Justice, and State

[44] Svetlana Winbourne and Bertram Spector, "Analysis of USAID Anticorruption Programming Worldwide (2007 - 2013)," (2014): http://pdf.usaid.gov/pdf_docs/pa00k4k6.pdf.

[45] Findings based on analysis of over 100 USAID programs implemented between 2007 and 2013 (see Annex A).

[46] USAID Office of the Inspector General, Audit of USAID/Egypt's Financial Services Project, Audit Report No. 6-263-10-002-P, November 30, 2009: http://oig.usaid.gov/sites/default/files/audit-reports/6-263-10-002-p.pdf

and Administrative Development, as well as the Central Bank of Egypt.

A number of MCC TCP projects targeted grand corruption. For example, the **Indonesia** Control of Corruption Project (part of the MCC TCP) (2007-2009) promoted an anti-money laundering program among non-bank financial institutions while enhancing investigative capacities. Two consecutive MCC TCP projects in **Albania** worked in a wide range of sectors targeting grand corruption in public procurement, tax system, and business environment by implementing e-tools, improving policies and procedures, and strengthening public scrutiny of government performance.

Address traditional and engrained cultures of corruption when developing appropriate programming responses[47]

In many countries, corruption is so commonplace that it has become embedded in the culture and sophisticated formal and informal networks have evolved for exchanging favors through use of public office. Acts which would be deemed corrupt by international standards are viewed as a virtual entitlement by some. For example, buying civil service jobs, giving gifts to teachers, and kickbacks for favorable treatment of public procurement bids are very commonplace in many societies and might not even be recognized as corruption by some citizens.

This attitude quickly spirals into demanding greater payment based upon a perceived ability to pay or taking advantage of people in vulnerable situations, such as those in need of medical care, those enmeshed in the criminal system or in matters relating to family members. From the citizen side, people have invested effort and resources to develop intricate networks that allow them to "work the system." The notion of paying a bribe to expedite services or receive benefits they are not otherwise entitled to infiltrates their mentality and is viewed as just an ordinary part of life.

Efforts to change these attitudes and behaviors are, by their very nature, incremental and long term. Changing the culture of corruption takes the involvement of large groups of public officials and private citizens to make a concerted effort to refuse corrupt practices. "Just say no" campaigns, research programs and investigative media reports that expose the costs of corruption on society in a very detailed way can slowly have an impact on changing the culture of corruption. In conjunction with these public awareness initiatives, naming and shaming public officials that abuse their power for private gain can also eat away at the culture of corruption in a very local and visible way.

One of the most difficult aspects of encouraging such a cultural shift is to demonstrate a way forward without corruption. For example, development of government ethics codes at all levels, followed by large scale training, can engage large numbers of people but can also establish some level of mutual commitment among officials throughout the entity. Although difficult to quantify concrete changes, it is nonetheless heartening to learn that in **Indonesia** 83 percent of the 2,251 judges trained on a new Code of Conduct said they had changed their attitudes or behavior since the training. In **Paraguay**, more than 600 members of the judiciary sought advice from the newly-created ethics board.

Comprehensive programs that integrate both supply- and demand-side anticorruption initiatives may be most effective

A number of studies point at the need to strengthen both and supply- and demand-side initiatives together. A multi-donor evaluation commissioned by seven Development Assistance Committee (DAC) donors looks at 90 interventions to strengthen citizens' voice and state accountability.[48] It finds that donor initiatives often focus either on voice or accountability, but that both are needed to improve governance and development outcomes. Similarly, a World Bank evaluation of governance and anticorruption interventions between 2008 and 2010 stresses that weak demand-side pressures and external accountability can undermine supply-side

[47] "Lessons Learned Fighting Corruption in MCC Threshold Countries: The USAID Experience" (2009): http://pdf.usaid.gov/pdf_docs/pnads603.pdf

[48] Alina Rocha Menocal and Bhavna Sharma, "Joint Evaluation of Citizens' Voice and Accountability: Synthesis Report." London: DFID (2008): https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/67739/voice-accountability-synthesis.pdf

efforts.[49] It notes how such demand-side pressures as vouchers or community involvement in managing schools can buttress state accountability systems in the education sector. As well, external monitoring of expenditures and procurement--by competitors, contractor associations or civil society--can buttress state systems in road construction.

Supporting these findings, research by the Development Research Center drawing from more than 150 case studies over a decade shows that citizen action in promoting good governance becomes most effective through strategies that build alliances, mechanisms and platforms linking champions of change from both state and society rather than treating citizen action and government initiatives in isolation.[50]

A review of more than 300 USAID anticorruption programs implemented between 2007 and 2013 also makes this recommendation.[51] In this review, the majority of programs working on the supply side had rather narrow interventions on the demand side because they were not well equipped for working with civil society. In some countries, standalone civil society programs engaged CSOs, businesses or the media in advocacy and watchdog activities. The results from these programs showed that a combination of top-down and bottom-up approaches was very effective for ensuring government accountability in carrying out reforms as well as sustainability of the reforms. The review noted that if separate supply and demand programs are implemented, they should be coordinated with each other. For example, a program in the health sector working on the supply side should be complemented with a civil society program focused on health issues that monitors healthcare service delivery to keep government accountable.

Supply and Demand Together: Financial Management in Guatemala

As part of **Guatemala**'s public financial management reforms, a new framework for municipal financial management was implemented in more than 200 municipalities to improve both efficiency and transparency. In parallel, a citizen-oriented portal, Consulta Ciudadana, was established to offer user-friendly applications to facilitate access and interpretation of complex financial reports. Taken together, these measures have enabled citizens to access information about basic local government financial and procurement processes. Additional demand-side training efforts have been launched to empower citizens, some of whom expressed discomfort with the quality, accessibility, comprehensiveness, accuracy, and consistency of fiscal information.

Source: "World Bank Country-Level Engagement on Governance and Anticorruption," 2011.

Seek out strong donor coordination of programming

Because of the whole-of-government nature of comprehensive anticorruption programming, donor coordination is essential.[52] Donors have, by and large, strengthened their coordination on

Monitoring and Sanctions Combined: Audits in Brazil

Taking advantage of a federal anticorruption program that randomly assigned municipalities to be audited, researchers in **Brazil** compared the electoral outcomes for mayors in two groups of municipalities: those that were audited before and those that were audited after the 2004 election. This provided an opportunity to observe whether voters' access to information prior to the election about politicians' corruption levels affected reelection rates for incumbent mayors.

The research found that publicly released audits reduced reelection of corrupt incumbent mayors and this effect was more severe in municipalities with a local radio station. In municipalities where two corruption violations were reported, the release of information reduced the incumbent's likelihood of reelection by 7 percentage points. In municipalities where two violations were reported and a radio station existed, the release of information reduced the incumbent's likelihood of reelection by 11 percentage points. When corruption was not found in a municipality with a local radio station, audits increased the likelihood that the mayor was reelected by 17 percentage points.

Source: "Exposing Corrupt Politicians," The Abdul Latif Jameel Poverty Action Lab Policy Briefcase, December 2011.

[49] "World Bank Country-Level Engagement on Governance and Anticorruption: An Evaluation of the 2007 Strategy and Implementation Plan," World Bank (2011): http://ieg.worldbank.org/Data/reports/gac_data_disclosureoct27.pdf

[50] Citizenship DRC, "Blurring the Boundaries: Citizen Action across States and Societies," The Development Research Center on Citizenship, Participation and Accountability (2011).

[51] Winbourne and Spector, op.cit.

[52] NORAD, "Joint Evaluation of Support to Anti-Corruption Efforts, 2002-2009" Oslo (August 2011).

anticorruption programs in recent years through joint programs or shared governance analyses. But far more can be done to ensure their interventions are mutually reinforcing on the ground. In some cases, donors have set up specific multi-donor coordination platforms on anticorruption, while others have worked with existing governance working groups and sub-groups.

Joint programming has been another avenue for strengthening donor coordination. Although the move to basket funding mechanisms has helped to strengthen donor coordination in some countries, donor anticorruption interventions have remained largely fragmented, which has in turn undermined their overall effectiveness. Joint funding mechanisms appear to be both the cause and effect of successful donor coordination in anticorruption-specific activities. But donors can still do more to ensure that their interventions are complementary and mutually reinforcing.

Comparisons of multi-donor activities suggest that it is advisable to adopt a coordinated approach to anticorruption. Practical steps include, for example, working towards a shared long-term vision on anticorruption between bilateral and multilateral agencies; reinforcing complementarity on the ground, possibly through joint funding mechanisms; and using general budget support and other forms of coordinated dialogue to identify possible gaps in funding.

In some cases, projects can serve as catalysts for donor coordination or provide technical expertise for donor coordination bodies. For example, throughout its project lifetime, the Mainstreaming Anticorruption for Equity (MAE) project in **Cambodia** served as a technical advisor to the Anti-Corruption Informal Donor Working Group (ACIDWG). Membership in this group included USAID, UNDP, World Bank, ADB, EU, DANIDA, JICA, and others.[53] Starting in 2004, the group met periodically to address issues of mutual concern, especially regarding the development of anticorruption and freedom of information legislation. A key accomplishment of the ACIDWG was incorporating the passage of international standard anticorruption legislation into the Government-Donor Cooperation Committee (GDCC) Framework. This meant that passage of these laws would be an ongoing subject addressed at the annual Government-Donor review process. Critically important was the leadership of USAID which ensured that the working group collectively resisted funding any further anticorruption activities proposed by the Government until the anticorruption laws that met international standards was passed (which finally occurred in March 2010).

It is essential to include strong anticorruption controls when designing major development assistance programs[54]

U.N. Secretary-General Ban Ki-moon has said that 30 percent of all foreign aid is lost to corruption.[55] All donors are cognizant that development funds can be targets of corruption, especially during rapid rollouts of emergency or humanitarian aid. Anticorruption defenses designed into the programming of these and all major interventions are prudent to ensure that development objectives are achieved.

The Hurricane Mitch Reconstruction Program in **Honduras** (1998), under the congressional appropriation for the Central America and Caribbean Emergency Disaster Recovery Fund (CACEDRF), is a useful model. It included an early corruption risk assessment and assigned high priority to accountability, incorporating it into the program design. CACEDRF successfully protected program funds (reaching $621 million) against corruption. The risk of corruption was high because of the program's large size, the requirement to meet urgent needs, a close-in deadline, and weak internal control and law enforcement mechanisms in the hurricane-affected countries. Nevertheless, after more than two years of close monitoring, USAID's Office of the Inspector General (OIG) found only minor problems: these were mostly associated with mismanagement, not malfeasance. Over the duration of the program, questioned costs as a percentage of total audited costs fell from 7 to 2 percent. The key characteristics of the CADEDRF model were: (a)

[53] Cambodia Annual Report, Sept-2009: http://pdf.usaid.gov/pdf_docs/Pdacp461.pdf

[54] USAID, "How USAID Safeguards Against Corruption Can Be Used by the Millennium Challenge Account," Issue Brief No. 3, June 2003, Bureau for Policy and Program Coordination, PN-ACT-341: http://pdf.usaid.gov/pdf_docs/pnact341.pdf

[55] Secretary-General's closing remarks at High-Level Panel on Accountability, Transparency and Sustainable Development, 9 July 2012: http://www.un.org/sg/statements/index.asp?nid=6185

early corruption risk assessment, (b) top priority given to accountability by the leadership, (c) incorporation of accountability mechanisms into program design (notably, concurrent audits), (d) a willingness to dedicate resources to accountability early on, (e) close donor coordination on the corruption issue, and (f) initiation of civil society programs promoting corruption awareness. The OIG viewed this approach as so successful that it applied the model to activities in **Mozambique** and **Madagascar** under the Southern Africa Flood Rehabilitation and Reconstruction Supplemental Appropriation, and to activities in Central Asia, especially in **Pakistan** and **Afghanistan**.

* * *

Based on this discussion, programmers should consider the following questions when planning anticorruption strategies:

- Would it be acceptable to target anticorruption issues explicitly in a very broad sense or should the strategy be framed as addressing anticorruption explicitly but in specified sectors, functions or institutions?
- Would it be easier to launch programs that have anticorruption objectives, but are framed instead as programs aimed at strengthening accountability, transparency or governance?
- Are anticorruption initiatives better framed at the intersection of sectoral and governance programs?

IV. PHASE 3: SELECTING ENTRY POINTS

After the assessment is complete and strategies have been identified, entry points must be examined. An entry point is the initial programming opportunity - the strategic doorway - that will allow USAID to anchor its program and optimize overall impact. Ideally, the programming entry point offers a tangible focus for both local attention and donor assistance. An entry point may offer ideas on what to do first and provide an opportunity to fill an important gap. Often, the entry point will lead to a broader spectrum of activities.

The entry point depends heavily on available programming resources and the opportunities or constraints present in the country. There is no particular limit on the number of entry points involved. Two or more entry points may emerge at the national and/or local levels. As the programming officer weighs options in the strategic focus area against available resources, the entry points that promise to have the greatest impact should emerge.

You want to select an entry point for the intervention where there are sufficient resources and technical skills to implement the activities effectively. Where these are lacking, either preliminary work is required to get the stakeholders up to speed or alternate stakeholders need to be found.

Following is a list of potential entry points and the strategy that might be involved in using each one.

Champions

Finding leaders in government or civil society who are proponents of reform and change are obvious hooks for initiating interventions that have a chance of being accepted. Such champions – in government, civil society, the mass media or business – should emerge from the stakeholder analysis conducted in the assessment phase. If they can be engaged effectively in the program design that would sharpen their interest and motivation to support and lead during the implementation phase. And certainly, the buy-in of these champions, being local stakeholders, can only serve to support longer term sustainability of any intervention.

Legal/Institutional Entry

Administrative law identifies the standards and procedures by which decisions are made and public services delivered to ensure the system is fair, transparent and accountable.[56] Based on these standards and the Phase 2 assessment, actors and/or institutions that have the mandate for following through on certain types of interventions, and who thereby would be obvious starting points, can be identified. Early discussions with such actors and institutions could reveal potential interest, obstacles and challenges.

Turning Points

Certain watershed moments can offer unique opportunities for introducing anticorruption initiatives. These might include environmental emergencies, humanitarian crises, human rights crackdowns, changes in political leadership, and offers of diplomatic incentives, among others. At such turning points, stakeholders may be open for transformational adjustments to pervasive cultures of corruption.

Other Donors

Other donors may already be sponsoring anticorruption programs and have found effective stakeholders to carry out their activities. You may be able to ride their coattails, but need to be aware of not overburdening local champions beyond their capacity or resources.

Lessons from Past Experience

Finding the political will to fight corruption is critical but may change over time[57]

Donors and international groups generally agree that political will and commitment from a country's

[56] Using Administrative Law Tools and Concepts to Strengthen USAID Programming, http://pdf.usaid.gov/pdf_docs/PNADK999.pdf

[57] US GAO, "U.S. Anticorruption Programs in Sub-Saharan Africa Will Require Time and Commitment," GAO-04-506 (April 2004): http://www.gao.gov/products/GAO-04-506

leadership are instrumental to implement and sustain anticorruption reform efforts. However, sustaining political will can sometimes be difficult for elected officials, because their ability to stay in office can be challenged by those with vested interests in the current system of corruption. While political will may be uneven across government, working with leaders who are committed to sustaining and advancing reform is crucial.

Political leadership

Unlike the delivery of technical assistance in other less sensitive issue areas, implementing programs in anti-corruption explicitly requires both political support and concrete political leadership due to the sensitivity of the issue and the implications it has for matters ranging from honor to criminal sanctions. Often, anticorruption efforts can have a political endorsement but lack the concrete action required to bring about results.

Source: Djibouti Anticorruption Program (DACP). Final Report, 2010.

The existence of political will by the state to reform highly corrupt institutions needs to be assessed by how government puts that will into practice, not only by what it says.[58] Only experimenting with accountability/transparency initiatives and making speeches but not fully institutionalizing or funding reforms may cause the state's commitment to accountability to be questioned. Moreover, it is important to assess whether champions and allies of reform who broadcast their political will to act against corruption may be constrained by broader systemic and institutional factors.

Political will is also subject to change as a result of government turnover and elections. Upcoming elections and possible leadership changes in counterpart institutions need to be factored in by allowing reasonable flexibility for the program.

- For example, political instability and uncertainty prevented the development of a sustained environment conducive to policy changes in **Bosnia.** This also hampered implementation of the Governance Accountability Project, Phase II (GAP2) project. During the life of the project, general elections (2010) and local elections (2008 and 2012) adversely affected implementation of activities. After each election, the project had to rebuild the political will for reforms with new officials, which was a time-consuming process.[59]
- In **Ecuador**, the "Si, se puede! Anti-Corruption-Ecuador" project had to abandon its support for implementing the Ecuadorian Anti-Corruption System (SAE) after the person responsible for the SAE left the government in a major change of course and policy.[60]
- The Strengthened Rule of Law and Respect for Human Rights Program in **Nicaragua** canceled its assistance to the Attorney General Office's (AGO) to improve investigation and prosecution of corruption and establish a citizen complaint office, because the new administration shifted the priority area of work for the AGO that resulted in a lack of political will.[61]
- The Enhanced Governance through Anticorruption Efforts in the **Philippines** had to shift its assistance halfway through the program from the Office of the Ombudsman (OMB) to the Presidential Commission for Good Government (PCGG) chiefly due to the impeachment of the Ombudsman, which distracted government partners and rendered the technical assistance program extremely problematic.[62]

Political will may not be consistent at all levels or across the government. This is particularly true when political will at the highest levels of government is questionable or high level reform champions are unable to build support around reforms. Lack of consistent political will created difficulties and delays in implementing activities for programs in **Kenya**,[63] **Zambia**,[64] and **Albania**,[65] among others. Many

[58] McGee, R. & Gaventa, J. (2010). "Review of Impact and Effectiveness of Transparency and Accountability Initiatives." Brighton, UK: Institute for Development Studies: http://www.ids.ac.uk/files/dmfile/IETASynthesisReportMcGeeGaventaFinal28Oct2010.pdf

[59] The Governance Accountability Project, Phase II (GAP2) project in Bosnia, Final Report (2012): http://pdf.usaid.gov/pdf_docs/PDACY306.pdf

[60] Project "Si, se puede! Anti-Corruption – Ecuador," Final Report, 2006: http://pdf.usaid.gov/pdf_docs/PDACI038.pdf

[61] Strengthened Rule of Law and Respect for Human Rights Program, Final Report (2009): http://www.funides.org/uploads/USAID-Nicaragua-Rule-of-Law-$11MM-Chechi.pdf

[62] Enhanced Governance through Anticorruption Efforts in the Philippines, Final Report (2011): http://pdf.usaid.gov/pdf_docs/PDACT289.pdf

[63] Reforming the Public Procurement System (RPPS I & II). Final Report: https://sites.google.com/a/usaid.gov/drg/home/about-1/drg-center-teams/governance-and-rule-of-law/anticorruptionmapping

[64] Zambia Threshold Project (ZTP), Final Report (2008): http://pdf.usaid.gov/pdf_docs/PDACL989.pdf

projects found it instrumental to identify strong champions and direct support to those able to carry on reforms and mobilize support and resources around the reforms.

Identify and empower local champions

Democratization efforts to increase transparency and accountability, and steps to reduce corruption often face vested interests opposed to change. For implementers, it is important to not only identify these potential obstacles and work around them if possible, but to identify, work through, and empower the reformers.

Source: Kazakhstan Judicial Assistance Project. Final Report, 2009.

Diplomatic incentives can boost political will for anticorruption reforms

Using incentives to garner the government's political will to implement anticorruption reforms is built into many programs.[66] Incentives can be monetary in nature, such as promises of grants, loans or favorable trade agreements, or non-monetary, such as promises of security alliances. MCC TCPs, for example, use the incentive of becoming eligible for Compact assistance to get host countries supportive of anticorruption initiatives. However, there are several cautionary lessons that suggest tempering the way that incentives should be used.

Incentives must be well-defined and reasonably within a country's controllable interest. Incentives that are illusory can damage the relationship with the host government and result in backsliding from the very reforms they are intended to promote. While the "MCC Effect" of stimulating reforms in order to become eligible for compact assistance has prompted significant activity, MCC is grappling with the problem where the incentive has been effectively revoked or substantially altered. **Ukraine** provided an unfortunate example of this. Early in the implementation of its threshold program, it became eligible for compact consideration based upon its indicator scores. Shortly thereafter, Ukraine advanced from the lower income category of countries (LIC) to the lower-middle income category (LMIC). Crossing from LIC to LMIC status puts countries in a more advanced pool of nations against which they are judged, and often results in apparent deterioration as the indicator scores are relative to the other countries in the pool. As a consequence, not only was the "incentive" substantially different from what had been originally envisioned, but Ukraine ultimately fell out of contention for the Compact despite having achieved some meaningful reforms through its TCP in an absolute sense.

Premature awarding of incentives can undermine commitment to ongoing reforms. The reverse of an illusory incentive structure, prematurely awarding the incentive, can also be problematic. Several countries have become eligible for compact consideration during the course of implementation of the TCP, as is envisioned and hoped for by design. However, when this occurs early in the course of implementation of a threshold program, it can eviscerate the impetus behind the reform. This is particularly true where a country's improvement on the MCC indicators is more attributable to the relative scores of other countries than to improvement in absolute terms. **Moldova**, in particular, cited this phenomenon.[67] Moldova qualified for compact eligibility within months of starting implementation of the TCP, dispelling two important assumptions: that Moldova needed to work on its corruption problem and that good performance on the TCP would lead to compact eligibility. The government began diverting resources away from the implementation of the threshold plan to commence preparation of a compact proposal. Further, the sense of urgency for anticorruption reforms was lessened. Consequently, when using any incentive structure, the timing of the award can be just as important as consistency and attainability of the reward.

Sometimes, donors can use their political weight, reputation and incentives to stimulate the political will of government leaders.[68] If future budget support is conditional on procurement or PFM reforms, for example, that can often be sufficient leverage for motivating progress toward building the political will for other anticorruption reforms. Among examples of financial incentives is the MCC program which boosted political will in a number of countries for implementing aggressive multi-sectoral anticorruption programs by committing substantial funds for Compact countries.

[65] Support to Albania's Millennium Challenge Account Threshold Agreement (MCCA1 & 2), Final Report (2008): http://pdf.usaid.gov/pdf_docs/PDACM504.pdf

[66] Lessons Learned Fighting Corruption in MCC Threshold Countries, *op.cit.*

[67] Moldova Threshold Program: http://www.mcc.gov/pages/countries/program/moldova-threshold-program

[68] Devine, *op.cit.*

For countries in Eastern Europe, the prospect of joining the EU served as a strong incentive to address corruption. The prospect to join international, regional or bi-national trade agreement incentivized countries to adopt international standards in legislation and practices resulting in reduced opportunities to corruption. Prestige and inclusiveness is another incentive that draw countries into joint international initiatives, like the Open Government Partnership or the Group of States against Corruption (GRECO), as well as ratifying international or regional instruments, including the UN Convention Against Corruption, among others.

Finally, integrating anticorruption programming with domestic priorities and approaches improves the likelihood of enjoying sustained political will.[69] Sustained political will is essential to the success of any anticorruption program. The MCC TCP experience has shown that technical assistance that coincides with domestic strategic approaches and utilizes existing institutional structures has been more successful. For example, **Zambia** already had an anticorruption strategy, with an Anticorruption Commission as its implementing agency. The TCP grafted its activities to these established priorities. The Strategy called for a significant shift from investigation and prosecution to a preventive approach, building relationships with other anticorruption-minded groups. Supporting these priorities eased the implementation process and likely made the interventions more sustainable.

Strong political will encourages civil society and government stakeholders to work together for effective programming results[70]

When the host government's political will is strong, projects that engage both civil society and judicial counterparts working together are more likely to be successful. (Analysis of more than 100 USAID projects showed that more than 70% of cases involving civil society and judicial counterparts were successful when government's political will was strong.) Government buy-in to anticorruption programs appears to encourage interested stakeholders – both inside and outside of government – to engage actively in the initiatives, thus creating a coalition for reform and a greater likelihood of successful outcomes.

For example, the **Georgia** Judicial Administration and Management Reform (JAMR) project (2007-2011) was implemented as part of the comprehensive country reforms strongly pushed by the highest level of the government. This translated into a serious commitment by Georgia's judiciary to promote judicial independence and strengthen its capacity. JAMR activities contributed directly to anticorruption impacts by increasing transparency and consistency in court operations. New courtroom regulations and systems, case management system automation, procedural streamlining, information desks in the courts, and public awareness outreach made court operations more uniform, accountable and transparent. Court personnel were trained in court management and customer service, and professional court managers were hired to provide for a more accountable judicial system.

Secure and maintain stakeholder commitment to achieve anticorruption goals[71]

Local stakeholder commitment, political will and ownership by host governments and their civil societies are important for programs in any sector but it is significantly more crucial for anticorruption programs.[72] This was emphasized by many studies and was confirmed by the analysis of past USAID projects (see Annex A) that showed that more than 68% of projects enjoying strong government political will and about 66% with strong nongovernmental sector political will were successful in addressing corruption.

It is important to secure not only declarative, but genuine, commitment of the counterparts on the highest levels and ensure that such commitment is filtering down to the level of immediate project counterparts and maintained during the time of project implementation. Experience of uneven commitment that hindered achieving results was reported by a number of USAID projects. But there have been examples of how strong political will and commitment successfully advanced reforms promoted by projects and in some cases were true engines pushing projects

[69] Lessons Learned Fighting Corruption in MCC Threshold Countries, *op.cit.*
[70] Findings based on analysis of over 100 USAID programs implemented between 2007 and 2013 (see Annex A).
[71] Findings based on analysis of over 100 USAID programs implemented between 2007 and 2013 (see Annex A).
[72] Fagan and Weth, *op.cit.*

forward. Among such examples is the **Georgia** Business Climate Reform (GBCR)[73] success which was greatly facilitated by the dedication of the host government to rapid and bold reforms. The project was challenged, keeping up with the fast pace of the reforms implemented by the government and had to respond effectively to critical and specific needs on a timely basis with high professionalism.

The MCC TCP programs provide the most illustrative cases of securing stakeholder commitment within and outside of the host country government during the design of the programs and its implementation. For example, in preparation for the MCC TCP in **Zambia,**[74] USAID facilitated establishing an inter-ministerial team that worked closely with stakeholders in civil society and the private sector in the development of the Threshold Country Plan (TCP), thereby engaging all stakeholder interests and cooperation. All stakeholders were also members of a steering committee that directed and oversaw the TCP's implementation. The formal agreement signed between the USG and the Government of Zambia (GOZ) and the GOZ obligations to provide cost-share resources solidified country commitment on the highest level. The program was focused on preventive and educational types of activities, including building the capacity of the Anti-Corruption Commission (ACC), supporting establishment of internal watchdog units within participating institutions, promoting efficient citizen monitoring and reporting mechanisms, and implementing institutionally-tailored regulatory reforms, among many others. As well, the program worked with the ACC to design and implement a program to fight administrative corruption through improving governance and emphasizing corruption-free, integrity-based services. Securing commitments of the stakeholders was a significant factor in program achievement. The program contributed to a reduction in extortion and bribery and changed attitudes towards government transparency and efficiency. The program also reported improved transparency and accountability and expanded an inter-institutional alliance against corruption, including Africa's first Advocacy and Legal Advice Centre.

The Mainstreaming Anticorruption for Equity (MAE) program in **Cambodia** resulted in passage of an anticorruption law, mobilization of over 1 million Cambodians through a door-to-door petition campaign and development of a Freedom of Information Law.[75] But the project did not establish any formal agreement with the government that would have given MAE a direct counterpart to work with and greater insight into the Government's thinking. Without this agreement, MAE could not influence the Government from within, and was forced to work more with civil society and the private sector, which had limitations, not the least of which was their capacity to understand and take action on corruption issues. As well, the ruling party was not a single-minded body; there were some leaders within the party that saw the benefits of anticorruption efforts and others, not so much.

Experience shows, though, that even in programs like MCC TCP, where USAID puts significant effort in securing country commitment at the highest level, it does not always filter down to the level of immediate counterpart institutions or remains uneven across agencies. For example, the **Paraguay** TCP-I Fight Against Corruption and Impunity project[76] experienced lack of political will in a number of counterpart organizations that caused significant delays and impeded the project's achievements. At the same time, the project enjoyed strong support and commitment from one of its counterparts – the Office of the Comptroller General – that facilitated successful implementation of many significant reforms, including the development and adoption of ethics standards and Quality Management Systems (QMS) for seven participating institutions, development and implementation of a Standard Model of Internal Control for the Public Sector (MECIP) in all Government institutions, adoption of a Government Auditing Standards Manual in three independent supervisory institutions, and establishment of a Civil Society Social Audit Unit enabling civil society oversight of public expenditures, among others achievements.

[73] Georgia Business Climate Reform (GBCR), Final Report (2009): http://pdf.usaid.gov/pdf_docs/PDACN591.pdf

[74] Millennium Challenge Corporation Threshold Country Program, Final Report Zambia (May 2009): http://www.mcc.gov/documents/reports/content-report-121510-zambia-threshold-final-implementation-report.pdf

[75] Cambodia Annual Report, Sept-2009: http://pdf.usaid.gov/pdf_docs/Pdacp461.pdf

[76] Paraguay Threshold Program I: Paraguay Threshold Country Program Fight Against Corruption and Impunity, Final Report (October 2009): http://pdf.usaid.gov/pdf_docs/PDACQ482.pdf

Strong Sense of Ownership

"… the demand-driven, market-based, country-owned approach to the EMERGE TA [technical assistance] was an essential ingredient in the success of the project. The approach ensures a strong sense of ownership to the policy reform by counterparts, resulting from involvement by government counterparts in the conceptualization, design, and implementation of the TA. In return, the participation and commitment of government counterparts in the entire process is encouraged. The good working relationship of EMERGE consultants with these counterparts is critical in creating an environment which makes this possible."

Source: Philippines Economic Modernization through Efficient Reforms and Governance Enhancement (EMERGE) project, Final Report, October 2008.

Political-economic transformation often creates the opportunity for effective anticorruption initiatives[77]

Reformers should look for social and political influences on the climate for reform and search for promising moments to implement anticorruption interventions. These are likely to coincide with changes in the equilibrium of political power or situations that can cause social or political stress, such as the election of new leaders, a high-profile scandal, an economic crisis, a natural disaster or humanitarian emergency or a senior-level appointment. Internationally, prime situations include a country's commitment to a regional treaty or accession to an international alliance.[78]

For example, in the last two decades, presidential election campaigns in many countries have highlighted the fight against corruption. In **Tanzania**, for instance, both the former and the current presidents placed anticorruption at the center of their campaigns. In both cases, it opened opportunities for donors who were anxious to turn their words into deeds. This resulted in the passage of key anticorruption legislation, developed nationwide strategies, and set up dedicated anticorruption institutions. Although the country still has a long way to go to clean itself up, and the former president slipped in his promises and was himself criticized for ineffectiveness in addressing corruption and for his lavish spending, Tanzania outperformed most of its neighbors in East Africa in international anticorruption rankings.

Similarly, the Rose Revolution in **Georgia** created momentum for outstanding reforms in many areas, with anticorruption as a centerpiece. Robust, sweeping reforms in the justice sector, economy, education and other areas were supported by many donors and the country made significant progress in eradicating corruption on both administrative and grand levels. In **Ukraine**, public outrage with widespread corruption was among several key factors for ousting the president and his administration in late 2013 and placed anticorruption at the top of the presidential and parliamentary election agenda. The donor community, while pledging strong support to the new Ukrainian administration, is conditioning its assistance on the passage of anticorruption reforms and government commitments to implementing them quickly.

Strong democracies offer meaningful entry points, but this can be moderated by political economy constraints[79]

Research indicates that the level of democratization in a country is highly significant in identifying opportunities for introducing anticorruption strategies and the extent to which they are likely to be successful. In high democracy situations, where essential freedoms of association, voice, media, etc., are strong, citizen-led accountability and transparency initiatives are more likely to emerge as effective options than in low democracy contexts.

But, by themselves, the existence of democratic space, commitment and political will may not be enough. The broader political economy and incentives (both positive and negative) may intervene to promote or constrain reforms. For example, structural constraints, such as the lack of financial or political autonomy to carry out reform, the lack of information transparency or the absence of CSOs that are highly capable of processing and using information gained from greater transparency, can close otherwise good entry points for anticorruption reform approaches.

* * *

[77] NORAD, Contextual Choices, *op.cit.*
[78] Vian, Savedoff and Mathisen, *op.cit.*
[79] McGee & Gaventa, *op.cit.*

Entry strategies can take several forms and practitioners need to consider the options.

- Should interventions start small – on a pilot basis – and then be scaled up if found to be effective?
- If there are several willing champions who can be sponsors for an intervention, are there benefits to including all or should only a few be involved to start with?

Broad participation can help build consensus and commitment for implementation and supports longer term institutionalization.

V. PHASE 4: PROGRAMMING OPTIONS

Many interventions have been applied over the years to implement anticorruption strategies. An inventory of USAID projects and their anticorruption activities over the past decade is now available in a searchable database that is described in Annex A and C of this Guide. However, few "best practices" can be put forward, largely due to insufficient data and monitoring of their impacts.

This chapter offers a range of illustrative approaches and programming options that have been applied in a wide array of countries with apparent positive effect based on comparative research. More examples can be found in the *Analysis of USAID Anticorruption Programming Worldwide (2007 – 2013)* and its annexes, as well as other sources.[80] The discussion here is organized using the three broad strategy goals discussed earlier and the special situational challenges posed by post-conflict societies:

1. Explicit anticorruption programming
2. Accountability, transparency or governance programming
3. Sectoral programming
4. Programming for post-conflict societies.

Explicit Anticorruption Programming

Programs can work directly with dedicated anticorruption agencies or institutions of accountability, supporting the implementation of anticorruption reforms, implementing anticorruption policies and procedures within governmental agencies, or supporting civil society anticorruption initiatives across various sectors and issues. Here are three very different examples from **Indonesia**, **Armenia** and **Afghanistan** that have had varying levels of success.

Support to Indonesian Anticorruption Institutions (2011-2016)[81]

Context and Entry Point: Indonesia's governance and economic environment have improved in recent years in great part due to its vigorous civil society, a robust free press, and the impact of institutional reforms. The pressure to continue institutional and integrity reforms comes from a critical electorate. Topping the list as the most powerful anticorruption institution in the country is the Corruption Eradication Commission (KPK), which has broad authority for investigation, prosecution, prevention and monitoring. Other major institutions of accountability, including the Supreme Audit Body (BPK), have performed well, but could benefit from intensive capacity building support.

Interventions: The five-year Strengthening Integrity and Accountability Project (SIAP-1) focused on supporting these and several other anticorruption institutions in Indonesia. For the KPK, the project conducted extensive training to strengthen the staff's investigative capacities, developed an e-learning module on gift regulations for civil servants nationwide, provided strategic communications support to strengthen KPK's public outreach, conducted training for fraud examiner certification, and supported anticorruption court monitoring and analysis to draw lessons for future prosecutions. For BPK, the project conducted practical training on performance audits, and developed and implemented a comprehensive Fraud Risk Assessment system to allow major government departments to self-assess their vulnerabilities to corruption and design action plans for improvement.

Challenges and Opportunities: Parliament and the police have often been at odds with these anticorruption institutions because they have been the prime targets of investigations. The withdrawal by the police of their investigative staff seconded to the KPK

[80] Winbourne and Spector, *op.cit.* Practitioners should also refer to various anticorruption toolkits that can offer additional ideas, such as the *Transparency International Corruption Fighters' Toolkits*: http://www.transparency.org/whatwedo/tools/corruption_fighters_toolkits_introduction/2/; *UN Global Compact Anti-Corruption Tools Inventory:* http://www.business-anti-corruption.com/resources/anti-corruption-tools-inventory.aspx; and *UN Anti-Corruption Toolkit:* http://www.unodc.org/pdf/crime/corruption/toolkit/corruption_un_anti_corruption_toolkit_sep04.pdf. In addition, programming options on a sectoral basis can be found in Spector (2005), *op.cit.*, and Campos and Pradhan (2007), *op.cit.*

[81] Indonesia Strengthening Integrity and Accountability Project-1, Annual Report (2014), Management Systems International.

resulted in a rapid and major shift in emphasis by the project to train newly recruited staff to take on those investigative functions. Then, by the middle of the project, political campaigns for parliamentary and presidential elections led to an almost complete transformation of government leadership, along with major changes among the commissioners who direct the KPK and BPK. This created a situation where, in midstream, the project needed to reconfirm the political will and cooperation of these key beneficiaries.

Victim of its Own Success

The **Indonesian** Corruption Eradication Commission (KPK), which is among the most successful commissions of this type, became a victim of its success. KPK has been fearlessly pursuing corrupt officials at the highest levels of government with a prosecution rate of 100%. The Commission employed top investigators loaned to it by the National Police Force (NPF). When KPK detained a high-level police official, NPF pulled out its investigators, leaving it with only a few skilled investigators. As a result, KPK faced a huge challenge of rebuilding its investigation capacity immediately to be able to carry out its mission uninterrupted.

Source: USAID Strengthening Integrity and Accountability Project-1 in Indonesia.

Mobilizing Action Against Corruption in Armenia Project (MAAC) (2006-2011)[82]

Context and Entry Point: Corruption in Armenia was considered to be among the top three constraints to the country's democratic and economic development. Entrenched state and business interests have little incentive to disrupt the status quo. Despite pronouncements by the Government of Armenia (GOAM) against corruption and adoption of some anticorruption legislation and a national strategy, the commitment of GOAM to adequate reforms to combat corruption was yet to be seen. While designing the MAAC project, USAID obtained assurances from key Armenian governmental institutions of their interest and support.

Interventions: On the government side, the project worked with the Chamber of Control in drafting a manual for detecting tax fraud and assisted in the training of auditors on investigation of corruption-related tax fraud, helped the government prepare its compliance report for the OECD on progress made to combat corruption, cooperated with the Human Rights Defender in conducting several public events, assisted the government with the development of a new national anticorruption strategy, and provided assistance to the National Assembly and several ministries. On the demand side, the project supported a network of 11 Advocacy and Assistance Centers that provided legal assistance to victims of alleged corruption, and awarded financial support to NGOs conducting public awareness activities and engaging youth.

Challenges and Opportunities: Despite pre-project consultations between USAID and the GOAM, MAAC was perceived suspiciously by the government which resulted in weak cooperation from several governmental agencies, delays, and activity modifications. Attempts to switch the focus to other agencies were unsuccessful. Several factors contributed to these challenges. The mid-term evaluation pointed to deficiencies in the project design, as well as to implementation shortcomings. At the same time, growing citizen unrest against corruption in neighboring countries, such as **Ukraine, Georgia** and **Kyrgyzstan**, likely impacted GOAM's attitude towards foreign programs working in the DRG area, particularly those supporting civil society. While there were difficulties working with the government, MAAC's work with the demand side showed positive results, in particular, with the AACs that registered citizen complaints and achieved resolution for many of them via administrative and judicial action.

Support to the Afghan High Office of Oversight (2010-2013)[83]

Context and Entry Point: Corruption in **Afghanistan** is entrenched and extremely well-organized through patronage groups, imposing a staggering impact on the daily lives of Afghans. Mindful of these developments, the Government of Afghanistan created the High Office of Oversight (HOO), mandated to coordinate and oversee the implementation of the National Anticorruption Strategy, register citizen complaints, conduct preliminary investigations, track financial assets of government officials, reduce opportunities for

[82] Mobilizing Action Against Corruption in Armenia Project, Mid-term Evaluation (2010): http://pdf.usaid.gov/pdf_docs/PDACR143.pdf

[83] Support to the Afghan High Office of Oversight, Final Report (2013): http://pdf.usaid.gov/pdf_docs/PA00JP3T.pdf

corruption, help government agencies develop their own anticorruption initiatives, and promote public education and awareness about corruption and anticorruption programs.

Interventions: To support this initiative, USAID launched a three-year Assistance for Afghanistan's Anticorruption Authority (4A) Project in 2010 with the goal of equipping the HOO to effectively deliver on its mandate and building capacity of other stakeholders to fight corruption. The 4A project helped to develop a new three-year Anticorruption Strategic Plan, strengthened the High Office's organizational structure and functions, established an asset declaration and verification system, and strengthened the citizen complaint system. The project also worked with several government ministries to conduct "vulnerability to corruption assessments" that helped them detect their corruption risks and implement anticorruption reforms.

As well, the 4A project worked closely with civil society organizations, the parliament and mass media to develop the awareness, motivation and skills necessary to become effective and sustainable partners with government and maintain demand for anticorruption reform. The project provided support to a newly created anticorruption caucus in the lower house of parliament to develop their skills of executive oversight and strengthen their legal analysis of corruption impacts in draft laws. This caucus also promoted the establishment of similar anticorruption caucuses within provincial assemblies. 4A worked closely with the CSO community which created the Afghan Coalition Against Corruption with about 70 member organizations that conduct advocacy and public awareness activities throughout the country. The project also supported a Citizen Legal Advocate Office (CLAO), a non-governmental group that provides pro bono legal support to hundreds of victims of corruption.

Challenges and Opportunities: Afghanistan is a challenging political and security terrain in which to seek anticorruption reforms. The project was able to provide some capacity enhancement to the HOO, but for many reasons, the agency fell short of fulfilling most its mandates. Moreover, changes in the HOO's leadership in mid-project slowed down cooperation. The project's early refocus to work with demand side groups was a positive adjustment.

Lessons from Past Experience

In this section, we discuss lessons learned from past experience about the broad issues that need to be considered by programmers when designing anticorruption interventions. In particular, we review lessons about designing programs in accordance with situational factors and cultural norms. We also review lessons about the benefits and disadvantages of prevention versus enforcement approaches to fighting corruption, and supply- versus demand-targeted mechanisms.

Government-focused Interventions

Program initiatives should be context-appropriate

A literature review by Johnsøn et al. points to the importance of tailoring interventions to specific contexts.[84] The review analyzed direct anticorruption interventions in six areas, including public sector reform, oversight institutions, civil society support, general budget support, donors' own systems, and multilateral agreements on international anticorruption standards. Findings suggest a number of factors that influence the effectiveness of specific reforms, including:

- The impact of support to supreme audit institutions depends on the independence and political composition of parliamentary committees.[85] When parliamentarians are independent of the executive and hail from the opposition or a rival political faction, they have more incentive to follow up on audit recommendations and pursue those under investigation.
- Support for anticorruption laws is only likely to have an impact when the country has a functioning judicial system.[86] Getting the laws in place can be seen as an interim step in such a context, but are

[84] Jesper Johnsøn, Nils Taxell and Dominik Zaum, "Mapping evidence gaps in anti-corruption: Assessing the state of the operationally relevant evidence on donors' actions and approaches to reducing corruption," Bergen: Chr. Michelsen Institute (U4 Issue 2012:7): http://www.u4.no/publications/mapping-evidence-gaps-in-anti-corruption-assessing-the-state-of-the-operationally-relevant-evidence-on-donors-actions-and-approaches-to-reducing-corruption/

[85] Public Sector Reform, *op.cit.*

[86] Public Sector Reform, *op.cit.*

unlikely to have an effect on corruption levels independent of other reforms.

Government institutions of accountability can be effective if they have independence and resources[87]

There are no silver bullets or maverick institutions in fighting corruption. Some anticorruption agencies or Ombudsman offices are successful but others are not, largely explained by the extent of their mandate, the degree of independence and resources they are given, the extent of staff professionalism and skill, and basic elements of the rule of law.[88] Even well-resourced and independent anticorruption agencies can face stiff political resistance.

A study of eight anticorruption agencies points to several tactics they can use to outmaneuver opponents,[89] including:

- Strong internal controls and accountability mechanisms, which help preserve independence and integrity, and protect the agencies from being subverted or discredited
- Alliances with citizens, state institutions, media, civil society, and international actors to mount counterattacks if necessary
- Preventive efforts that disrupt corruption networks, together with educational efforts that reshape public norms and expectations, which may enable an agency to make long-term gains
- Under certain conditions, careful management of timing, resources and external support in pursuit of high-level grand corruption.

[87] NORAD (2011), *op.cit.*
[88] Emil Bolongaita, "An exception to the rule? Why Indonesia's Anti-Corruption Commission succeeds where others don't - a comparison with the Philippines' Ombudsman." Bergen: Chr. Michelsen Institute (U4 Issue 2010:4): http://www.u4.no/publications/an-exception-to-the-rule-why-indonesia-s-anti-corruption-commission-succeeds-where-others-don-t-a-comparison-with-the-philippines-ombudsman/; USAID Anticorruption Strategy, *op.cit.*
[89] Gabriel Kuris, "From Underdogs to Watchdogs: How Anti-Corruption Agencies Can Hold Off Potent Adversaries," Innovations for Successful Societies, Princeton University (2014): http://www.princeton.edu/successfulsocieties/content/data/policy_note/PN_id236/Policy_Note_ID236.pdf

Civil Society-focused Interventions

Active citizen engagement in anticorruption initiatives can add to their success

Actively engage citizens. Researchers using randomized evaluations find that active community participation in public projects and services is more effective at improving governance and reducing corruption when people are given specific tasks and training.[90] In **Kenya**, for example, training of school committees improved how these committees handled teachers accountable to them. In **India**, a program that trained local volunteers to directly intervene in child learning was very successful while general encouragement to participate was not. A successful **Uganda** program developed specific action plans for communities and health providers on how services would be improved. The programs that proved successful in this study provided training or organizational support to help communities take on specific tasks.

Engage citizens in the 'upstream' as well as 'downstream' stages.[91] When citizens are involved in helping to formulate policies, they are then more likely to engage in monitoring them. In fact, when citizens are engaged in the budget allocation process, for example, they are participating in core decision making and this can be more effective than monitoring budget implementation later on. In any of these processes, transparency, accountability and participation strategies are linked. Upstream participation encourages engagement in downstream accountability mechanisms.

Promote linked initiatives and collective action. A number of studies show that transparency and accountability mechanisms gain more traction when linked to other mobilization strategies, such as advocacy, litigation, electoral pressure or protest movements.[92] So, for example, transparency and accountability in the education sector can be promoted when using a range of strategies, including budget analysis, research, media, monitoring and

[90] "Community Participation," on Poverty Action Lab website: http://www.povertyactionlab.org/policy-lessons/governance/community-participation
[91] McGee & Gaventa, *op.cit.*
[92] McGee & Gaventa, *op.cit.*

advocacy. In addition, collective action rather than individual user or consumer-based approaches are more likely to lead to positive gains. This is because collective accountability mechanisms are better suited to use by the poor and vulnerable and are more likely to result in improved public good benefits as opposed to the private benefits that can be the outcomes of individual action. In particular, collective accountability is more likely to result in reduced corruption and increased empowerment of citizens. For example, in **Ukraine**, seven media and human rights organizations coalesced over several years, with the support of a USAID-sponsored MCC Threshold project, to draft a new access to information bill, lobby parliamentarians, and see it through to formal adoption as law.

Strengthen widespread stakeholder dialogue to advance reforms.[93] Widespread support for change from a range of stakeholders is necessary to advance comprehensive anticorruption reforms. For example, public-private partnerships that include government, the private sector, civil society, and the media have proven to be successful in identifying governance problems, agreeing on solutions, and implementing reforms. In addition, campaigns by coalitions of civil society groups to raise awareness of corruption problems or mobilize the public to support specific reform agendas have been the starting point for developing political will in many countries.

The private sector can be a vital force in promoting and facilitating reforms that curb corruption.[94] Private sector interest groups can help to transform political dynamics in favor of more serious attention to the costs of corruption. At the same time, many in the business community are partners in corrupt practices. Therefore, project designers must identify and mobilize coalitions for reform from within the business community, rather than expecting all business leaders to be agents of change.

The **Honduras** Greater Transparency and Accountability of Government Program (GTAG)[95] found that it is important to establish dialogue over common issues of interest, not only about the classic claim of lack of transparency from one side and closing of spaces from the other one. By organizing around common interests – such as improved delivery of municipal services with fewer opportunities for corruption – citizens and government can join forces to find acceptable solutions.

The **Georgia** Business Climate Reform (GBCR) project learned the need to support reform priorities that both the government and the private sector agree; it fostered public-private dialogue to identify priorities and focus investment on the biggest obstacles to business growth.[96] In **Nepal**, citizen charter activities were successful ways for people to re-engage after a long period of mistrust. Once residents better understood such processes as registering land or obtaining passports, they were more likely to feel that local government was not a complex entity serving only people with special connections.[97]

Ensure follow-up to citizen complaints. Crowd-sourced systems, such as "I Paid a Bribe.com," have been implemented in more than 14 countries to effectively engage citizens in reporting instances of corruption that are made public on the web (anonymously) and then aggregated into a growing database of incidents. While these systems are typically maintained by anticorruption NGOs, there is the potential for these data to be used by corruption investigators to map where corruption occurs and investigate reported abuses of power. Follow-up and feedback to complaints increases the credibility of authorities entrusted with fighting corruption.

Public awareness campaigns generate understanding of corruption costs and promote citizen advocacy[98]

Corruption is a complex issue and therefore it is difficult to package it into a single message in anticorruption awareness campaigns. Furthermore, corruption is often grounded in a country's social and cultural history, political and economic development,

[93] US GAO, *op.cit.*
[94] USAID Anti-Corruption Interventions in Economic Growth, *op.cit.*
[95] Greater Transparency and Accountability of Government Program (GTAG), Final Report (2009): http://pdf.usaid.gov/pdf_docs/PDACP996.pdf
[96] Georgia Business Climate Reform (GBCR), Final Report (2009): http://www.chemonics.com/OurWork/OurProjects/Documents/Georgia Business Climate Reform Final Report.pdf
[97] Transition Initiative: Nepal, Final Report (2009): http://pdf.usaid.gov/pdf_docs/PDACQ596.pdf
[98] Catherine Mann, "Behaviour changing campaigns: success and failure factors," U4 Expert Answer, (21 February 2011: 270): http://www.transparency.org/files/content/corruptionqas/270_Behaviour_changing_campaigns.pdf

and bureaucratic traditions and policies. Since this yields different perceptions and practices with respect to corruption, acceptance of what is reasonable and appropriate differs widely. Corruption is also not exclusively the fault of individuals, meaning allocating responsibility and casting blame may create a problem.

To generate public support, an anticorruption campaign should frame the issue in moral terms and demonstrate its negative impact on human life. Key messages should aim to make corrupt behavior unacceptable. A campaign should communicate the harm done by corruption, in particular the human consequences of corruption. It should also highlight the action that needs to be taken, for example, the proper procedures to report corrupt activities.

It is best to present issue-specific tactics, rather than look at corruption as a whole. The mass media and the public often focus on grand corruption. But it is often better to highlight that corruption occurs not just at the grand, but also at the petty, everyday level that impacts most of the population. It is also important that approaches are culturally and country-specific and that continual evaluation and feedback of a campaign's impact is conducted.

Tailor the campaign to the audience

- *Make it publicly accessible.* Public awareness campaigns that are perceived as too technical are often dismissed as too difficult to understand. It is advisable to generate a shared understanding of corruption which can then form the basis of an awareness campaign and redefine issues, previously seen as highly technical, into problems which require public and political action.
- *Make it culturally specific.* Campaign messages need to be relevant to the local community and resonate within culturally accepted norms and existing values.
- *Look at corruption from the target audiences' point of view.* Campaigns should develop a targeted message geared towards a specific group to reflect typical behavior and attitudes.

Generate community responsibility

- *Make corruption socially unacceptable.* Demonstrating the negative impact or costs of corruption on society can help make that behavior socially unacceptable, despite culture or tradition.
- *Highlight the wider impact.* Awareness campaigns that demonstrate the impact of corruption on society and the economy can be effective in empowering the community to act. This should be done using credible and accurate evidence, rather than through large sweeping statements.
- *Use of shaming.* A campaign message can be strengthened if causal agents are identified, particularly if it is shown that an agent is intentionally causing the problem. Identifying a person or group responsible for a problem can provide a focus for a campaign. Shaming serves a dual function by influencing the behavior both of the person being shamed and of the community that witnesses the shaming.

Increase sense of citizen control over outcomes

- *Develop sense of self-control.* Increasing people's sense of control can cause people to take action against an issue which they previous felt they could do nothing about. This can be achieved by making people aware of initiatives they can take to prevent an issue. This can empower people to take action and remove a sense of powerlessness.
- *Offer alternative behavior.* Behavior change campaigns should clearly outline the alternative that is expected. Clear and consistent instructions should be used, presenting alternatives that are easy and realistic to implement.

Support for anticorruption coalitions can empower and sustain programs[99]

Audience and constituency outreach. Coalitions must clearly define their target audiences, develop strategies to reach out to them and incorporate their interests in coalition planning and activities. An anticorruption and transparency coalition essentially has two target audiences: 1) citizens of a community who will benefit from more transparent and accountable governance, and 2) the government, which will gain credibility and trust as a result of being responsive to coalition demands for more transparency and accountability.

Coalition members should reach out to their target communities to understand their concerns, fears and hopes and then incorporate those inputs into coalition goal setting and strategies. By having community members participate in the development of objectives and activities, the coalition will gain community

[99] USAID (2005) "Anti-Corruption and Transparency Coalitions: Lessons from Peru, Paraguay, El Salvador and Bolivia" (August): http://pdf.usaid.gov/pdf_docs/PNADD813.pdf

support, enhance its legitimacy and strengthen its will to tackle corruption issues.

National and local governments, including political leaders, represent other constituencies to which an anticorruption and transparency coalition can reach out. They essentially are users of the products and services produced by the coalitions—tools and strategies to detect, prevent and fight corruption and opportunities for public dialogue. Proactive engagement of government and political officials, will open dialogue, increase political will and build support for anticorruption reforms.

Credibility. One of the most important assets of any anticorruption and transparency coalition is its reputation, which gives it the credibility to raise awareness, influence change and promote reform. There are some common factors that can help achieve credibility:

- Avoiding politicization through careful membership selection using clear criteria; maintaining neutrality when targeting offices or officials for investigation; and strategically engaging political actors.
- Striving for early successes and strategically disseminating information on those successes.
- Achieving consistency in anticorruption messaging and clarity of purpose.
- Pursuing activities and adopting management practices that are consistent with the values and objectives of an anticorruption and transparency group.

Seek strategic relationships. A strong coalition should develop relationships with experts who can supplement the organization's capacity to carry out specific tasks and build its credibility. Maintaining strategic relationships with the donor community, the government and other coalitions is also important to achieving the coalition's objectives in fighting corruption.

Accountability, Transparency & Governance Programming

In addition to fighting corruption explicitly (as depicted in the previous section), interventions can be selected to address corruption in indirect ways. Rather than targeting agencies whose mandate is to specifically address corruption issues, such as anticorruption commissions, prosecutor's offices, audit agencies and ombudsman offices, interventions can be designed to address government institutions with other mandates but that may be vulnerable to corruption and abuse, especially those that deliver public services or deal with public financial management. These programming options – to promote government accountability, transparency and good governance - typically include activities that build capacity, professionalism and integrity; generate information openness; and prevent opportunities for corruption.

Two cases are described here, one from the **West Bank and Gaza** and the other from **Russia**.

Palestinian Authority Capacity Enhancement (PACE) (2008-2013)[100]

Context and Entry Point: The USG reengaged its support to the Palestinian Authority in mid-2007 after a newly created government made reform and development of the Palestinian Authority a key objective and had requested assistance from the international community in this endeavor. The creation of the Palestinian Reform and Development Plan (PRDP) was seen as a comprehensive strategy for the restoration of good governance and the rule of law in the **West Bank**. This demonstrated political will for change, in combination with strong mobilized donor commitment to support Palestinian reform initiatives, created a good entry point for USAID to initiate the Palestinian Authority Capacity Enhancement (PACE) project. The overall goals of the project were to help increase the transparency and accountability of the Palestinian Authority, improve its effectiveness and efficiency in the delivery of public services, bolster its capability to communicate with the public, strengthen its ability to incorporate public participation in government decision-making, and decrease corruption in the public sector.

Interventions: PACE improved basic government services by using an integrated approach that included facility renovations, business process re-engineering, information technology (IT) upgrades, training in customer service, and other interventions that produced measurable improvements in transparency, efficiency, and consumer satisfaction. At the institutional level, PACE empowered civil servants with the knowledge and skills for sustained ongoing

[100] Palestinian Authority Capacity Enhancement (PACE), Final Report, 2013: http://pdf.usaid.gov/pdf_docs/PDACY026.pdf

government reform through a Centers of Excellence (COE) framework. More than 380 COE team members from six ministries identified and implemented approximately 100 government reform initiatives. PACE also improved the capacity to regulate prices in the telecommunications sector, strengthened communications and training functions in government institutions, institutionalized methods to seek citizen feedback on government performance, removed barriers to women's access to services, and strengthened service and human resources procedures in the civil sector overall. The project resulted in an increase of the weighted index of customer satisfaction at targeted service centers operated by several ministries by 21.5% between 2009 and 2012. Citizen satisfaction with civil affairs services increased by almost 20% at targeted offices, and the time required to receive some services dropped by as much as 50%. Similarly, the index of customer satisfaction with the car and driver licensing bureaus in targeted locations increased by 40%. 70% of the users of the property tax services indicated improvement in their services. Streamlined procedures for procurement and warehousing resulted in reduced costs and fewer opportunities for corruption. Finally, PACE support to CSOs resulted in improved relationships between the PA and CSOs and engaged thousands of Palestinians in efforts to improve government performance and services.

Challenges and Opportunities: The project was implemented in a complex and often unpredictable political environment, including the suspension of the Palestinian Legislative Council that limited interventions for policy reform, changes in ministerial leadership that placed additional challenges on project implementation, and excessive interest in quick fixes for service delivery at the expense of longer-term capacity building. Nevertheless, the project received strong cooperation from all partner organizations and achieved results in full and on time. The project was closely aligned with national program priorities and in close partnership with counterparts that contributed greatly to its success.

Community Participation and Regional Advocacy Project in the Russian Far East (2006-2009)[101]

Context and Entry Point: In the early 2000s, **Russia** began showing signs of slippage in its democratic reforms, while still maintaining its rhetoric about adherence to democracy and fighting corruption. Mixed messages sent from the central government were interpreted inconsistently in the regions by local officials who often relied on their instincts in choosing their policy path. The three-year Community Participation and Regional Advocacy Project in the Russian Far East, also known as the *Our Rights* project, did not have an explicit objective of addressing corruption; instead it sought to mobilize communities to advocate for their rights and for better governance, while increasing their participation in local self-governance.

Interventions: The project worked in two regions of the Russian Far East and engaged more than 400 civil society and business groups in about a hundred advocacy campaigns that sought to implement reforms in the budgeting process, small- and medium-sized business development, the environment, housing and communal services, healthcare, land use and urban development, education, government transparency, public engagement in decision making, and support for vulnerable groups. As a result of these advocacy campaigns, new regulations were adopted to open government hearings and encourage public participation in policy development and planning; administrative barriers to the development of local business were removed; and public service providers were held accountable for providing quality services.

Challenges and Opportunities: For advocacy campaigns to be successful, reforms need to be enacted. This depends not only on the quality of the campaign and skills of the advocates, but also on the willingness and readiness of the government to dialogue with citizens. With power consolidated at the center and little interest there in democratic reforms, there were few local officials who wanted to be associated with local civil society advocates. Any progress that was achieved in making government more accountable and transparent was visibly

[101] Community Participation and Regional Advocacy Project in the Russian Far East, Final Report (2009): http://pdf.usaid.gov/pdf_docs/PDACQ845.pdf

diminished by the end of the project and NGOs experienced growing resistance from the government to reforms that they were advocating for.

Lessons from Past Experience

Government Capacity Building Options

Preventive initiatives can be very effective designs in fighting corruption[102]

When the program intervention is focused on corruption prevention, either by promoting greater government transparency or strengthened government accountability, success in achieving anticorruption goals is more likely (in 73% of preventive initiatives conducted by USAID).[103]

Transparency mechanisms can include open budgets, open hearings, access to information, and legal drafting related to transparency issues, among others. Accountability mechanisms can include codes of conduct, asset declarations, administrative/procedural simplification, audits, complaints management, and legal drafting related to accountability issues, among others.

Government accountability and monitoring programs (such as government audits and community monitoring) work to reduce corruption by increasing the probability of getting caught while sanctions (such as legal, administrative or societal) work by increasing the cost to an official who is caught engaging in corrupt activities. Monitoring and sanctions may be implemented on their own, but a review by Hanna et al.[104] finds that monitoring on its own is ineffective and, similarly, increasing the sanctions for corruption has no effect when the probability of getting caught is too small. In other words, monitoring is ineffective without a simultaneous incentive program (or if the incentive is not large enough).

Hanna et al. draw these lessons from 14 interventions that used rigorous methodologies to gauge their impact. In four cases, governments successfully implemented monitoring programs combined with non-financial sanctions such as publicizing municipal audit records prior to mayoral elections or terminating the bureaucrat's position. Further, audit reports that had the financial incentive of a reduction in federal transfers to incumbent mayor's towns also had a positive impact on reducing corruption.

In another three cases, community monitoring combined with a media or other information dissemination strategy (and presumably social sanctions) proved effective in lowering corruption, whereas less-focused information dissemination efforts in two further cases were unsuccessful. Mixed results for community monitoring used alone in two additional cases suggest its effectiveness may be heavily reliant on the cohesiveness of the community for responding to corruption findings.

Finally, two interventions combining monitoring of absenteeism with financial sanctions in the form of fines taken from employees' wages concluded that the schemes can work if managers support the efforts of monitors.

The study found that the anticorruption programs with the greatest chance of long-term success are those that 'change the rules' of the game. These policy interventions aim to change either an aspect of the government system itself by creating fewer opportunities or reasons to engage in corruption. Rule-changing programs bypass the risk that the monitors themselves may become corrupt or that the bureaucrats will find ways to skirt the newly instituted monitoring and incentives procedures. By attempting to align the bureaucrats' own incentives with those of society, rule-changing programs have the potential to be more sustainable in the long term.

Standardizing government processes reduces corrupt behaviors

One-stop shops streamline service delivery and reduce direct contacts. The review of USAID anticorruption programs[105] notes that streamlining and standardizing government agency operations and service delivery reduce opportunities to corruption by

[102] Findings based on analysis of over 100 USAID programs implemented between 2007 and 2013 (see Annex A).
[103] Lessons Learned Fighting Corruption in MCC Threshold Countries, *op.cit.*
[104] Hanna, R., Bishop, S., Nadel, S., Scheffler, G, Durlacher, K. (2011) "The effectiveness of anti-corruption policy: what has worked, what hasn't, and what we don't know–a systematic review." Technical report. London: EPPI Centre, University of London: http://eppi.ioe.ac.uk/cms/LinkClick.aspx?fileticket=9T7IlZ7LFw8%3D&tabid=3106&mid=5783

[105] Winbourne and Spector, op.cit., Annex 3.2

reducing space for discretion. One of the tools that became popular in the 2000s were one-stop shops (OSS) for business registration; these have expanded in recent years to include other operations, such as business licensing and permitting, export/import operations, and investor registration. Although the effectiveness and impact of OSSs can vary widely,[106] they largely resulted in reducing opportunities for corruption. Studies and surveys conducted in 2005, 2008 and 2009 in **Ukraine** to explicitly measure corruption in registration and permitting showed notable reductions in corruption due to one-stop shops. [107]

Case management systems standardize processes and remove the human factor. Case management systems are another approach to reduce opportunities for corruption by limiting citizen-bureaucrat transactions. They have been used in the justice sector and have been expanded to support health sector and other service delivery agencies.

Incorporating the concept of tacit approval reduces an official's ability to extort constituents. One of the most powerful means of extorting bribes is to withhold service. A business left waiting for operating permits loses profits for each day of delay and may be exposed to liability under other statutes. In **Albania**, regulations were amended to provide a reasonable amount of time to process an application.[108] If the public official deems the application deficient, this decision must be justified in the established timeframes. If the official fails to act, the application is considered granted upon the expiration of the proscribed timeframe, effectively eliminating a very potent corruption lever.

E-Technologies:
Business Environment in Albania

Two consecutive Millennium Challenge Account Threshold Agreement projects (MCCA-1 and MCCA-2) implemented in **Albania** between 2006 and 2011 were focused on introducing e-government technologies to reduce opportunities for corruption in government-business sector transactions. Particularly, they developed e-government systems to streamline tax declaration and payment, register businesses and receive business license applications, and conduct public procurement. In addition, the project assisted in developing a publicly available GIS-based urban development system to facilitate transparent construction permit issuing system. Implementation of these reforms in combination with information campaign among businesses and engaging NGOs in monitoring and assessing the effectiveness of the reforms resulted in significant reduction in business experience and perception of the level of corruption in tax collection and procurement and in corrupt practices in business registration processes. For example, perception of frequent corruption in tax collection decreased from 42% to 19% and in procurement from 42% to 17%. It also resulted in the decrease in the value of gifts expected to secure government contracts from 6.15% to 1% of contract value and decrease in bribery during business registration in the centers supported by the project from 19% to 0%.

Source: Svetlana Winbourne, Bertram I. Spector and Elena Ponyaeva, "Anti-Corruption and Cross-Sectoral Program Mapping: the Europe & Eurasia Region and Business Enabling Environment Programs Worldwide," August 2013.

E-government activities reduce opportunities for corruption and are often self-sustainable. Automating processes through e-government systems further diminishes vulnerability to corruption by eliminating direct interaction between public officials and customers, embedding internal control mechanisms, and making processes transparent to the public by providing public access to systems. These systems can also have a side-effect of making government processes more efficient, resulting in saved money, new revenues and improved access to government services.

Deployment of e-government systems in various governmental operations has shown significant impact in increasing citizen confidence in the government and reduction in corruption. For example, in **Albania**, perception of frequent corruption in tax collection and bribery in business registration and procurement decreased significantly. In **Georgia**, implementation of new courtroom regulations and systems, deployment

[106] "How many stops in a one-stop shop? A review of recent developments in business registration." IFC (2009): https://www.wbginvestmentclimate.org/uploads/Howmanystopsinaonestopshop.pdf

[107] "Reducing administrative corruption in Ukraine: regulatory reform," USAID/BIZPRO (2005): http://pdf.usaid.gov/pdf_docs/PDACG850.pdf; and "Corruption and Business Regulations in Ukraine: Construction and Land Transactions Permits. Comparative Analysis of National Surveys: 2008-2009" MCC Threshold Country Program (2009): https://sites.google.com/a/usaid.gov/drg/home/about-1/drg-center-teams/governance-and-rule-of-law/anticorruptionmapping

[108] http://www.mcc.gov/pages/countries/program/albania-ii-threshold-program

of automated case management systems and court audio recordings, and procedural streamlining resulted in a reduction in bribery in pilot courts. The launch of automated information systems in pilot hospitals in **Albania** to track and optimize the patient flow process created greater control over critical data and reduced the opportunity for committing medical fraud.

Another example of this strategy is the implementation of e-procurement in **Albania**. The option was widely used by the business community, increasing government revenues and resulting in the pronouncement that the Albanian government will expand the use of e-procurement in 2009. Improvements in the business registration process have also led to significantly increased corporate tax collections. Accordingly, these reform measures tend to be popular with the government because they have the potential of being self-sustaining over time. Sustainability of these measures is further ensured by increased public demand. Improved services stimulate increased demand for those services. As users become accustomed to more accessible and more reliable government services, it becomes increasingly difficult for governments to regress.

Install IT systems early in a program to fully integrate into the counterpart's procedures. Many MCC TCP programs provided for substantial technical investment in software, hardware, and sophisticated equipment. Courts were automated with case management systems, law enforcement agencies received state-of-the-art equipment, customs officials joined international transport databases and various government services were made available online. With automation is the inevitable risk that rather than curbing corruption, the program is "putting speed to chaos." Two other risks relate to ensuring that the equipment is used for its intended purpose, and that the technical programs will be sustained beyond the donor's presence.

Introducing technical systems early in a program can help minimize these risks. First, it provides the opportunity to work out the inevitable glitches and tailor the system to the specific needs. Second, it provides more time to train personnel on the intricacies of the system. Most importantly, it promotes sustainability. Over time, users of e-government services will demand that the services be continued and expanded; government officials will gradually become dependent on the automated systems to meet the increased demand. When technical systems are up and running, it is easier to secure commitment from the government to allocate budget/personnel for maintenance of computers and upgrading of software into the future. The government can see the important reforms made possible with automation, as well as the likely reaction if the improvements were to be retracted.

Technology-related initiatives can only go so far. Technical fixes, such as new information technology systems, new procedures, and staff retraining, are often critical in strengthening controls, reducing discretion, and enhancing transparency, all of which are essential in the fight against corruption.[109] But technical fixes are far from sufficient. In the absence of strong leadership and a culture of integrity, these tools often yield only temporary gains, as corrupt practices soon shift into new and perhaps more subtle directions. Giving sufficient time for systems to become rooted in everyday government operations and to run smoothly will make it more likely that they will prevent corrupt and abusive behaviors.

Civil Service Reform Options

Civil service reforms should balance positive and negative incentives[110]

Donors should continually reinforce the importance of host governments undertaking civil service reform together with other anticorruption measures. In many countries, it is beyond dispute that government officials are sorely underpaid and do not have a stable career path to pursue. While some government offices are luxuriously furnished, others are understaffed and lack the basic materials to function. Until governments compensate these positions reasonably, the temptation for low-level bureaucrats to solicit bribes appears to be officially sanctioned and the challenge of combating corruption is heightened.

Government officials respond to incentives. Hence, incentives that invite or support the abuse of public authority for private gain must be changed. Incentives are influenced by rules of conduct, rewards for integrity, effective penalties for abuse, and systems for detecting abusive practices. Equally important are

[109] USAID Anti-Corruption Interventions in Economic Growth, *op.cit.*

[110] Lessons Learned Fighting Corruption in MCC Threshold Countries, *op.cit.*; USAID Anti-Corruption Interventions in Economic Growth, *op.cit.*

measures that increase transparency and public awareness to alter the political climate of tolerance for corruption.

Civil service reforms are more effective where patronage-based systems are weak

Especially in post-conflict situations, where leadership structures are in transition, internal controls may be minimal and introducing civil service reforms may be challenging. Whereas downsizing is likely to trigger resistance from within the civil service, organizational reforms that alter staff assignments and compensation reforms that provide bonuses for performance may succeed, even where patronage systems are in place.[111] Further, establishing job qualifications only for new applicants is less likely to trigger resistance than requiring current employees to meet such qualifications.

Public Financial Management Options

Focus reforms on making public financial flows more accountable

A review of close to 200 anticorruption studies[112] points to the effectiveness of reforms focused on public financial flows. Across 22 categories, this review finds solid evidence for the impact of interventions in three categories: public financial management, procurement, and tax reform. These effective interventions included public expenditure tracking surveys, open auctions, audits of procurement, reforming the value added tax refund system, and establishing a semi-autonomous tax authority.

An evaluation of more than 460 World Bank projects that focused on public sector reform has similar findings.[113] Improvements in a composite measure of governance were greater for Bank interventions in public financial management and revenue administration, but smaller in civil service reform, anticorruption (focused on laws and prosecution) and transparency. Bank projects for tax administration generally succeeded and benefited from strong government ownership, particularly by ministries of finance. Projects focused on budget formulation and reporting usually had more success than those focused on the downstream phases of the spending cycle, such as procurement and auditing.

The World Bank review posits that financial management and tax administration reforms are more effective because they are less politically sensitive than issues surrounding public employment and corruption. It also credits good diagnostic work and indicators with generating better outcomes in these areas. In particular, it cites Public Expenditure Reviews and the public expenditure and financial accountability indicators as instrumental in guiding reforms.

Focus on Financial Flows:
PETS in Uganda vs. Tanzania

Public expenditure tracking surveys (PETS) track how public money flows from central ministries to service providers (notably schools and health facilities) in order to identify how much is lost or diverted on the way. PETS identify problems but do not address them. For this to happen, PETS findings need to be disseminated and used to inform reform efforts. In **Uganda**, for example, a PETS conducted in 1996 showed that, on average, only 13% of the annual capitation grant from the central government reached the schools. To remedy this, the government increased the information available for local stakeholders to demand accountability. The government published the monthly intergovernmental transfers of capitation grants in the main newspapers and on radio, and required primary schools to post information on inflows of funds. A repeat PETS study in 2001 revealed a great improvement as 82% of the grant was reaching the schools. By contrast, a series of PETS conducted over a decade in **Tanzania** revealed consistent large-scale leakage in education funds, but the government did not disseminate the findings or engage in a policy dialogue to address them, and the leakage has persisted.

Source: Bernard Gauthier, "Making Leakages Visible: Public Expenditure Tracking in Education," *Global Corruption Report: Education*, Transparency International. NY: Routledge, 2013.

Civil Society Options

Support for transparency and access to information programming are prerequisites for vital civil society engagement[114]

Transparency and access to information are indispensable prerequisites that enable civil society to

[111] Public Sector Reform, *op.cit.*
[112] Johnsøn, Taxell & Zaum, *op.cit.*
[113] Public Sector Reform, *op.cit.*
[114] US GAO, *op.cit.*

identify and report corruption. Without public access to information about government decision-making processes, anticorruption efforts are likely to fail. Programming initiatives that support greater openness, transparency and access about information on government policies, programs, budgets, fees for public services, and performance permit citizens to oversee government, hold it accountable, and ensure that their rights are respected.

Freedom of information can contribute to improved government decision-making, public understanding, enhanced public participation, and increased trust.[115] Public requests for information can contribute to greater responsiveness of public officials, though not always, and is highly dependent on the status of the person submitting the request and civil society pressure. Community-based freedom of information strategies, which go beyond simple information and disclosure, can be instrumental in leveraging other rights, such as those related to housing and water.

Transparency measures must be accompanied by activities that appropriately utilize the additional information made available.[116] Activities designed to increase transparency and, simultaneously, promote civic monitoring of government by civil society, media, or joint initiatives contribute to this objective.

Transparency-enhancing measures generate information and provide broader access to information. Financial asset disclosure forms, internal audit reports, and published judicial decisions and dockets are examples of transparency measures. But merely expanding access to information can be seen as superficial and does nothing to address the corruption issue if there are no accompanying processes, whether internal or external, for reviewing/validating the information. For example, it is important to combine asset declaration directives with verification provisions and public access to the information needed to test veracity of the disclosures. Likewise, when hotlines and citizen complaint mechanisms are promoted, it is also important to ensure that there is visible follow-up to these complaints or else rising expectations will be quickly squashed.

Social accountability mechanisms are critical tools for citizen engagement[117]

There are several social accountability approaches that citizen groups use to monitor and oversee the delivery of public services that are often vulnerable to corrupt practices. For example,

- Public Expenditure Tracking surveys, when linked to public information campaigns, can contribute to reducing leakages in service sector budgets locally.
- Citizen report cards can identify consumer complaints about the corrupt delivery of public services. Similarly, social audits and community oversight can contribute to exposure of corruption and effectiveness in program implementation. Community scorecards can point to corruption vulnerabilities and contribute to more responsive service delivery and greater user satisfaction. However, by itself, community monitoring does not have the power to change the situation; proper incentives must be available, along with community-government partnerships, to turn information into reformed systems.
- Complaint mechanisms can contribute to the reduction of corruption by linking citizens directly to systems that can hold managers to account.
- Community-based information campaigns can have positive impacts on the level of citizen engagement in accountability initiatives with school systems, for instance.

Sectoral Programming

Integrating anticorruption objectives within sectoral programs is another strategy. Sectoral programs can address corruption directly, as was achieved in many of the MCC TCP projects, or indirectly by promoting good governance, transparency and accountability. Illustrative examples are provided from **Liberia**, **Ukraine**, and **Moldova**.

[115] McGee & Gaventa, *op.cit.*
[116] Lessons Learned Fighting Corruption in MCC Threshold Countries, *op.cit.*

[117] McGee & Gaventa, *op.cit.*

Liberia Governance and Economic Management Assistance Program (2006-2010)[118]

Context and Entry Point: After more than a decade at war, Liberia began its long process of recovery in 2003 with the support of bilateral donors and multilateral lenders who soon became alarmed at the extent of corruption in government. In response, the Government of **Liberia** (GOL) initiated a broad good governance and anticorruption reform program, drafting the country's anticorruption strategy and plan, establishing an anticorruption commission and other oversight institutions, and passing key legislation. In September 2005, the GOL signed a multi-party agreement with several key international donors to assist in establishing sound fiscal and budgetary management throughout government, resulting in the Governance and Economic Management Assistance Program (GEMAP). As part of this initiative, USAID launched the five-year GEMAP project to assist the government in creating and institutionalizing effective financial and asset management policies and procedures, containing corruption, and improving overall economic governance.

Interventions: Working across 11 government institutions, GEMAP targeted the core fiscal, monetary, and procurement activities of the GOL, as well as the GOL's major revenue-earning entities: mining and timber, airport and seaport tariff collections, and petroleum storage fees. The project supported improvements to the budget process making budget preparation and execution more transparent and accountable, worked with other donors to replace the Finance Ministry's existing Integrated Financial Management Information System, computerized the mining cadaster, improved contracting and concession processes and approvals standards so that concession awards would be transparent, developed an inventory and procedures for managing and monitoring government fixed assets, improved the financial management system at State Owned Enterprises, and developed stronger internal controls, internal audit processes, transparent procurement procedures, and billing and collection systems.

Challenges and Opportunities: GEMAP did not eliminate corruption, but it instituted processes that made corrupt practices more difficult. The project raised the visibility of these abuses, improved the accuracy of the budget, provided a clearer picture of the government's use of resources, protected revenues, and exerted central control over governmental processes. A major factor in the success of GEMAP was the Liberian President's public blessing of the program and her personal support at many critical times, although there also were instances where she was reluctant to intervene for political reasons. Co-signatory authority for the embedded advisors[119] was also important to GEMAP's success as it gave them leverage, changed the way financial processes were viewed, reined in uncontrolled procurements, and regularized budget procedures. It brought a measure of transparency and accountability. Information systems installed by the project, although sometimes overwhelming for counterparts, promoted transparency, hindered opaque activities, and made processes formal and predictable.

Ukrainian Standardized External Testing Initiative (2007-2009)[120]

Context and Entry Point: A series of protests in **Ukraine**, known as the Orange Revolution in late November 2004 through January 2005, were ignited by election fraud and outrage over massive corruption in the outgoing administration. It brought to power new leaders who declared their commitment to reform and integration into the international community. Soon after, an MCC TCP agreement was drafted to assist the country in fighting the prevalence of corruption. In particular, corruption in university admissions process was widespread and **Ukraine** was already taking steps to prevent abuses in the process by introducing standardized admission testing. In support of this initiative and as part of the MCC TCP, USAID sponsored the Ukrainian Standardized External Testing for University Admissions (USETI) project with the objective of reducing corruption in the admissions process.

Interventions: Over the course of this two-and-a-half year project, USETI supported the development

[118] Liberia Governance and Economic Management Assistance Program, Final Evaluation Report (2010): http://pdf.usaid.gov/pdf_docs/PDACR798.pdf

[119] The introduction of checks and balances in the PFM process, requiring at least two management approvals for financial decisions to be carried out.

[120] Ukrainian Standardized External Testing Initiative, Final Report (2009): http://pdf.usaid.gov/pdf_docs/PDACQ648.pdf

and implementation of standardized admission tests, assisted with drafting legislation for creating and protecting testing materials and sanctioning those violating testing security, improved test security through the development of tools and procedures, provided technical assistance to university departments in teaching education measurement and psychometrics, and conducted extensive public awareness of the new testing process. The project resulted in successfully implementing standardized university admission tests and systems that reduced corruption significantly compared with the traditional system of admission exams.

Challenges and Opportunities: The project did not report any significant challenges during implementation. To a large degree, this is credited to the fact that the project was complementing and supporting an ongoing effort that was a key priority for the Ministry of Education. Early evidence of reduced corruption as a result of the standardized test was very encouraging for both the MoE and USAID, and their cooperation and support was extended through two follow-on projects.

Moldova Business and Tax Administration Reform (2007-2011)[121]

Context and Entry Point: Progress in instituting regulatory reform in **Moldova**, although steady, remains very slow. Problems with the rule of law, transparency, corruption, and red tape continue to interfere with the promise of an efficient private market economy. Private investment is being stifled and economic growth and development has been restrained. With the goal of greater integration into the European Union, the Moldovan government placed increased emphasis on adoption of policies to make Moldova more "European." In both the EU Action Plan and the Economic Growth and Poverty Reduction Strategy Paper, the GOM committed to undertaking needed political, economic and regulatory reforms. Also, in December 2006, the GOM signed the MCC TCP which targeted corruption with a particular focus on police and the judiciary, health care delivery, and tax and customs administration. USAID consistently supported Moldova over the years and the new Business and Tax Administration Reform project (BIZTAR) that was launched in 2006 was organically aligned with previous assistance and country commitments.

Interventions: The objective of the BIZTAR project was to support the GOM's efforts to encourage investment by improving the business enabling environment, reducing opportunities for corruption and abuse, and lowering the overall burden of state regulation on private enterprise. The project focused on streamlining business-state interactions through regulatory reform and promoting more efficient administrative procedures for reporting requirements for tax and other business purposes. In particular, it reduced regulatory and administrative burdens on private enterprise, streamlined tax administration, curtailed opportunities for corruption, and improved access for citizens and businesses to government information. The project succeeded in streamlining business registration processes by reducing the number of steps and time required to complete registration. It supported the effort to reduce and simplify legislation regulating the business sector, implemented an online tax filing system, and supported the drafting of new legislation on one-stop shops for business licensing and permitting.

Challenges and Opportunities: BIZTAR was well received by many local counterparts in the government and private sector with whom the project established and maintained close partnership. Closely aligned country priorities were additional key factors contributing to the timely, smooth and effective implementation of the project and results achieved.

Lessons from Past Experience

Rule of Law Reforms

Rule of law initiatives tend to be successful in implementing measures that can reduce corruption

Based on the analysis of recent USAID anticorruption initiatives, more than 70% of all programs targeted at reforming the rule of law achieved outcomes that would likely reduce corruption.[122] These initiatives range from putting in place a sound legal framework to prevent and combat corruption, strengthening investigative and prosecutorial capacities, improving

[121] Moldova Business and Tax Administration Reform, Mid-term Evaluation (2011): http://pdf.usaid.gov/pdf_docs/PDACS244.pdf

[122] Findings based on analysis of over 100 USAID programs implemented between 2007 and 2013 (see Annex A).

professionalism, and implementing systems to prevent corruption within the justice sector.

A typical example of such a project is the Rule of Law Program (ROLP) in **Jordan**[123] that strengthened the oversight of case management and court administration processes, designed and implemented efficient and transparent case management procedures for all courts, and enhanced and expanded nationwide automated case management and information data resources. The project assisted with improving and institutionalizing the training of court staff in court administration and specialized training within the Judicial Institute. With the support of the project, criminal and civil procedure codes were amended to reduce delays, increase transparency, and enhance capacity to deal with complex cases.

Another example is the Combating Corruption and Strengthening Rule of Law project in **Ukraine** under the MCC TCP (UROL MCC), which assisted in implementing controls to ensure that the judicial system becomes more accountable to the public through instituting strengthened court automation, judicial testing, and judicial discipline.[124] The project established a registry of court decisions, developed and implemented a uniform random case assignment system in selected courts, established an effective and transparent process of judicial appointment and disciplinary procedures, and created an operating system for administrative courts in the regions. Although public perception of widespread corruption in the judiciary still increased, the project resulted in a small decrease in extortion by court administration staff and an increase in citizen trust in the judiciary.

There are many other examples of how projects can strengthen the capacity and professionalism of justice sector institutions, standardize their procedures and implement modern systems to reduce corruption. The USAID Program Brief, *Reducing Corruption in the Judiciary,* provides a substantial overview of the corruption risks associated with the justice sector and suggests approaches to address them.[125] But it should be noted that "a changed institution should not necessarily be a goal in and of itself. Such programming often does not address the root causes of corruption within the rule of law system, such as distrust, systemic corruption or a lack of capacity—root causes that are all associated with power and culture."[126]

Support early development of a sound legal framework to strengthen the rule of law[127]

Having a sound legal framework that supports the rule of law and combats official abuse is an important first step to controlling corruption. The extent to which such statutes are enforced in practice demonstrates the government's political will and commitment. Laws that identify specific behaviors as being corrupt and itemize punishments if convicted offer a basic first line of defense against corruption. Laws that govern conflicts of interest, anti-money laundering and public procurement, for example, allow the state to pursue corrupt public officials for more complex abuses of power. These laws also announce to the public that such activities are not acceptable.

Reaching consensus on a draft Administrative/Community Justice Law

The administration of justice at the community level in **Panama** is frequently tainted by arbitrary resolutions and corruption. A government-led initiative had been launched to address this issue, but it did not include comprehensive discussions involving stakeholders. Once the Program overcame an initial lack of interest by some government agencies, it successfully gathered many stakeholders (e.g. the Solicitor General's Office. Attorney General's Office, the Judicial Branch and civil society organizations) and coordinated and expedited their discussions around the design and agreement on an Administrative/Community Justice Law.

Source: Panama Strengthened Rule of Law and Respect for Human Rights Program. – Final Report, 2009.

Supporting domestic stakeholders can help in advocating for passage of legislation and promoting local ownership. For example, MCC Threshold programs in **Albania** and **Malawi** benefited from

[123] Rule of Law Program (ROLP) project in Jordan, Final Report (2013): http://pdf.usaid.gov/pdf_docs/PBAAA435.pdf
[124] Combating Corruption and Strengthening Rule of Law in Ukraine, Final Report (2009): http://pdf.usaid.gov/pdf_docs/Pdacn921.pdf
[125] Reducing Corruption in the Judiciary: Office of Democracy and Governance - USAID Program Brief, USAID (2009): http://pdf.usaid.gov/pdf_docs/PNADQ106.pdf
[126] Adam J. Bushey, "Second Generation Rule of Law and Anti-Corruption Programming Abroad: Comparing Existing U.S. Government and International Best Practices to Rachel Kleinfeld's Advancing the Rule of Law Abroad: Next Generation Reform," 37 HOUS. J. INT'L L. 139 (2014).
[127] Lessons Learned Fighting Corruption in MCC Threshold Countries, *op.cit.*

strong stakeholder involvement in the legislative process to strengthen anticorruption laws. In Albania, legislation impacting the business community was languishing in Parliament. USAID engaged the business community by making it aware of the positive effects of the legislation after which they became strong advocates for its passage. Similarly, part of the Malawi TCP related to developing strengthened laws dealing with financial crimes.

The vagaries of the legislative/political process can slow down passage of laws. As a foundational aspect of anticorruption programming, the passage of laws is sometimes seen as a prerequisite to follow-on activities. In the MCC TCP context, planned initiatives were to be built upon the adoption of new laws on public procurement, anti-money laundering, and conflicts of interest. However, realistically, a thorough legislative process in such complicated areas could legitimately last two to three years. Where programs ran into legislative roadblocks, implementers usually found productive ways to instill good practices that could be codified later. Thus, delays in legislative processes to strengthen the legal framework do not have to forestall implementation of rule of law good practices.

Using incentives with the right focus. The *Legal Empowerment of the Poor Guide* highlights that changing legal text is not enough.[128] There must also be a change in enforcement and incentives through appeal processes, audits, and limiting discretion, to name a few.

Many initiatives can strengthen investigative and prosecutorial capacities[129]

Where unethical behavior is exposed, judicial procedures and administrative sanctions must follow if the regulations are to be respected in the future.

Enhancing domestic capacity to investigate and prosecute crimes of corruption is paramount as exposure and awareness increases. Awareness about corruption grows as reforms begin to take effect and corrupt practices and individuals are exposed. If there are no evident consequences, however, corrupt officials become emboldened and the general public becomes discouraged, thereby perpetuating the corruption problem. To avoid the suggestion that public officials are above the law, it is important to follow up the activities that expose corruption with thorough investigation and, where appropriate, prosecution. The impact of improved investigations and prosecutions of corrupt actors is wide-ranging. Enforcement action against high ranking officials reinforces the principle of equality before the law, improving public trust in government. Uniform enforcement with demonstrable consequences (criminal, administrative, and/or civil sanctions) is also a strong deterrent for others.

Technical assistance to law enforcement in anticorruption programs requires substantial investment in training and equipment. Corruption is among the most challenging of crimes to investigate and prosecute. Incidents of petty corruption can often be addressed at the administrative level. Law enforcement, however, has to be equipped to address complicated conversion schemes camouflaged by complex money laundering operations in order to reach the grand corruption cases. Criminal defendants may be high level government officials, and organized crime with its vast resources is frequently involved. Consequently, the criminals are often better equipped than law enforcement, making prosecution virtually impossible.

Programmed initiatives in this domain have helped bolster the side of enforcement by providing forensic laboratories and secure evidence warehouses, complete IT infrastructure, portable state-of-the-art digital recording equipment, surveillance and counter-surveillance equipment, portable printers, laptops, portable scanners, digital audio recorders, long-range day and night cameras, and covert handheld mobile phone jammers, in addition to training officers on modern investigative techniques.

Investigating and prosecuting cases of grand corruption are also difficult because of the tremendous reluctance of witnesses to come forward for fear of reprisal. In many countries, this is addressed with plea bargaining and/or witness protection programs. The MCC TCP experience in this regard demonstrated that mere passage of legislation is insufficient. While the law may allow for the granting of protection, providing it after a

[128] USAID, Legal Empowerment of the Poor: From Concepts to Assessment (March 2007): http://pdf.usaid.gov/pdf_docs/PNADM500.pdf

[129] Lessons Learned Fighting Corruption in MCC Threshold Countries, *op.cit.*

witness has endangered himself by testifying is expensive and difficult.[130]

Checks and balances must be maintained to demonstrate the objectivity of the enforcement entity. Some countries opt for dedicated corruption investigation units, imbuing them with varying competencies and authority. There are definite economies with such an approach as investigators and prosecutors become specialists in specific substantive areas. However, the MCC TCP experience in **Moldova** serves as a reminder that the need for checks and balances is commensurately greater when powers are consolidated in a single entity. In Moldova, the intended public-private oversight of the central anticorruption agency, the Center for Combating Economic Crimes and Corruption (CCECC), proved to be problematic. From the outset, the ostensibly independent Civilian Oversight Board was beholden to the executive branch. The Ministry of Justice, itself a part of the executive branch, was authorized to appoint the board, giving rise immediately to questions about the Board's independence. Finally, the government failed to provide the Board with resources or oversight authority, as intended.

Alternatively, some countries utilize a decentralized approach. In **Uganda**, for example, they developed anticorruption investigation capacity through units created within five ministries, each of them responsible for ferreting out corruption within their own ministry.

Punitive measures must be enforced upon convictions. If convicted officials are not subsequently punished, the prosecution is disingenuous, further undermining anticorruption efforts by reinforcing the notion that high level officials are above the law. Uneven application of the penal code suggests that the prosecutions are a sham, and the lack of consequences following convictions will bolster public belief that higher forces are impervious to the rule of law.

Economic Growth Options

Reforms that promote economic growth and improve economic governance can also curb corruption. This conclusion and the following lessons were drawn from a comparative analysis of four case studies of EG interventions.

The private sector can be vital in promoting and facilitating reforms that curb corruption[131]

The private sector can be agents of change and help donors prioritize activities. More fundamentally, private sector interest groups can help to transform the political dynamics in favor of more serious attention to the costs of corruption. At the same time, since many in the business community are partners in corrupt practices, project designers must identify and mobilize coalitions for reform from within the business community, rather than expecting all business leaders to be willing agents of change.

Technical fixes, such as IT systems, can reduce discretion[132]

IT solutions, streamlined procedures, and staff retraining can strengthen internal controls, reduce discretion, and enhance transparency, all of which are critical in the fight against corruption. But technical fixes are far from sufficient. In the absence of strong leadership and a culture of integrity, these tools often yield only temporary gains, as corrupt practices soon shift into new and perhaps more subtle niches.

Anticorruption interventions often suffer from inadequate cooperation between governance and EG programmers[133]

The effectiveness of anticorruption interventions can and should benefit from increased collaboration between these two groups.

[130] While, overall, law enforcement activities are typically outside of USAID's mandate, it is an important component for anticorruption reform and needs to be addressed, if not by USAID directly then by the host government or other donors. USAID should seek out country and donor cooperation on law enforcement issues to complement its preventive and awareness interventions.

[131] USAID Anti-Corruption Interventions in Economic Growth, *op.cit.*

[132] USAID Anti-Corruption Interventions in Economic Growth, *op.cit.*

[133] USAID Anti-Corruption Interventions in Economic Growth, *op.cit.*

One-stop shops, e-government, and regulatory simplification are effective in many cases[134]

Analyzing the results of anticorruption interventions across 43 economic growth projects funded by USAID, three initiatives stood out as particularly effective in reducing corruption: establishing one-stop shops for government-business transactions, implementing e-government applications that allow businesses to transact with government electronically, and streamlining excessive regulations on the private sector that promote rent-seeking and bribery. In many cases, where data were collected to monitor these specific initiatives, it was demonstrated that they contributed to reduced opportunities for corruption.

Health Sector Options[135]

Increasing salaries for health sector workers does not guarantee reduced corruption

Despite the view that salary adjustments can solve corruption, the evidence suggests that while wage levels may play a role in controlling corruption, it is not guaranteed and other changes need to accompany higher earnings.

Community oversight offers a means of engaging citizens in health sector oversight to improve quality and integrity

Citizen oversight, such as citizen report cards, provides clear information on the shortcomings and failures of health services. With this evidence in hand, citizens can make health care authorities account for corrupt behavior and delivery of services. But this bottom-up accountability may not work if the stakeholders lack authority or legitimacy.

Contracting out for health care services can reduce corruption, partly because it is easier to hold contractors accountable than it is for public workers

Governments can often exert greater leverage over contractors than they can over civil servants. However, taking the contracting path requires developing significant regulatory capacity and control to ensure adequate oversight and accountability of contractors.

Establishing clear procurement and contracting rules and conducting frequent audits with sanctions for staff reduces corruption

Evidence across several countries shows the effectiveness of establishing clear rules, effective oversight to detect problems, enforcement of rules, and rewards and punishments for good and unacceptable behavior in the health sector. The frequency of audits by central government and the autonomy of local government increased immunization coverage, suggesting that local governments can benefit from authority, and auditing will further encourage responsible public performance. Sanctions for misuse of funds led to systematic following of financial procedures. Frequent audits of financial records combined with consequences for staff were successful in reducing corruption behaviors.

Multilateral Transparency Initiatives

Promote country participation in the EITI[136]

A country's participation in the Extractive Industry Transparency Initiative (EITI) can contribute to the public's capacity to analyze fiscal policy in countries which previously lacked transparency. EITI also has been credited with contributing to reduced corruption, improved financial management, and a new platform for public engagement. However, EITI, by itself, appears to have no visible effect on the public's broad perception of corruption. This finding is consistent with studies that point to the need for a

[134] USAID Anti-Corruption and Cross-Sectoral Program Mapping: Enabling Environment Programs Worldwide (2013): http://www.usaid.gov/sites/default/files/documents/1866/AnalysisUSAIDAnticorruptionProgrammingWorldwideFinalReport2007-2013.pdf

[135] Maureen Lewis, "Governance and Corruption in Public Health Care Systems," Working Paper Number 78, Center for Global Development (January 2006): http://core.kmi.open.ac.uk/download/pdf/7089826.pdf

[136] McGee & Gaventa, *op.cit.*

multipronged anticorruption strategy of which EITI might be a part.[137]

Education Sector Options

Comparative monitoring of education sector interventions across four countries yielded a set of anticorruption options that produce positive results:

- Conduct audit and accountability system to deal with absentee and ghost employees[138]
- Develop SOPs and protocols to certify compliance with existing education laws and decrease arbitrary decisions
- Implement procurement reform to reduce discretionary decisions and increase competition and adherence of law
- Strengthen the public financial management system within the Ministry of Education
- Increase oversight and audit capacity of the Education Inspector General
- Monitor and enforce the code of ethics for teachers and administrators
- Conduct oversight and accountability for teacher certifications
- Ensure that schools agree to delegate some oversight functions to teacher organizations and that their scorecards employ evidence-based impact evaluation approaches.[139]

Programming for Post-Conflict Societies

Post-conflict situations pose special conditions for anticorruption programming that are both opportune and sensitive. Rebuilding political, social and economic frameworks in the aftermath of conflict provides the chance for reformulating laws, institutions and relationships to reduce the impact of traditional cultures of corruption. Corruption may have been among the major initiators of societal conflict and finding ways to eliminate it in the peacebuilding period may become high priority for the host country and donor community alike. But post-conflict situations are also extremely fragile times and making significant changes in traditional political and economic structures by which the country operates could do harm in the short run.

Early anticorruption interventions in post-conflict countries can help to sustain the peace, but require special forethought to avoid doing harm[140]

Starting with a map. Corruption risk assessments should be incorporated into doctrine and training and integrated into operational planning and procedures. As stated earlier, a corruption political economy analysis (PEA) should be completed to examine the actors and institutions that support or oppose democratic reform and to determine what the priority issues are in light of political feasibility.

Starting early and seeking early successes. In post-conflict settings, there is often a tension between focusing on short-term immediate objectives such as promoting access to health and education versus longer term governance and institution building objectives. Dealing with corruption is often relegated behind more pressing issues. However, experience demonstrates the critical importance of addressing corruption and governance issues from the outset so corruption does not become institutionalized and undermine early state legitimacy.

At the same time, quick and visible wins will help gain citizen support for reform and send a strong signal of change. This can include, for example, the conviction of officials thought to be untouchable. Similarly, reforms should be prioritized in areas where they are likely to meet the least resistance, thus offering quick payoffs. Early successes should be widely publicized to build trust and restore confidence.

Integrating anticorruption elements in peace agreements.[141] Corruption needs to be recognized as a serious impediment to reconstruction from the

[137] For more information on EITI, see www.eiti.org; http://www.revenuewatch.org/eitiguide/; and http://www.unwomen.org/en/digital-library/publications/2014/11/extracting-equality---a-guide

[138] http://www.povertyactionlab.org/evaluation/encouraging-teacher-attendance-through-monitoring-cameras-rural-udaipur-india

[139] http://www.povertyactionlab.org/policy-lessons/education/teacher-attendance-incentives

[140] Marie Chêne, "Lessons learned in fighting corruption in post-conflict countries," U4 Expert Answer 17, Number 355 (December 2012): http://www.u4.no/publications/lessons-learned-in-fighting-corruption-in-post-conflict-countries/downloadasset/2995

[141] Bertram Spector, *Negotiating Peace and Confronting Corruption: Challenges for Post-Conflict Societies.* (Washington, DC: United States Institute of Peace Press, 2011).

onset. Experience shows that the few countries which integrated anticorruption provisions in the peace agreements that ended their civil conflicts experienced improvements in their governance indicators within the five years after the agreement was signed. In addition to indicating promising levels of political will, this approach allows for rapid provision of resources and assistance to the parties to implement negotiated provisions. Such provisions should be as detailed, specific and targeted as possible to translate them into actionable anticorruption programs.

Sequencing and prioritization. While not providing specific guidance on sequencing, key priorities are identified for donor support to post-conflict countries to ensure that: basic public services are delivered; adequate legal frameworks are developed; the civil service is trained and professionalized; accountability is established through internal and external checks and balances; pubic finance systems are established and monitored; and regulations for business are simplified. In addition, experts warn against the risk of generating high expectations through awareness campaigns or political interventions, such as the development of an anticorruption strategy or the establishment of an anticorruption agency as long as the state lacks the capacity to deliver. Emphasis should rather be put on the need to generate openness and transparency, and promote community involvement in oversight of reconstruction projects.

Tailoring anticorruption programs to corruption patterns and quality of leadership. While sharing common features, post-conflict countries are also very diverse, especially with regard to the quality of their leadership, with fragility fuelled by lack of capacity, lack of willingness or a combination of both. Some states are weak but willing, whereas others may appear weak to external actors in terms of resources and institutional capacity but may be repressive. Thus, there is a need to differentiate between the concept of state fragility (lack of power) versus state predation (abuse of power) and anticorruption interventions need to be tailored accordingly, based on a careful assessment of the situation.

Supporting anticorruption champions and islands of integrity. Even in challenging contexts, it is possible to identify and support groups or individuals within the public sector or specific institutions who can champion anticorruption and accountability reforms. To achieve this, it is critical to discover and empower actors that have a genuine interest in anticorruption reform.

Sanctions by external actors. Sanctions by external actors (e.g. embargos or aid withdrawal) can also be used as a way of countering corruption, illicit trafficking and corrupt resource agreements. However there are some risks associated with such approaches, as sanctions can have a humanitarian impact on non-targeted civilian population and reinforce illicit trade. This is reinforced by the "do no harm" principle, which warns against the potential impact of sudden withdrawal of aid and recommends harmonized and graduated responses to serious human rights and corruption cases rather than sudden withdrawal of aid which can exacerbate poverty and insecurity. In practice, these risks are increasingly taken into account and sanctions are increasingly targeted at specific actors with measures such as travel bans and asset freezes.

Program options need to be adjusted to take fragility of the state into account[142]

Strengthening rather than circumventing government institutions. There is a need to find the right balance between state and non-state capacity development. There is often a temptation for donors to circumvent inefficient state structures and to deliver more effective public services using non-state actors or creating parallel structures for service delivery. While this approach may improve access to public services in the short or medium term, it will have little impact on building the government's capacity. In addition, relying exclusively on non-state actors for anticorruption sends a strong signal that government structures cannot be trusted and can undermine their accountability and the long term sustainability of reforms.

Strengthening financial management systems. Most recommendations to address corruption in fragile states call for the establishment of transparent regulations and procedures and emphasize the need to strengthen public finance management (PFM). Approaches that are reported to have achieved some success include strengthening audit and control capacity, budget monitoring, procurement processes, cash and debt management and financial management information systems.

[142] Chêne, *op.cit.*

A comparative study in eight post-conflict countries demonstrates that PFM reforms were positively associated with gains in state 'resilience' and control of corruption. Strengthening instead of bypassing local financial management systems is considered good practice, including through the intensification of monitoring activities. Ensuring a sustainable and legitimate government revenue stream and preventing tax evasion is essential to strengthen the accountability line between citizens and the government. Related corruption risks involve revenues from natural resources and illicit goods or state control of public institutions through patronage networks, or the purchase of key ministries.

Strengthening public service delivery. Building or restoring effective governance is an essential element of post-conflict reconstruction, as a way to restore the government's legitimacy and gain the support of fractionalized constituencies. The peace building process can be undermined by ineffective, incompetent, or corrupt civil service, lacking in the resources to effectively deliver public services. As a result, addressing corruption in service delivery is an important aspect of post-war reconstruction. Early institutional and civil service strengthening programs can contribute to re-establish effective service delivery, with measures aimed at eliminating red tape and inefficiencies and building stronger and more capable public administration with barriers to cronyism and nepotism. But some authors argue that such programs, while bringing immediate result in controlling petty corruption, often neglect to take into account the systemic nature of corruption.

Strengthening political and legislative processes. It is also important to strengthen government accountability through transparent and accountable political processes. Such measures are typically neglected by anti-corruption policies. While programs tend to focus on the executive, little attention is typically paid to strengthening the capacity, transparency and accountability of parliaments. As a result, MPs may have little capacity to perform their oversight role or be subject to influence peddling.

Civil society and the private sector can play a major role in rebuilding with sensitivity to corruption[143]

The role of civil society and social accountability mechanisms. Mobilizing non-government actors for anticorruption reform is essential to build support for reform, as civil society has been found to play the most effective role in areas such as protection monitoring and advocacy in post-conflict settings. In particular, community-based approaches sometimes represent the only feasible option in post-conflict setting for controlling corruption in service delivery through mechanisms such as participatory monitoring of expenditures, scorecards, and independent media. Similarly, in states affected by high levels of state capture, promoting horizontal accountability by reinforcing non-government actors is likely to be more effective than focusing on the executive which may be the source of the problem. However, engaging with civil society in post-conflict countries is associated with a set of specific challenges. The starting point should be to identify existing resources and actors that can provide a solid foundation upon which to rebuild. In addition, as corruption can also affect CSOs, transparency in these groups should be promoted.

Privatization and economic development. Some argue that privatization can boost economic development and fight corruption, while others argue that privatization may not improve service delivery and in fact risks reinforcing cronyism if state's assets are not allocated through competitive and transparent bidding processes. As the privatization of assets is highly vulnerable to corruption and has the potential of raising corruption from petty to high level, some researchers recommend postponing privatizations until a reasonable regulatory system is in place and/or supported by credible international agents.

[143] Chêne, *op.cit.*

VI. PHASE 5: MONITORING AND EVALUATING RESULTS

Measuring program impacts on corruption is not an easy task. After all, corruption is a secretive act. In this section, we review approaches to measuring outputs as well as outcomes and impacts of anticorruption interventions. USAID programmers must have indicators that directly measure the anticorruption interventions, whether for explicit anticorruption programs, governance programs or sectorally focused programs.[144]

ADS 203 requires a Country Development Cooperation Strategy to include a results framework with at least one, but no more than three, performance indicators for the CDCS Goal and each Development Objective, Intermediate Result, and sub-Intermediate Result. These performance indicators are further developed and refined, along with baselines and targets, during the development of the Mission's Performance Management Plan and the project design. The ADS also suggests that indicators be selected and adapted from existing sources, if feasible.

Composite Indices

There are several existing sources of data and indicators in the corruption field that are used to monitor outputs and outcomes. In many cases, they tend to be flawed. Some are composite indices made up of various data sources, surveys or expert assessments. They are very broad in scope and provide a single number that purports to measure corruption in the entire country. As a result, it is difficult for very particular program activities to influence movement in these indices and, on the other end, it is not reasonable to say that these indices measure the impact of any particular anticorruption program. Among the most popular of these indices are:

- Transparency International Corruption Perceptions Index (CPI)
- Transparency International Bribe Payers Index
- World Bank Worldwide Governance Indicators (WGI)
- World Bank Governance and Anti-Corruption (GAC) Diagnostics
- Ibrahim Index of African Governance
- Global Integrity Index
- Economic Freedom of the Heritage Foundation (Freedom from Corruption Index)
- Freedom House's Nations in Transit Corruption Score
- World Justice Project Rule of Law Index.

For example, one of the oldest and the best known indicators – the TI CPI – is a composite index combining surveys and assessments of corruption collected by a variety of institutions. In 2013, it used 13 data sources, including the African Development Bank Governance Ratings, two indices from the Bertelsmann Foundation Sustainable Governance and Transformation Indicators, the Economist Intelligence Unit Country Risk Ratings, and 9 others.

Another well-known and highly regarded indicator is one of the World Bank WGIs: the Control of Corruption (CoC) index. It combines up to 21 different assessments and surveys, depending on availability, each of which receives a different weight, depending on its estimated precision and country coverage. This includes the Country Policy and Institutional Assessments of the World Bank, the Asian Development Bank and the African Development Bank; the Afrobarometer Survey; the World Bank's Business Environment and Enterprise Performance Survey; and many others.

These indicators may be valuable for understanding the overall country situation and it allows us to draw comparisons across countries in a particular year, but they are not appropriate for evaluating the performance of a single project unless the project itself is completely targeted at impacting a specific indicator, which is very unlikely. And while some of these indicators have long time series, they are not really comparable over time because their components change from year to year. While some MCC TCP programs were targeted at improving the WB Control of Corruption Index through various interventions, the MCC finally moved away from doing

[144] Annex F of this Guide provides a list of frequently used anticorruption and rule of law indicators.

this, acknowledging that the impact of a single program, even if it is strongly dedicated to reducing corruption and large in scale, cannot be measured properly by such a broad index.

Surveys

Another repository of useful data is the single source survey that measures perceptions of and experience with corruption. For example:

- Global Corruption Barometer is a survey of about 1,000 people from each of 107 countries in 2013; there have been eight such surveys since 2003. The survey has 4 questions about corruption perceptions and experience.
- AfroBarometer has progressed through five rounds since 1999 and increased its coverage from 12 countries in 1999 to 35 in 2013 (n= 1,200 to 2,400). It includes many questions related to corruption.

These surveys can be used as performance indicators if project coverage encompasses the entire country and the interventions have broad-based whole-of-government impacts.

In **Uganda**, there was recognition that these global and composite corruption indicators were not targeted to help decision makers or support country level dialogue on local priorities and reform efforts. Therefore, in 2009, the World Bank initiated working groups to compile the indicator data in a way that it could be incorporated directly and meaningfully into the Inspector General's work and public dialogue. The data are now categorized into three segments: the prevalence of corruption, the prevention of corruption, and the enforcement of anticorruption measures. By disaggregating the indices and looking at each component for **Uganda**, this Data Tracking Mechanism (DTM) has supported government programming and improved the content of public dialogue, from a focus on scandals to objective evidence based on meaningful indicators. This effort is similar to the World Bank's Actionable Governance Indicator Data Portal.

Sources: Tracking Corruption Trends in Uganda, Using the Data Tracking Mechanism, 2014, http://www.igg.go.ug/static/files/publications/tracking_corruption_annual_report_4th_edition.pdf; https://www.agidata.org/site/LinksIndicators.aspx and https://www.agidata.org/site/Explained.aspx

There are some global sectoral surveys. For example, in the business sector, there is the TI Business Survey. This survey is conducted with a sample of about 3000 business executives in 30 countries. It was conducted in 1999, 2002, 2006, 2008, and 2011, and has seven questions about corruption perceptions and corporate anticorruption initiatives. Another global survey in the business sector is the IFC/WB/EBRD Business Environment and Enterprise Performance Survey (BEEPS) conducted among 130,000 firms in 135 countries. It has been conducted five times since 1999, but the number of countries included has varied each time. BEEPS includes several interesting indicators: the incidence of bribery, bribery depth, percent of firms expected to give gifts to tax officials, percent of firms expected to give gifts to secure government contracts, and the value of gifts expected to secure a government contract, among others.

And yet another example of a global sectoral survey is the Rule of Law Index by the World Justice Project that measures how the rule of law is experienced by ordinary people in 99 countries. It gathers data through expert questionnaires and general public surveys. Corruption is one of the factors measured by the index. It has about 70 questions related to corruption.

There are issues with these surveys too, including that they may not be consistent from year to year; they may not be conducted during the years of your interventions; and they only measure corruption phenomena on a country-wide or city-specific basis, while your program may be localized.

Indicators Aligned with Program Interventions

To address these limitations, one approach that is gaining prominence is to measure the quality of governance rather than the impediments introduced by corruption.[145] Governance indicators are much more visible and, hence, easier to monitor. They can be easily focused on the anticipated outcomes or impacts of particular program interventions. And if improvements are detected over time, a large part of that improvement can usually be attributed to the minimization of corruption. For example, corruption is more likely to have been reduced where public sector processes move quickly, the number of steps are reasonable, discretion is limited, prices paid and charged are reasonable, oversight and accountability are sound, services are of high quality and citizen satisfaction is high.

[145] Passas and Johnston, *op.cit.*

Measures of output typically correspond closely with program interventions. Programming that streamlines business processes or introduces integrated financial management systems, for example, could include such output indicators as the reduction in steps needed for a license and the percent of government finances operating under an integrated financial management system, respectively. Given the wide array of interventions that can contribute to anticorruption efforts in different contexts, there are a large number of potentially relevant output indicators. The USAID Handbook of Democracy and Governance Indicators[146] serves as a good reference for missions to draw upon to develop their performance monitoring plans. It contains a section on anticorruption indicators, but indicators in other parts of the handbook can also be relevant.

Measure specific program outcomes. Outcomes represent what the program intends to achieve. For anticorruption programming, the desired outcome is primarily a reduction in the level of corruption. Accordingly, outcome indicators should be designed to measure the level of corruption for the specific geographic area, sector or process that the program specifically targets. National measures of corruption such as Transparency International's Corruption Perception Index or the World Bank's Control of Corruption index are typically too broad to capture the specific impacts of a donor's program. Best practice suggests using multiple measures to track the specific interventions. These measures might include, for example, data on official transgressions, perception surveys, experience-based surveys, measures of inputs and outputs, and expert assessments. Depending on the intervention, outcome measures may need to factor in time lags as some interventions may take longer to have an impact.

One source for selecting outcome indicators is *A Practical Guide: Measuring Corruption and the Impact of Anti-Corruption Interventions,* developed for the USAID E&E Bureau in the early 2000s.[147] It contains indicators that directly measure changes in corruption behavior, for example, bribes paid by firms as a percent of total revenue, bribes paid in public procurement, and percent of firms that incur additional costs due to corruption. This Guide also contains many useful output indicators that measure changes in the legal and institutional framework, and policies and procedures that enhance accountability, transparency and integrity. It also suggests several perception-based indicators, for example, public perceptions of corruption in the delivery or provision of selected government services as reported in opinion polls, and perceptions of corruption in surveys of firms doing business with the state.

Measures of official transgressions serve as a natural measure of corruption. Such measures include corruption violations identified by audits, inspections and prosecutions of public officials. Care should be taken when using such data. They are least reliable where investigative and judicial institutions are weak; low numbers of violations and prosecutions can come from weak systems rather than low levels of corruption. Moreover, violations and prosecutions can reflect the political will to fight corruption and can change in response to political shifts even though the extent of the problem and the institutional capacity remain unchanged. Finally, prosecution data most commonly take the form of a simple count of prosecutions, which does not capture the severity of the corruption crimes, counting prosecution for multi-million dollar kickbacks the same as small bribes to fix traffic violations.

Perception-based surveys offer another way to estimate corruption levels. Surveys codify the views of citizens, users of public services, business people and/or government officials on the extent of corruption, probing such topics as the levels of corruption in different institutions, how large a "tax" corruption represents to business, and the likelihood of facing demands for payment. These can provide a national-level perspective or focus more narrowly on a municipality, institution or government activity. The main drawback to these surveys is the bias inherent in the methodology. Perceptions may be influenced by media reports on corruption and people's expectations, which color their perceptions independent of their experience. In fact, many studies have shown that increased publicity resulting from an anticorruption campaign increases the public perception that corruption is even more widespread. Under more repressive regimes, moreover, respondents may give unjustifiably high marks for fear of denigrating their government by assigning it a low score on corruption. With these weaknesses in mind,

[146] USAID Handbook of Democracy and Governance Indicators, (1998): http://pdf.usaid.gov/pdf_docs/PNACC390.pdf
[147] USAID, A Practical Guide: Measuring Corruption and the Impact of Anti-Corruption Interventions (2002), http://pdf.usaid.gov/pdf_docs/PA00K1R3.pdf

perception data can still be quite useful. Perceptions do matter: they influence business decisions, politics, and the calculus to participate in or refrain from corrupt dealings. As an adjunct to other data sources, they can provide insights into corruption dynamics.

Effective M&E in Ukraine MCC TCP

The **Ukraine** MCC Threshold Country Plan provides good examples of well-targeted and contextually appropriate indicators. The program sought to reduce corruption in university admissions by using standardized tests, in business operations by introducing one-stop-shops (OSS) for land privatization and streamlining cross-border trade, and in the judiciary by improving transparency in the court system and greater access to justice. This program contracted an independent project to measure the impact of each intervention through a set of quantitative and qualitative surveys among customers which was compared to control groups. For example, the impact on corruption in university admissions was measured through targeted surveys and interviews among those who took the standardized tests and those who took the old admission exams. Similarly, the impact of the OSSs was measured through targeted surveys of user samples. These measurements could be directly linked to the specific project interventions to demonstrate measurable impact on corruption.

Source: Ukraine MCC TCP (2006-2009). http://www.mcc.gov/pages/countries/program/ukraine-threshold-program.

Experience-based surveys collected from citizens, business people and government officials offer another way to estimate corruption levels. These surveys ask respondents about their direct experience with corruption and generate quantitative data such as the percentage of income paid on bribes and the number of bribes given in the previous year. Such surveys can take the form of citizen report cards collected from users of public services as they emerge from government offices. Because they are based on direct experience, they are less biased than perception-based surveys, although a bias can remain as respondents may not be willing to report their participation in a corrupt act. In practice, many corruption surveys typically include both perception-based and experience-based questions.

Measuring inputs or outputs of some aspect of government activity offer another way to gauge the level of corruption. These include public expenditure tracking surveys (PETS), which measure the leakage of funds from central ministries down to service providers such as schools and clinics, and quantitative service delivery surveys, which measure inputs, outputs, quality and pricing across service providers. PETS can be practical tools to test how well a system of financial transfers works in terms of getting the money to where it is supposed to be going. They identify weaknesses, offer policy recommendations, and provide a launching pad for a policy dialogue by providing information about leakages. Other efforts in this category also include measuring procurement costs, which compare prices paid for comparable goods across administrative units or compare the money spent on infrastructure in relation to the market cost for it. Absenteeism rates and the number of ghost workers on the payroll also serve as good measures for corruption in public employment. One caveat to consider when using indicators like these is that they may measure inefficiency or incompetence as well as corruption, and it is not always clear to what extent corruption is driving poor numbers.

Finally, creating a panel of experts to assess the extent of corruption offers another way to monitor outcomes from USAID anticorruption programming. This method can be fairly quick and inexpensive and can focus on specific activities or processes targeted by a program. The data generated are only as good as the knowledge and professionalism of the experts, however, so their selection is an important factor in the validity of the measure. When conducting surveys on governance, the United Nations suggests interviewing at least 100 experts. Further, by using the same participants year after year, it is easier to identify whether the change is due to changes in interviewees or context.[148]

Especially where interventions support sectoral programming, monitoring and evaluation may also seek to measure the development impact of anticorruption efforts. The development impact represents the result desired from reduced levels of corruption. In the health sector, the result could be lower infant mortality; in the education sector, it could be higher literacy rates; and in the environmental sector, it could be a higher ratio of tree coverage for the area targeted by the intervention. Depending on the specific intervention, a range of indicators could measure progress in achieving impacts.

[148] UN ROL Indicators: Implementation Guide and Project Tools (2011): http://www.un.org/en/events/peacekeepersday/2011/publications/un_rule_of_law_indicators.pdf

The monitoring and evaluation effort ideally includes baseline and end-line data to capture changes over time. As noted in the USAID Evaluation Policy,[149] the use of a comparison group helps to rule out confounding factors by tracking the different outcomes for those targeted by the intervention and those not. Selecting target and comparison groups that are the same to begin with enhances the validity of the findings. Innovative evaluations in the field of anticorruption have used target and comparison municipalities, villages and communities in addressing corruption in elected mayors, political candidates, health clinics, schools, and road construction.

Recent analyses of USAID programs show that many have had activities that could help reduce corruption. But the majority of these projects did not monitor their anticorruption activities explicitly through an anticorruption lens and did not set targets to assess their impact on corruption. Often, they made assumptions that their interventions helped reduce corruption without any measurable evidence. This omission represents a lost opportunity to understand the contribution of different interventions for fighting corruption and how to maximize their impact. A notable exception are the MCC Threshold Country Programs which, more than many others supported by USAID, designed their activities with the specific goal of reducing corruption in given sectors and used sector-specific rating indicators such as the World Bank's Doing Business indicators, the Business Environment and Enterprise Performance Survey, the World Bank Worldwide Governance indicators, OECD/World Economic Forum Global Competitiveness Index indicators, and others.

Lessons from Past Experience

More resources are typically needed for monitoring and evaluating what works and what does not when it comes to implementing anticorruption strategies.[150] There are a variety of lessons from past experience that can help programmers. Most importantly, development programs need to systematically measure the prevalence of corruption and the costs of corruption in the baseline and follow-through with impact monitoring that focuses on the particular intervention.[151] Allocating just a small portion of any intervention's budget to independent baseline data collection and follow-up data monitoring will help project managers identify corruption risks, adjust programs effectively, and determine the utility of the intervention.

Monitoring anticorruption efforts must take into account the time factor[152]

Because addressing corruption is a complex political endeavor requiring government-wide reform, corruption cannot be controlled quickly. As a result, long-term commitments are required to gain public confidence in efforts to prevent and control corruption. Short-term measurement of interventions may not demonstrate the positive results that donors are looking for. Countries and donors should be wary of any single action billed as a "quick fix," even if it is a sensible step in itself, such as increasing public sector wages, enacting anticorruption laws, prosecuting many corrupt officials, or relying on civil society organizations to drive change.

Know what you want to measure or benchmark, and find the appropriate measurement tool[153]

Unpack what you are trying to measure into discrete concepts. Using broad corruption indicators that purport to measure high-level, countrywide corruption is not likely to be helpful in monitoring the effective performance of a particular intervention. Gravitate, instead, to measuring corruption in a particular sector, branch of government, or portion of society with more distinct, but important, measures that feed into desired policy outcomes. For example, measuring corruption in hospital procurement and its impact on health-related objectives will be far more useful than tracking the impact of corruption on the achievement of all of strategic goals.

Corruption is a complex issue. A single tool or indicator is often not sufficient to effectively obtain a comprehensive understanding and identify the impacts of an intervention. All measurements and toolkits are

[149] USAID Evaluation Policy (2011): http://www.usaid.gov/sites/default/files/documents/2151/USAIDEvaluationPolicy.pdf
[150] Fagan and Weth, *op.cit.*
[151] USAID Anti-Corruption Interventions in Economic Growth, *op.cit.*
[152] US GAO, *op.cit.*
[153] UNDP and Global Integrity, "A Users' Guide to Measuring Corruption" (Sept. 2008) Oslo: UNDP.

subject to bias in one form or another. By using multiple sources of information, users can mitigate the risks of pursuing ill-fated policies driven by skewed data.

Using perceptual global indices can be problematic, while using performance indicators can be beneficial[154]

Most of the popular corruption indicators and national rankings are based upon perception surveys. Because they are framed broadly, usually at a country level, and do not relate directly to any particular anticorruption intervention, these indicators are notoriously bad ways of proving impact, in particular of short-term trends, and they are fraught with considerable problems that make them unsuitable as corruption indicators. These problems include the methodology of the various surveys, their availability, and the delay with which surveys capture change, if they do so at all.

Aggregate measures of corruption that are based on multiple perception surveys, such as the WB Control of Corruption index or the Transparency International CPI index, have played a large role by setting the stage for global competition for integrity among countries. But they are not effective in measuring the impact of particular interventions because of their very broad definition and countrywide range.

An alternative approach is to monitor change on the positive side of the spectrum, the extent to which government performance improves rather than how much corruption constrains that performance. Here, indicators such as "how long it takes to get a license," "what prices are paid for basic commodities" or "the frequency of inspections" would be compared to benchmarks. Such indicators could be tied closely to the targeted focus and impact of interventions. Improvements monitored over time could certainly be associated with increased efficiencies and better management, but could largely be attributed to reductions in corruption.

[154] Devine, *op.cit.;* NORAD, Contextual Choices in Fighting Corruption, *op.cit.*; Michael Johnston, "Assessing Vulnerabilities to Corruption: Indicators and Benchmarks of Government Performance," *Public Integrity* 12, 2 (Spring 2010).

VII. CONCLUSIONS

Chronic corruption will cause development programs to suffer. Implementing targeted and appropriate anticorruption interventions is essential for strengthening governance, citizen engagement and economic growth.

This Guide has discussed various approaches, tools and lessons that can help USAID programmers focus new anticorruption initiatives effectively.

Five-Phase Approach

The Guide recommends a five-phase approach for planning anticorruption programming:

1. Assess the situational environment and drivers of corruption in the targeted country,
2. Define and prioritize goals and strategies that focus on the high priority anticorruption issues,
3. Select advantageous entry points for implementing anticorruption initiatives,
4. Identify practical programming options that are tailored to the country's conditions, and
5. Design and implement monitoring and evaluation plans prior to initiating the program that specifically measure anticorruption outcomes and impacts of the particular programs pursued.

Tips on What to Avoid

Analytical findings presented throughout this Guide offer practical lessons learned and programming tips to field officers on what might work in their particular country context. Equally important is guidance on what programming to avoid within particular contexts, for example:

- Avoid law enforcement programming in countries with a repressive political environment
- Refrain from setting explicit anticorruption goals in countries with minimal or questionable political will or tenuous stability
- Avoid the appearance of imposing anticorruption interventions on countries and instead approach it as a collaborative effort that would boost commitment and ensure local ownership
- Refrain from setting unrealistic project timeframes that could leave reforms incomplete that could breed public skepticism
- Avoid accountability and oversight interventions if enforcement and sanctions are not faithfully administered
- Refrain from mobilizing citizens to report corruption complaints when the justice system or other complaint handling systems have few ways of addressing grievances and following up on such cases.

Below are additional lessons from the literature on what to avoid:

Refrain from explicit anticorruption reforms in state capture regimes[155]

In countries where state power is fully controlled by top political and economic elites or their personal favorites, interventions should be carefully designed to gradually advance political competition and independent power centers, while avoiding putting anticorruption champions at risk or leading to further suppression of a fragile opposition and democracy. Specifically, programming should avoid rapid or sudden change as these could be perceived as threats to the elites. Support for explicit anticorruption reform campaigns or promoting anticorruption civil society groups should be avoided. Also, support for public morality campaigns promoted by the government should be carefully considered as they should be vehicles for political reprisals.

In countries where powerful oligarchic figures and personal followings plunder both public and private sectors in a setting of very weak institutions and widespread insecurity, activities should be focused on reducing insecurity and violence, building credible public and private institutions, and enabling an opposition to corruption to grow while avoiding interventions that further destabilize security and place more influence into the hands of those in power. Programs should avoid supporting anticorruption initiatives and agencies that can become weapons for

[155] USAID Anticorruption Assessment Handbook, op.cit.; and Johnston (2005), *op.cit.*

rival oligarchs, massive public anticorruption campaigns that lack credibility, sharp increases in competition that heighten elite insecurity, "strong hand" options that create more insecurity, weak "ownership" of reforms that waste opportunities and credibility, and civil society strategies until risks subside.

Avoid supporting empty anticorruption rhetoric[156]

Often governments proclaim loudly their crusade against corruption creating high expectations. Sometimes, these crusades result in prominent but corrupt public officials being punished and reforms implemented. But many times, these crusades remain at the level of rhetoric and do not result in significant changes due to political and administrative reasons. In some cases, a government is simply reacting to a scandal or external pressure from donors or they use the excuse of an anticorruption crusade to carry out witch hunts against its opponents. Failed anticorruption promises can also result from insufficient engagement from society or shifting political priorities. Among administrative reasons for failing anticorruption initiatives are reforms that remained unfinished or not implemented comprehensively due to a rush to quick results or insufficient timeframes. Obviously, anticorruption policies declared by a government create momentum for supporting the reforms, but there is a trap of empty populist rhetoric and politics that donors need to consider and avoid.

Avoid supporting anticorruption institutions that are not viable[157]

While there are a few examples of strong anticorruption institutions, there are many more examples of those that have failed. These institutions may fail if they lack independence, are subject to political interference, lack authority, have insufficient resources, lack intergovernmental coordination, set unrealistic goals and expectations, operate in a non-transparent fashion or are not accountable to its citizens. Long-term commitments of support to newly established anticorruption institutions must be scrutinized against these factors so as to not risk investing in an institution set to fail.

Avoid supporting/creating donor-driven country strategies[158]

Developing national anticorruption strategies and action plans are an important starting point for pursuing reforms systematically and on many fronts. Nevertheless, there are many examples where such strategies have failed for various reasons. Many of them were too ambitious or lacked the necessary political will or resources for implementation. Others did not establish adequate systems to monitor and measure their results, and did not establish incentives or responsibilities for performance. Additional reasons for failed strategies include that they are largely donor-driven or drafted by donors; even when they might be developed in partnership with government, they were designed at the highest levels of government, not with the agencies responsible for implementation, and as a result these agencies do not feel ownership. Under these circumstances, anticorruption strategies and plans tend to remain on paper and are not implemented fully. For example, the five-year anticorruption strategy and action plan in Liberia developed in 2006 was never reviewed or implemented. While assisting countries to develop anticorruption strategies and plans is an important effort, the process and safeguards for them to be implemented must be in place.

Avoid design-reality gaps[159]

Many anticorruption initiatives fail because of very large "design-reality gaps." That is, there is too great a mismatch between the expectations built into their design as compared to on-the-ground realities in the context of their deployment. These gaps are typically a product of a design approach that relies predominantly on external deployment and use of experts without

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[156] Guido Bertucci, "Why anti-corruption crusades often fail to win lasting victories," Presentation at the UN Anti-Corruption Summit (2000): http://unpan1.un.org/intradoc/groups/public/documents/un/unpan010749.pdf

[157] Bertrand de Speville, "Failing anticorruption agencies – causes and cures," Lisbon (2008): http://ancorage-net.org/content/documents/de_speville.pdf

[158] Karen Hussmann, "Anti-Corruption Making in Practice: What can be learned for the implementation of Article 5 of UNCAC?," U4 Report (2007): http://www.u4.no/publications/anti-corruption-policy-making-in-practice-what-can-be-learned-for-implementing-article-5-of-uncac-2/

[159] Richard Heeks, "Understanding success and failure of anti-corruption initiatives," U4 Brief, No. 2 (March 2011): http://www.u4.no/publications/understanding-success-and-failure-of-anti-corruption-initiatives/downloadasset/206.

sufficient input and consultations from local stakeholders and beneficiaries. Such experts often base their design on their perception of country context and their experience elsewhere that may not be appropriate for a given country. Examples range from modeling an anticorruption commission based on the Hong Kong Independent Commission Against Corruption, despite extremely divergent resources and political and economic conditions, or installing an e-government system assuming falsely that there is an open and transparent decision making process in the government. The gaps between design and reality can lead to program failure. To set them right, they require thoughtful changes and adjustments in approach during design and implementation.

ANNEX A. REVIEW OF USAID ANTICORRUPTION PROGRAMMING (2007-13)

Between 2007 and 2013, USAID implemented several hundred projects worldwide that included anticorruption activities.[160] This section of the Guide offers a description of the range of these initiatives. Some lessons can be learned from the design and implementation of these projects and these are identified below. A subsample of these projects, where sufficient data were available, was analyzed further to evaluate their relative success or failure. Findings from this analysis are presented throughout the Guide.

Program Overview

Out of several hundred USAID projects that included anticorruption activities implemented in 2007-2013, the East Asia and Pacific (EAP) region had the highest ratio of projects per country (6.1) with **Indonesia**, the **Philippines** and **Mongolia** accounting for 80% of the total number of projects. The Sub-Saharan Africa (SSA) region had the lowest ratio (1.5) of projects per country, but the projects were more evenly distributed across the regional countries. The country with the largest number of projects across all regions was **Afghanistan**, with 25 projects. Some countries appeared to have no projects that included anticorruption activities, including **Belarus**, **Uzbekistan** and **India**. Although the Middle East and North Africa (MENA) and the South and Central Asia (SCA) region had significantly higher levels of overall funding, the largest portion of these went to **Iraq** and **Afghanistan**. If those two countries were excluded, the funding level would range from US$24 million per average project in the MENA region to $5.8 million in the SSA region.

About 50% of the USAID projects reviewed were implemented through various Indefinite Quantity Contracts (IQCs), including the dedicated anticorruption ENGAGE IQC and the preceding Government Integrity IQCs. The remaining projects were funded through full and open competition and other vehicles. Twenty-two projects were implemented under the Millennium Challenge Corporation Threshold Country Programs (MCC TCP) using various contracting vehicles.

Table 2. USAID long-term country projects with anticorruption interventions, 2007-2013

Regions	Number of countries	Number of USAID-funded long-term projects	Total funding (estimate) in million US$
East Asia and Pacific (EAP)	9	55	$762
Europe and Eurasia (E&E)	14	62	$588
Latin America and Caribbean (LAC)	15	40	$478
Middle East and North Africa (MENA)	7	48	$2,190
South and Central Asia (SCA)	9	56	$2,581
Sub-Saharan Africa (SSA)	20	29	$170
Total:	74	289	$6,748

[160] For more detail on findings, see Winbourne and Spector, *op.cit.* Also, see Annex C of this Guide for a description of the database.

Quantitative Analysis of Recent USAID Anticorruption Projects

A quantitative analysis of 107 projects from this database of USAID anticorruption activities was conducted and the results are included in this Guide. To be included in this sample, there needed to be adequate information about project impact available, usually from final reports and evaluations. The analysis revealed useful recommendations for future project design.

Each project was coded on the extent and explicitness of anticorruption activities, the types of anticorruption interventions, the beneficiaries/counterparts, the types of corruption targeted, the sectors affected, the extent of counterpart cooperation, and the intervention's results. Because targeted outcome and results data were not always collected on the anticorruption activities implemented, the coders needed to use their judgment based on the narrative reporting. Inter-coder reliability tests indicated 80 percent agreement on these judgment calls.

The results of the analysis focused primarily on which types of initiatives were deemed to be successful in achieving their anticorruption goals and under what types of conditions. Highlights of the findings include:

- 64% of projects that had explicitly defined anticorruption objectives where effective in addressing corruption.
- While the majority of USAID anticorruption programs since 2007 have been focused on addressing administrative corruption with success in 66% of cases, a smaller number of programs targeted grand corruption but had even greater success. 75% of all USAID anticorruption programs that targeted grand corruption achieved successful anticorruption outcomes.
- Almost 90% of the USAID projects that tackled corruption and were deemed to be successful reported strong or acceptable levels of political will and cooperation of the government.
- 71% of projects involving civil society and judicial counterparts were successful when government's political will was strong.
- More than 68% of projects that enjoyed strong government political will and 66% with strong nongovernmental sector political will were successful in addressing corruption.
- When the program intervention was focused on corruption prevention, either by promoting greater government transparency or strengthened government accountability, success in achieving anticorruption goals was more likely (in 73% of preventive initiatives).
- 73% of all programs targeted at reforming the rule of law achieved successful outcomes.

Entry Points for USAID Anticorruption Programming

There was extensive variation in the country political and economic context across USAID-sponsored anticorruption projects and activities. Direct anticorruption projects and sectoral projects with anticorruption objectives were typically implemented by USAID in countries that were already pursuing anticorruption agendas and democratic reforms. Often such commitments were associated with a country joining an international instruments or convention[161] or were driven by the prospect of the country gaining access to new international funding, such as the MCC Compact program.

Direct anticorruption interventions were typically implemented by USAID in countries already pursuing anticorruption agendas and democratic reforms. Programs implemented without the political will of host governments and with limited consultations often faced challenges and delays.

[161] For example, the UN Convention Against Corruption, Group of States against Corruption (GRECO), African Union Convention on Preventing and Combating Corruption, Economic Community of West African States (ECOWAS) Protocol on the Fight Against Corruption, the Inter-American Convention Against Corruption, ADB-OECD Action Plan for Asia-Pacific, and the most recent Open Government Partnership initiative.

Anticorruption projects launched with inadequate political will or consultations with the host government typically faced significant challenges that often resulted in delays or changes in the scope of work. When there was a lack of demonstrated political will or receptiveness to USAID anticorruption assistance, programming was often built around the objectives of improving government efficiency, transparency and accountability, or complying with international standards – as opposed to an explicit anticorruption focus. Also, when there was a lack of cooperation by the host government, USAID projects tended to support the demand-side stakeholders, in other words, civil society groups, business and the mass media in advocating for anticorruption reforms and conducting public awareness and watchdog activities.

Infusing Anticorruption Objectives into USAID Sectoral Programming

Calls for proposals that are very clear and directive about their anticorruption objectives can help guide program design by implementers. But analysis showed that only a few calls for proposals for sectoral projects included anticorruption as either an explicit objective or a cross-cutting theme. Some calls were specific and directive in their requirements to address corruption, but only a few offered illustrative activities, described clear requirements to address corruption and measure impact, or included corruption-related evaluation criteria for proposals. On the other end of the spectrum are the majority of calls for proposal that did not discuss corruption at all or limited their requirements to a brief discussion of corruption as it may affect the project's central activities.

> RFPs/RFAs/TOs rarely required integrating anticorruption into sectoral programs. A majority of sectoral programs did not incorporate anticorruption activities in their objectives and did not measure the impact of these activities on corruption.

Most of the calls for proposals for MCC Threshold Country Programs were issued for countries with low scores on the World Bank's Control of Corruption index and are good examples of how to incorporate anticorruption objectives into programs regardless of sector. Aside from these MCC TCPs, there were several other good examples of integrating anticorruption into sectoral programs, including the **Iraq** National Capacity Development (Tatweer)[162], **Moldova** Business Regulation, Investment, and Trade (BRITE)[163], and **Serbia** Local Economic Development Activity (LED)[164] projects.

Overall, anticorruption objectives were rarely included in USAID calls for proposals for sectoral projects or, if included, they did not filter down to the projects components or activity descriptions, were not required for impact measurement, and were not included in the evaluation criteria for proposal selection.

Measuring Program Impact on Corruption

Many projects have had activities that could lead to preventing or reducing corruption. But the majority of these projects did not monitor their activities explicitly through an anticorruption lens and did not set targets to document their impact on corruption. For instance, the **Liberia** Governance and Economic Management Assistance Program (GEMAP)[165] instituted processes that could reduce the opportunities for corruption in the budgeting process, public procurement, and natural resources concessions, but failed to measure their impacts on corruption.

Those few projects, mostly MCC TCP, that specifically measured anticorruption impact showed good results. They constructed indicators that were tailored to the interventions. For example, the **Ukraine** MCC TCP

[162] Iraq National Capacity Development (NCD) Program. RFTOP 267-06-004 (April 2006).
[163] Moldova Business Regulatory, Investment, and Trade Environment Program (BRITE) (2012-2017). RFP: https://www.fbo.gov/index?s=opportunity&mode=form&id=21199ef67893 1a435f28f0ca9e574deb&tab=core&_cview=1
[164] Serbia Local Economic Development Activity (LED), RFP 169-10-006: https://www.fbo.gov/?s=opportunity&mode=form&tab=core&id=ab04f9721418745e7db5968e23a4f1e1&_cview=1 and https://www.fbo.gov/utils/view?id=2a769e517381d10d60fa5dcebfcd6ac3
[165] Liberia Governance and Economic Management Assistance Program (GEMAP) (2006-2010). Final Evaluation: http://pdf.usaid.gov/pdf_docs/PDACR798.pdf

program[166] reported reductions in corruption in university admissions after standardized tests where introduced and in business licensing and land leasing when one-stop shops were established. Similarly, **Albania**'s MCC TCP-1 (MCCA-1) program[167] reported decreases in bribery in business registration at the centers supported by the project, decreases in the value of gifts expected to secure government contracts, and decreases in perceptions of corruption in tax collection and procurement. There are also good examples beyond the MCC TCP programs where corruption impact has been measured effectively. For instance, **Georgia**'s Judicial Administration and Management Reform (JAMR)[168] project resulted in decreases in bribery in the pilot courts and increases in citizen satisfaction with the courts.

Sectoral programs rarely measured their impact on corruption. Often, they made assumptions that their interventions reduced or contributed to reducing corruption without any measurable evidence.

Some projects used global indices, such as the TI Corruption Perception Index (CPI), the Freedom House Nations in Transit Corruption score, and the World Bank Control of Corruption indicator. While these projects may have contributed to changes in these indicators, it is not possible to directly associate particular initiatives with changes in such broadly based measures. MCC TCP programs that used these indicators extensively up until a few years ago have concluded that they "are not a satisfactory means of measuring program impact, and movements in indicator scores cannot be directly attributed to threshold program interventions."[169]

Program Areas and Interventions

Across all regions, the overwhelming majority (about 75 percent) of the long-term USAID projects with anticorruption activities fell into the Democracy, Human Rights and Governance area (DRG). The second largest group, although significantly smaller, were projects in the Economic Growth and Trade area (around 16 percent). Many fewer projects were in other areas, such as Working in Crises and Conflict, Environment and Global Climate Change, Global Health, Agriculture and Food Security, and Education, Gender Equality and Women's Empowerment, and Science, Technology and Innovation.

Among different types of anticorruption interventions, rule of law activities made up the largest number, with more than 20% of the total number of activities. The next most frequent type of intervention were civil society initiatives, followed by legislative strengthening, and local government and decentralization. Explicit anticorruption interventions constituted less than one-tenth of all program interventions. Projects in such areas as environment and natural resources, food security and agriculture, health, trafficking in persons, and disaster recovery rarely incorporated anticorruption objectives.

Explicit and Sectoral Projects

Descriptions of the types of programming activities in each of these program areas are described below.

Explicit Anticorruption Projects

USAID's explicit (or direct) anticorruption programming between 2007 and 2013 was largely focused on a pragmatic approach of supporting established independent accountability agencies and helping them develop and implement policies, procedures and systems to enhance government accountability and control corruption. These interventions included support for income and asset declaration management systems, political party and election finance monitoring systems, corruption complaint management systems, and conflicts of

[166] Ukraine MCC TCP (2006-2009). http://www.mcc.gov/pages/countries/program/ukraine-threshold-program; Trade, Investment, and Business Acceleration (TIBA) (2006-2009). Final Report: http://pdf.usaid.gov/pdf_docs/PDACQ085.pdf; Combating Corruption and Strengthening Rule of Law (2006-2009). Final Report; http://pdf.usaid.gov/pdf_docs/PDACN921.pdf; The Ukrainian Standardized External Testing Initiative (USETI) (2006-2009). Final Report: http://pdf.usaid.gov/pdf_docs/PDACQ648.pdf

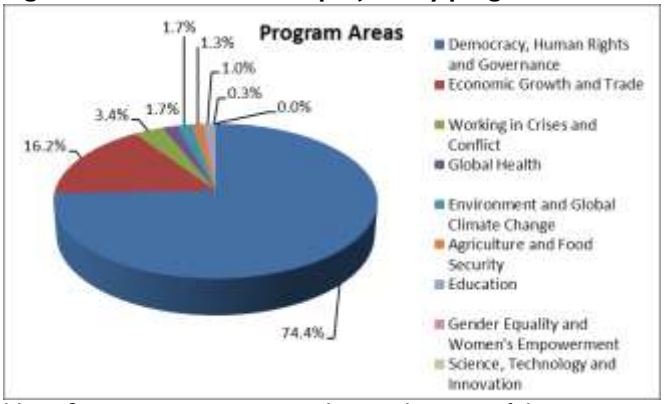
[167] Support to Albania's Millennium Challenge Account Threshold Agreement (2006-2008), Final Report (2008): http://pdf.usaid.gov/pdf_docs/PDACM504.pdf.

[168] Georgia Judicial Administration and Management Reform (JAMR) (2007-2011). Final Report (2011): https://sites.google.com/a/usaid.gov/drg/home/about-1/drg-center-teams/governance-and-rule-of-law/anticorruptionmapping

[169] Congressional Budget Justification for FY 2012: http://www.mcc.gov/documents/reports/mcc-fy2012-cbj.pdf

interest management systems, among others. Sectoral projects were also tuned to design and implement systems to improve efficiency and transparency of government operations and service delivery. Particularly, e-government systems (e-procurement, e-customs, e-trade, etc.) were typical interventions in many EG programs. Case management systems and court automation constituted a large segment of activities in rule of law programming. One-stop shops were frequently used to reduce corruption vulnerabilities in the delivery of public services.

Figure 3. Percent of USAID projects by program area



Note: Some projects are counted more than once if they are multi-sectoral.

Many projects promoted good governance standards in governmental operations to enhance professionalism, transparency and accountability. Although legal drafting, including legislation directly related to anticorruption (whistleblower protection, money laundering, conflicts of interest, etc.), remained a frequent activity in many projects, USAID tended to focus on the implementation and enforcement of laws. Projects supported the strengthening of democratic principles in policy development at all levels of the governance, particularly at the local level, institutionalizing citizen participation in decision making processes. Civil society and media projects evolved from supporting public awareness campaigns to more sophisticated activities including citizen watchdog and advocacy initiatives. Social media and crowdsourcing was increasingly used by civil society and the media. All anticorruption and many sectoral projects included civil society components or activities as integral parts of their projects.

MCC Threshold Country Programs

MCC Threshold Country Programs made significant contributions to anticorruption programing by placing anticorruption objectives at the center of their activities for countries that failed on the World Bank Control of Corruption indicator in their pursuit of MCC Compact status. These MCC TCP projects, more than many others implemented by USAID, designed their activities around the specific goal of reducing corruption in the sectors they worked in, including economic development, education, health, the justice system, trade, and others. MCC TCPs were also very consistent in developing customized project-specific indicators to measure the impact of corruption interventions.

Examples of Explicit/Direct Anticorruption Programs

- **Armenia** Mobilizing Action Against Corruption Project (MAAC) (2007-2011)
- Assistance for **Afghanistan**'s Anti-Corruption Authority (4A) Project (2010-2013)
- **El Salvador** Democracy Strengthening Program (DSP)/Transparency and Governance Program (TAG) (2009-2014)
- **Central America and Mexico** (CAM) Anticorruption, Transparency and Accountability Program (2003-2008)
- **Guatemala** Transparency and Integrity Project (2005-2009)
- Three programs in **Indonesia**: MCC TCP Control of Corruption project (2007-2009), Strengthening Integrity and Accountability Program I (SIAP I) (2011-2016), and Anti-Corruption and Commercial Courts Enhancement (IN-ACCE) (2005-2009)
- Five programs in the **Philippines**: MCC TCP Technical Assistance Project (2006-2009), the Integrity Project (2009-2012), the Integrity Investments Initiative (I3) Project (2013-2018), Enhanced Governance through Anticorruption Efforts (2009-2011), and Transparent Accountable Governance (TAG III&IV) (2007-2011)
- Two programs in **Mongolia**: the Anti-Corruption Support Project (MACS) (2005-2011) and the follow-on Strengthening Transparency and Governance (STAGE) (2012-2014)
- **Madagascar** Anti-Corruption Initiative Program (2006-2008)
- **Ukraine** Promoting Citizen Engagement in Combating Corruption (ACTION) program (2006-2009)
- **Djibouti** Anticorruption Program (DACP)(2008-2010), among some others

Some other programs that had rather strong anticorruption emphasis are: **Paraguay** Threshold Program I, **Peru** Anticorruption Threshold Program, **Philippines** Transparent Accountable Governance (TAG) I & II projects, **Indonesia** Financial Crime Prevention Project (FCPP), **Kyrgyzstan** Support to National Budget Transparency program, **Sri Lanka** Anticorruption Program, and others.

Economic Growth and Trade

USAID projects in the Economic Growth and Trade (EG) area that included anticorruption interventions constituted slightly over 16 percent of all reviewed projects. The most common interventions provided equal access to economic opportunity and improved the business-enabling environment. Activities to improve public procurement, public finance management, streamline business registration and licensing (including establishment of *one-stop shops*), tax collection and customs functions related to export/import operations were frequent in many programs. E-government tools were very popular in the EG sector, including e-procurement, e-tax, and e-customs. Some projects supported harmonizing local legislation and practices with WTO and other international standards based on the assumption that they should lead to reduced corruption. A majority of all MCC TCP projects implemented some activities in the EG area.

Public Administration

In the Public Administration sector, improving public financial management systems, public procurement and public property management; strengthening professionalism; implementing merit-based recruitment, personnel management, performance standards administrative systems; and introducing and enforcing ethics and conflicts of interest management systems are among key interventions used to reduce opportunities for corrupt behavior by public officials. Other types of corruption preventive measures include increasing government transparency by making information available to the public via information desks, websites, and public meetings. Government accountability to the public can be promoted by involving citizens in policy development and decision making processes, for example, through public consultations on major legislation, public councils affiliated with various governmental agencies, and public oversight of budgeting and procurement decisions.

Local Government and Decentralization

Local Government and Decentralization (LG&D) projects were the fourth largest group of projects with anticorruption interventions. The most common anticorruption themes of these projects are improving local government performance, accountability and transparency in policy development and service delivery, and promoting citizen participation in decision making. Typically, LG&D projects work on both the supply and demand sides. On the demand side, in addition to mobilizing communities to actively participate in local policy development and governance, the projects also often support civil society watchdog activities to monitor public service delivery using such tools as social audit and report cards. Overall, about 70 LG&D projects or activities within projects were implemented in more than 40 countries.

According to Hanna et al, decentralization was found to be particularly successful in decreasing corruption where there is local capacity and high levels of participation. Decentralization can reduce corruption by making officials accountable for program implementation or they risk losing their elected positions.[170]

Rule of Law

Rule of law projects comprised the largest group of projects with anticorruption components in all six regions. Activities ranged from strengthening the independence of the judiciary to legal education, improving professionalism, building the legal framework, establishing anticorruption institutions within the justice system, building capacity to investigate and prosecute corruption, and increasing court transparency by making information about justice system operations and court decisions publicly available, among others.[171] All of these activities could translate into reduced corruption both within and outside the justice sector if measured, although few projects in fact monitored such impact.

Civil Society, Media, and Private Sector

More than half of the projects identified for this study had activities which promoted civil society and media participation in the anticorruption agenda by organizing civil society around anticorruption reforms and providing support to CSOs and the media to conduct advocacy, watchdogs, legal assistance, and public awareness and education activities. Some projects worked exclusively with the mass media to stimulate and support investigative reporting. USAID increasingly supported civil society and media projects through

[170] Hanna, Bishop, Nadel, Scheffler & Durlacher, *op.cit.*
[171] Reducing Corruption in the Judiciary, *op.cit.*

direct grants. Unlike projects working with the government, the impact of civil society projects was often measured by changes in societal behavior. This includes changes in citizen tolerance for corruption and a reduction in initiating bribery or exchange of favors, among others.

Healthcare

Although there were many projects in the healthcare sector, only a few pursued goals of reducing corruption. Nevertheless, many interventions to strengthen health systems and health governance likely strengthened the anticorruption environment, improved transparency and accountability, reduced fraud, and led to reduced corruption. The most common activities included implementing health information systems and standard operating procedures, improving the healthcare regulatory environment, implementing reforms in procurement, warehousing and distribution of drugs and equipment, financial and resource management, improving monitoring of fees and expenses in local health centers, conducting public education, and enhancing citizen participation and oversight.

Other Sectors

Anticorruption interventions in such sectors as Elections, Education, Disaster Recovery, Food Security and Agriculture, and some others were rather infrequent. Overviews and examples of anticorruption interventions related to Combating Cross-Border Crimes, the Environment and Natural Resources, and some other sectors can be found in the regional and sectoral reports provided in Annex 3 of the Analysis of USAID Anticorruption Programming Worldwide (2007-2013).

ANNEX B: A SAMPLE OF LESSONS LEARNED FROM ANTICORRUPTION INTERVENTIONS

Sector	Effective Programming Options	Project Examples
Civil Society	Promote transparency and access to information, coupled with government-approved citizen oversight with social accountability tools	**Participation and Accountability in Healthcare Provision in Uganda:** http://elibrary.worldbank.org/doi/pdf/10.1596/1813-9450-7015 **Parliamentary Strengthening Project in Bosnia and Herzegovina:** http://paperroom.ipsa.org/papers/paper_11757.pdf
Economic Growth	Promote business climate reforms in such areas as tax/customs administration, property registration, company law, investment promotion and construction	**Georgia Business Climate Reform:** http://pdf.usaid.gov/pdf_docs/PDACN591.pdf
Health/ Education	Support information transparency that holds health officials accountable and minimizes corruption, and address both the demand (citizens) and supply sides (providers) of health governance	**Health Systems 20/20:** http://pdf.usaid.gov/pdf_docs/pdacu412.pdf
	Conduct financial performance monitoring, budget transparency, and public expenditure tracking surveys. Address absentee and ghost employees, and merit-based personnel decisions. Create SOPs and protocols to certify compliance with existing laws (e.g., procurement regulations)	**Paraguay Threshold Program II (DELIVER):** http://deliver.jsi.com/dlvr_content/resources/allpubs/countryreports/PY_UMBRALII.pdf **Better Health Services (BHS) Program/Cambodia:** http://pdf.usaid.gov/pdf_docs/PDACS539.pdf
	Promote establishment of standardized testing procedures to increase transparency and reduce opportunities for corruption in university admissions process	**Ukrainian Standardized External Testing Initiative (USETI):** http://pdf.usaid.gov/pdf_docs/PDACQ648.pdf and http://pdf.usaid.gov/pdf_docs/PDACY429.pdf
Justice	Establish a sound legal framework against corruption; independent judicial schools that promote ethics for judges; bar associations that build ethical codes and professionalism; and police academies that promote cultures of lawfulness in the core curriculum	**Kazakhstan Judicial Education Project:** http://pdf.usaid.gov/pdf_docs/PDACU795.pdf **Judicial Independence and Legal Empowerment Project in Georgia (JILEP):** https://dec.usaid.gov/dec/content/Detail.aspx?ctID=ODVhZjk4NWQtM2YyMi00YjRmLTkxNjktZTcxMjM2NDBmY2Uy&rID=MzQwOTg5
Legislature	Encourage more transparent budgeting and operations in the National Assembly; establish long-term planning systems; and improve capacity of legislature to provide effective oversight and serve as a control on a powerful executive branch	**Serbia Separation of Powers Program (SPP):** http://pdf.usaid.gov/pdf_docs/PDACT692.pdf

Sector	Effective Programming Options	Project Examples
Local Government	Promote public hearings and participatory decision-making; and training of civil society leaders in effective participation skills, especially among highly marginalized groups (women, indigenous communities)	**Peru ProDecentralization Program (PRODES):** http://pdf.usaid.gov/pdf_docs/PDACL443.pdf
Public Administration	Develop strong internal controls and accountability mechanisms within government agencies, while bringing civil society and media into close dialogue	**Enhancing Government Effectiveness Project (EGE):** http://pdf.usaid.gov/pdf_docs/pa00jnvj.pdf
Public Financial Management	Strengthen public financial management; promote accountability and transparency through effective monitoring and impact assessments of government policies and actions; reform procurement procedures; and promote private sector investments through the development of an enabling PPP framework	**Jordan Fiscal Reform Project II (FRP II):** http://pdf.usaid.gov/pdf_docs/PDACY474.pdf **Indonesia Control of Corruption MCC Threshold Project** (for procurement reform)**:** http://pdf.usaid.gov/pdf_docs/PDACO731.pdf
	Promote accountability in fiscal and financial management; automate national budget process spending and make it more accurate; and implement systematic controls in the national payments system eliminating chronic fraud and misuse of public funds	**Liberia Governance and Economic Management Assistance Program (GEMAP):** http://pdf.usaid.gov/pdf_docs/PDACR798.pdf
	Promote official audits with more regularity	**Indonesia Kecamatan Development Project:** http://www.povertyactionlab.org/publication/monitoring-corruption-evidence-field-experiment-indonesia **Strengthening Capacities of Supreme Audit Institutions on the Fight against Corruption:** http://www.intosai.org/fileadmin/downloads/downloads/4_documents/publications/eng_publications/E_UN_INTOSAI_Joint_Project.pdf
Voluntary Multilateral Transparency Initiatives	Encourage participation in the Extractive Industries Transparency Initiative (EITI)	**Philippines/Improving Transparency of Payments and Receipts in the Mining Industry:** http://pdf.usaid.gov/pdf_docs/pnadj804.pdf

ANNEX C: USAID ANTICORRUPTION PROJECTS DATABASE

The USAID Anticorruption Projects Database includes information about more than 300 USAID projects implemented worldwide between 2007 and 2013 that had distinctive components or activities directed at reducing corruption or increasing transparency, accountability, and integrity of governmental institutions. Although the majority of the projects in this Database fall into the Democracy, Human Rights and Governance area (DRG), there are also projects in other areas, such as Economic Growth and Trade, Working in Crises and Conflict, Environment and Global Climate Change, Global Health, Agriculture and Food Security, and Education, and Gender Equality and Women's Empowerment.

The Database allows searching for projects using several criteria, such as: region, country, sector, period of performance, and project value. In addition, the projects can be searched based on the context within which they were implemented as measured by the World Bank Control of Corruption Indicator or the Political Stability Indicator. The database allows multiple selections within each criterion.

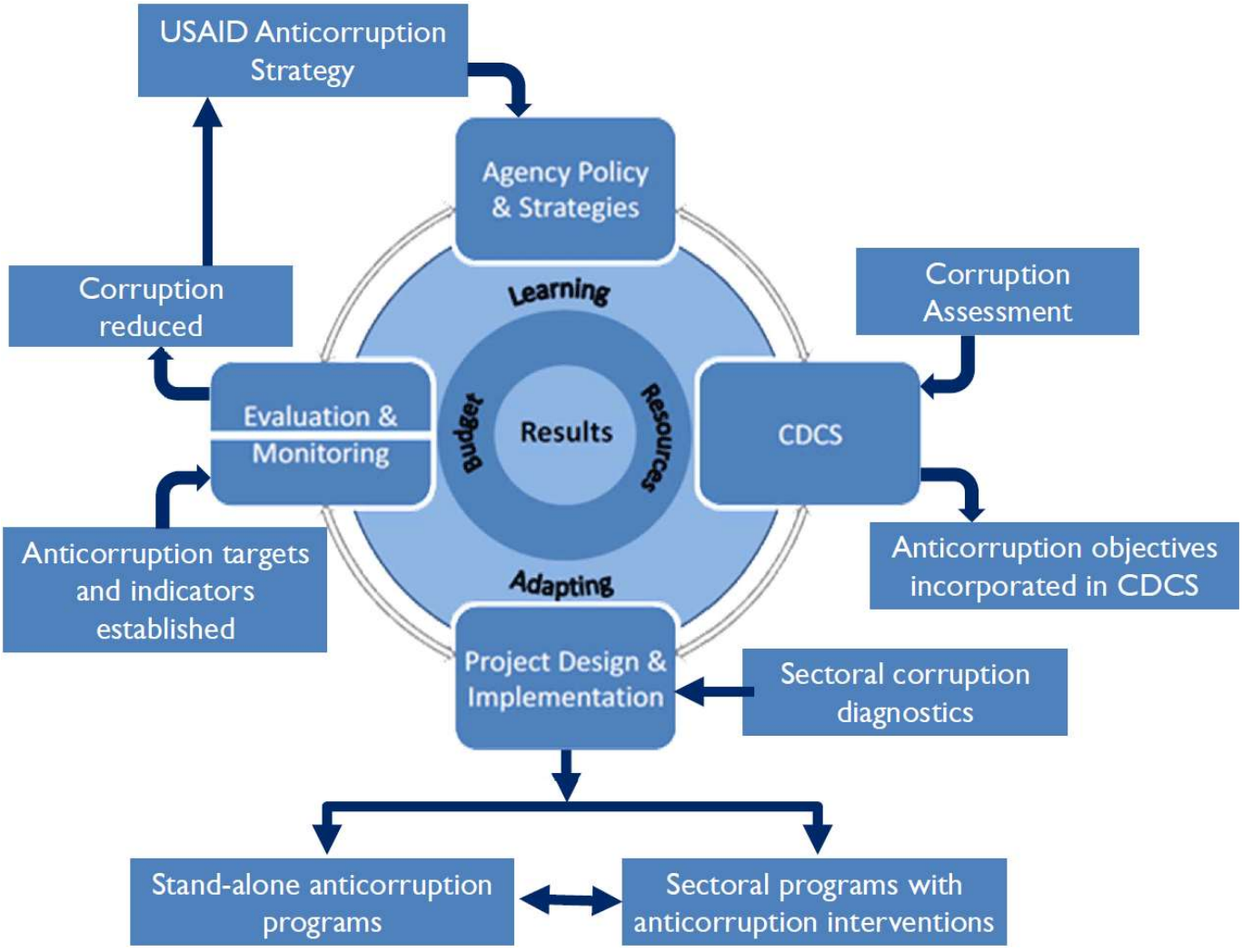
Searches result in information about projects that meet the selection criteria. This includes project title, project value, period of performance, project implementer, brief description of the activities, results achieved, and links to key documents that are available online, including requests for proposal or applications or task orders (RFPs, RFA, and RFTOPs), final reports, performance evaluations and audit reports, and other relevant documents.

The database is available temporarily at: http://testing.msidevcloud.com/anticorruption. Please check with the DRG Center for the database's availability on an internal USAID platform.

ANNEX D. INTEGRATING ANTICORRUPTION INTO THE USAID PROGRAM CYCLE

The USAID Anticorruption Strategy and the USAID DRG Strategy emphasize the importance of incorporating anticorruption programming into each step of the USAID program cycle. Figure 3 visualizes how this can be accomplished.

Figure 3. Incorporating Anticorruption in the USAID Program Cycle



Incorporating Anticorruption in the Country Development Cooperation Strategy (CDCS)

To comply with key USAID policies that recommend consideration of anticorruption issues in USAID programming, the starting point is the development of the CDCS at the beginning of the country mission planning process as outlined in the ADS 201.[172] Corruption issues and their impact on country development and programming should be outlined in the CDCS's development context and described among challenges and opportunities over the next five years.

Each step of CDCS development -- consultations, development of the results framework, and drafting the strategy – needs to look at corruption as a cross-cutting factor that can be a critical constraint or risk that requires clear definition and assessment in the CDCS. The political economy analysis (PEA) of corruption's impact on development goals using diagnostic assessment tools (see Section IV of this Guide) can highlight where, how, with whom and when anticorruption initiatives should play a role in the CDCS. Although reducing corruption might not be the priority by itself in a CDCS, embedding anticorruption sub-objectives in sectoral programs might advance overall CDCS goals. By incorporating anticorruption objectives in the results framework at the level of Intermediate Results, it ensures that they will become part of the project design process and can secure adequate resources to effectively address corruption problems either as stand-alone or cross-cutting interventions within sectoral projects.

Incorporating Anticorruption in the Project Design Process

Anticorruption should be integrated into all stages of the project design process including the conceptual stage, the analytical stage, and the approval stage to ensure that the design process is informed by the best evidence available and supported by analytical rigor as required by the USAID Project Design Guidance[173] and the ADS Chapter 201 Planning.[174]

Integrating anticorruption into health reform project design: Albania

In 2010, USAID/Albania implemented a five year project entitled the "Enabling Equitable Health Reforms." In its planning documents, the mission identified informality and corruption, among others, as challenges that limit the capacity of the Albanian health care system to provide quality care to its citizens, especially the poor. To successfully address these challenges, the program design included goals and initiatives to install a culture of lawfulness. In part, this entailed removing administrative barriers that can encourage corrupt behaviors in service delivery, and revising regulations and enforcement to strengthen checks and balances in healthcare operations.

The design process begins with development of the project concept, where the problem is clearly defined, stakeholders are analyzed, and available knowledge, research and lessons learned are reviewed, all seeking to satisfy the CDCS' goals. In the project design phase, a range of feasible options are identified, analyzed, compared, evaluated and prioritized to yield interventions that are likely to be effective in achieving the strategic objectives. To ensure that anticorruption is properly addressed in the project design, it is advisable to include anticorruption or governance specialist from the mission's DRG office when available.

It is critical to include assessments of the corruption impact in reaching CDCS objectives and IRs. For example, if designing a health or an education program corruption vulnerabilities and risks should be assessed as directed by USAID project planning and design directives. The USAID corruption assessment framework described in the next section provides practical tools for conducting this analysis and offers a rationale for setting priorities and choosing approaches during the project design process.

Addressing anticorruption in the Concept Paper and Project Appraisal Document (PAD) will safeguard that anticorruption is not overlooked in the following project design stages and that the impact of the project on corruption will be monitored, for example, by including interventions to make service delivery

[172] USAID, ADS Chapter 201, revised September 30, 2013 (accessed February 20, 2014 at: http://www.usaid.gov/sites/default/files/documents/1870/201.pdf

[173] USAID Project Design Guidance (December, 2011): http://pdf.usaid.gov/pdf_docs/PDACS686.pdf)

[174] USAID, ADS Chapter 201, *op.cit.*

more transparent and to strengthen the financial accountability of health service providers.

The USAID Anticorruption Strategy suggests approaches for programmatic responses to grand and administrative corruption in sectoral programs, and explores entry points under specific environments as depicted in Figure 4. Where political will is questionable, for example, USAID missions can opt to support less politically sensitive measures to improve efficiency in government operations. Interventions such as streamlining administrative procedures or reducing trade barriers may be viewed as non-threatening by local stakeholders, and can provide an initial opening to anticorruption programs. Support to civil society and the media in advocating for anticorruption reforms and conducting public awareness and watchdog activities may also be politically feasible in this context. Likewise, initiatives to improve efficiency and transparency of service delivery may be viable entry points for anticorruption initiatives embedded in sectoral programs.

Figure 4. Corruption Dynamics and Access Points for Response (from USAID Anticorruption Strategy)

The sector-based Corruption Diagnostic Guide of USAID's Anticorruption Assessment Handbook can be an instrumental tool for pinpointing corruption vulnerabilities and the need for specific interventions for sectoral program. The Guide currently consists of detailed diagnostic questions for 19 sectors that allow policies, procedures and practices in a particular sector or function of government to be assessed. Questions are also included to examine corruption vulnerabilities and assess the capacity and readiness of civil society organizations, the business community, and the media to contribute to anticorruption efforts. The Diagnostic Guide can be expanded or modified and similar sets of diagnostic questions can be developed for other sectors and function as needed. Often, anticorruption programming in a particular sector is possible if there is sufficient political will within the sector, even if political will for such programs in the central government is weak. It is important to find the champions of reform, support them and work with them.

In addition to integrating anticorruption within sectoral programs, the mission may consider establishing standalone direct anticorruption programs that specifically focus on reducing corruption across sectors. Direct anticorruption programs can be designed to work with either domestic government, civil society or both. Critical for initiating a direct program with government is a demonstrated commitment to anticorruption reforms at the highest level of government and throughout government.

Anticorruption programs that are designed with the host government as the key counterpart can take many forms, ranging from assisting in the development of national policies such as anticorruption strategies and plans; improving anticorruption legislation; strengthening the capacity of dedicated institutions such as anticorruption commissions/agencies, supreme audit institutions, the Ombudsman, an Access to Information Commission and other similar institutions. Such targeted government interventions should be supplemented with demand side engagement to foster meaningful dialogue, partnership and advocacy for reforms, and to promote effective citizen oversight to keep government accountable.

When the commitment of government is questionable or weak, it may be appropriate to consider designing a program where civil society is the key counterpart. Civil society anticorruption programs should be carefully aligned with the country's political environment to achieve maximum results. For example, in a country with a repressive government, it is not advisable to promote civil society engagement in massive public anticorruption campaigns, but rather to promote stronger civil liberties, a free and independent press, and honest elections. Within an environment where government is more collaborative, civil society anticorruption programs can be more robust.

Based on the findings of a corruption assessment and analysis of past programming experience, USAID officers should be able to identify priority corruption issues that need to be addressed along with entry points, strategic goals and specific program interventions to address them.

ANNEX E. USEFUL RESOURCES

USAID resources

USAID Handbook on Fighting Corruption, 1999: http://pdf.usaid.gov/pdf_docs/pnacr212.pdf

USAID Anticorruption Assessment Handbook, 2009: http://pdf.usaid.gov/pdf_docs/pa00jp37.pdf

USAID Anticorruption Strategy, 2005: http://pdf.usaid.gov/pdf_docs/pdaca557.pdf

USAID Handbook on Fighting Corruption, 1999: http://pdf.usaid.gov/pdf_docs/pnacr212.pdf

Reducing Corruption in the Judiciary, 2009: http://pdf.usaid.gov/pdf_docs/PNADQ106.pdf

Analysis of USAID Anticorruption Programming Worldwide (2007-2013), 2014: http://www.usaid.gov/sites/default/files/documents/1866/AnalysisUSAIDAnticorruptionProgrammingWorldwideFinalReport2007-2013.pdf

Anticorruption and Police Integrity, 2007: http://pdf.usaid.gov/pdf_docs/PNADN948.pdf

Anticorruption Investigation and Trial Guide, 2005: http://pdf.usaid.gov/pdf_docs/PNADE146.pdf

Anticorruption Agencies, 2006: http://pdf.usaid.gov/pdf_docs/pnadm208.pdf

Fighting Corruption in Countries Rebuilding after Conflict, 2008: http://pdf.usaid.gov/pdf_docs/pnadu837.pdf

Lessons Learned Fighting Corruption in MCC Threshold Countries: The USAID Experience, 2009: http://pdf.usaid.gov/pdf_docs/pnads603.pdf

How USAID Safeguards Against Corruption Can Be Used by the Millennium Challenge Account, 2003: http://pdf.usaid.gov/pdf_docs/pnact341.pdf

USAID Strategy on Democracy, Human Rights and Governance. - June 2013: http://www.usaid.gov/sites/default/files/documents/1866/USAID%20DRG_%20final%20final%206-24%203%20(1).pdf

The Handbook of Democracy and Governance Indicators, 1998: http://pdf.usaid.gov/pdf_docs/PNACC390.pdf.

An Anticorruption Reader: Supplemental Sources on Transparency, Accountability, Prevention, Enforcement and Education, 2005: http://pdf.usaid.gov/pdf_docs/PNADF530.pdf

More DRG Resources can be found at: http://www.usaid.gov/node/33416

Some non-USAID resources

International Foundation for Electoral Systems, Money and Politics Program - Guide to Applying Lessons Learned, 2006: http://www.ifes.org/Content/Publications/Books/2006/Money-and-Politics-Program-Guide-to-Applying-Lessons-Learned.aspx

OECD, Anti-Corruption Ethics and Compliance Handbook for Business, 2013: http://www.oecd.org/corruption/anti-corruption-ethics-and-compliance-handbook-for-business.htm

Transparency International and UN-HABITAT, Tools to support transparency in local governance, 2004: http://www.transparency.org/whatwedo/pub/tools_to_support_transparency_in_local_governance

Transparency International, Handbook of good practices: Preventing corruption in humanitarian operations, 2010:http://www.transparency.org/whatwedo/pub/handbook_of_good_practices_preventing_corruption_in_humanitarian_operations

United Nations Office on Drugs and Crime, UN Anti-Corruption Toolkit, 2004: http://www.unodc.org/pdf/crime/corruption/toolkit/corruption_un_anti_corruption_toolkit_sep04.pdf

ANNEX F. SELECTED INSTRUMENTS WITH CORRUPTION AND RULE OF LAW INDICATORS[175]

Instrument	Organization	Police	Judiciary	Prisons	Informal Justice	Human Rights	Corruption	Governance	Crime/ Safety	Other
Afrobarometer	Afrobarometer Network	X	X		X		X	X	X	
Arab Barometer	Institute for Social Research of the University of Michigan	X	X		X		X	X		
Asian Barometer	Asian Barometer Network	X	X				X	X	X	
Bertelsmann Reform Index (BRI)	Bertelsmann Stiftung		X			X	X	X	X	
Bertelsmann Transformation Index (BTI)	Bertelsmann Stiftung							X		
Bribe Payers Index	Transparency International	X	X				X			
Business Environment and Enterprise Performance Survey (BEEPS)	World Bank/European Bank for Reconstruction & Development		X				X	X	X	
CEDAW Assessment Tool	American Bar Association/CEELI					X				
Cingranelli-Richards (CIRI) Human Rights Dataset	Cingranelli and Richards, Binghampton University			X		X				
Commitment to Development Index (CDI)	Center for Global Development							X		
Comparative Data (Formally EPIC Project)	Electoral Knowledge Network (ACE)							X		
Corruption Perceptions Index (CPI)	Transparency International						X			

[175] Vera Institute of Justice, "Rule of Law Indicator Instruments: A Literature Review," Washington, DC (November 2008): http://www.vera.org/files/rule-law-indicators-literature-review.pdf

Instrument	Organization	Police	Judiciary	Prisons	Informal Justice	Human Rights	Corruption	Governance	Crime/ Safety	Other
Countries at the Crossroads	Freedom House	X	X			X	X	X		Prosecution
Country Policy & Institutional Assessment (CPIA)	World Bank						X	X		
Democracy Index	Economist Intelligence Unit					X	X		X	
EBRD Country Law Assessment	European Bank for Reconstruction & Development		X							
EBRD Structural Change Indicators	European Bank for Reconstruction & Development							X		
Euro-barometer	European Commission							X		
European Union Accession Monitoring Program (EUMAP)	Open Society Institute		X					X		
Freedom in the World	Freedom House Human rights					X				
Freedom of the Press	Freedom House Human rights					X				
Gender Gap Assessment	World Economic Forum					X				
Global Accountability Project (GAP)	One World Trust						X	X		
Global Barometer (GB)	Global Barometer									
Global Competitiveness Index (GCI)	World Economic Forum	X	X				X	X	X	
Global Corruption Barometer	Transparency International	X	X				X			
Global Integrity Index	Global Integrity	X	X				X	X		
Global Peace Index	Vision of Humanity	X		X		X			X	
Human Trafficking Assessment Tool (HTAT)	American Bar Association/CEELI					X				
Ibrahim Index of African Governance	Mo Ibrahim Foundation		X					X	X	
ICCPR Index	American Bar Association/CEELI					X				

Instrument	Organization	Police	Judiciary	Prisons	Informal Justice	Human Rights	Corruption	Governance	Crime/ Safety	Other
Index of Economic Freedoms	Heritage Foundation & Wall Street Journal						X	X		
Judicial Reform Index (JRI)	American Bar Association/CEELI		X							
Latino-barómetro	Latinobarómetro Corporation	X	X				X	X	X	
Legal Education and Reform Index (LERI)	American Bar Association/ROLI		X							
Legal Profession Reform Index (LPRI)	American Bar Association/ROLI		X							
Nations in Transit	Freedom House		X			X	X	X		
NGO Sustainability	USAID					X		X		Civil Societies
Opacity Index	Milken Institute & Kurtzman Group						X	X		
Open Budget Index	Center on Budget & Policy Priorities							X		
Pilot Grid for the Judicial System Assessment	International Union of Judicial Officers		X							
Political Terror Scale	University of North Carolina					X				
Polity IV Project	George Mason University, Colorado State University, & U of M							X		
Prosecutorial Reform Index	American Bar Association/ROLI									Prosecution
Rule of Law Index (WJP)	American Bar Association/World Justice Project	X	X	X	X	X	X	X		Prosecution
Rule of Law Index (WGI)	World Bank/Governance & Anti-Corruption Resource Center	X	X						X	
South African Police Service Assessment	Center for the Study of Violence and Reconciliation	X								
Trafficking in Persons (TIP) Report	US State Department					X				
UK Police Performance Assessment	UK Home Office	X								

Instrument	Organization	Police	Judiciary	Prisons	Informal Justice	Human Rights	Corruption	Governance	Crime/ Safety	Other
US State Department Country Reports on Human Rights Practices	US State Department	X	X	X		X		X		
Vera-Altus Justice Indicators Project	Vera Institute of Justice and Altus Global Alliance	X	X	X	X	X	X	X		
World Business Environment Survey	World Bank	X	X				X	X	X	
World Governance Assessment	Overseas Development Institute		X		X			X		
Public Expenditure and Financial Accountability (PEFA) Assessment	https://www.pefa.org/					X	X	X		
International Country Risk Guides	https://www.prsgroup.com/about-us/our-two-methodologies							X		X
Political Constraint Index	http://www.nsd.uib.no/macrodataguide/set.html?id=29&sub=1					X	X	X		X
Government Defence anti-corruption index	http://government.defenceindex.org/	X				X	X			X
Gender Inequality Index (GII)	http://hdr.undp.org/en/content/gender-inequality-index-gii							X		X

ANNEX G. INDEX TO LESSONS FROM PAST EXPERIENCE

ANNEX H. USAID PROJECTS MENTIONED IN THIS GUIDE

	Project Name	Documents	Page
1.	Support to the Afghan High Office of Oversight	Final Report, 2013: http://pdf.usaid.gov/pdf_docs/PA00JP3T.pdf	32
2.	Albania Support to Millennium Challenge Account TCP project	Final Report, 2008: http://pdf.usaid.gov/pdf_docs/PDACM504.pdf	17, 20, 25, 40, 46
3.	Armenia Mobilizing Action Against Corruption (MAAC)	Mid-term Evaluation, 2010: http://pdf.usaid.gov/pdf_docs/PDACR143.pdf	18, 32
4.	The Governance Accountability Project, Phase II (GAP2) project in Bosnia	Final Report, 2012: http://pdf.usaid.gov/pdf_docs/PDACY306.pdf	25
5.	Cambodia Mainstreaming Anticorruption for Equity (MAE)	Cambodia Annual Report, Sept-2009: http://pdf.usaid.gov/pdf_docs/Pdacp461.pdf	22, 28
6.	Djibouti Anticorruption Program (DACP)	Final Report, 2010: http://pdf.usaid.gov/pdf_docs/PDACQ980.pdf	16, 25
7.	Project "Si, se puede! Anti-Corruption – Ecuador"	Final Report, 2006: http://pdf.usaid.gov/pdf_docs/PDACI038.pdf	25
8.	Egypt Financial Services Project	Audit Report, 2009: http://oig.usaid.gov/sites/default/files/audit-reports/6-263-10-002-p.pdf	19
9.	Good Governance in Georgia project	Mid-term Performance Evaluation, 2013: http://pdf.usaid.gov/pdf_docs/PA00JVTR.pdf	13
10.	Georgia Business Climate Reform (GBCR)	Final Report, 2009: http://pdf.usaid.gov/pdf_docs/PDACN591.pdf	28, 35
11.	Health Systems 20/20	Final Report, 2012: http://pdf.usaid.gov/pdf_docs/pdacu412.pdf	19
12.	Honduras Greater Transparency and Accountability of Government Program (GTAG)	Final Report, 2009: http://pdf.usaid.gov/pdf_docs/PDACP996.pdf	35
13.	Indonesia Strengthening Integrity and Accountabilty-I (SIAP-I)	http://www.grants.gov/custom/viewOppDetails.jsp?oppId=50225	20, 31
14.	Rule of Law Program (ROLP) Project in Jordan	Final Report, 2013: http://pdf.usaid.gov/pdf_docs/PBAAA435.pdf	46
15.	Kazakhstan Judicial Assistance Project	Final Report, 2009: http://www.chemonics.com/OurWork/OurProjects/Documents/Kazakhstan Justice.pdf	26
16.	Liberia Governance and Economic Management Assistance Program	Final Evaluation Report, 2010: http://pdf.usaid.gov/pdf_docs/PDACR798.pdf	44
17.	Moldova Business and Tax Administration Reform	Mid-term Evaluation, 2011: http://pdf.usaid.gov/pdf_docs/PDACS244.pdf	45, 48
18.	Transition Initiative: Nepal	Final Report, 2009: http://pdf.usaid.gov/pdf_docs/PDACQ596.pdf	35
19.	Strengthened Rule of Law and Respect for Human Rights Program in Nicaragua	Final Report, 2009: http://www.funides.org/uploads/USAID-Nicaragua-Rule-of-Law-$11MM-Chechi.pdf	25

	Project Name	Documents	Page
20.	Palestinian Health Sector Reform and Development Project	Annual Progress Report, 2013: http://pdf.usaid.gov/pdf_docs/PA00JVNB.pdf	14
21.	Palestinian Authority Capacity Enhancement (PACE)	Final Report, 2013: http://pdf.usaid.gov/pdf_docs/PDACY026.pdf	37
22.	Panama Strengthened Rule of Law and Respect for Human Rights Program	Final Report, 2009: http://pdf.usaid.gov/pdf_docs/PDACW212.pdf	46
23.	Paraguay Threshold Program I: Paraguay Threshold Country Program Fight Against Corruption and Impunity	http://pdf.usaid.gov/pdf_docs/PDACQ482.pdf	16, 20, 28
24.	The Enhanced Governance through Anticorruption Efforts in the Philippines	Final Report, 2011: http://pdf.usaid.gov/pdf_docs/PDACT289.pdf	25
25.	Philippines Environmental Governance II (EcoGov)	Final Evaluation, 2011: http://pdf.usaid.gov/pdf_docs/pdacr988.pdf	14
26.	Philippines Economic Modernization through Efficient Reforms and Governance Enhancement (EMERGE)	Final Report, 2008: http://pdf.usaid.gov/pdf_docs/PDACS181.pdf	17, 29
27.	Philippines Integrity Project (iPro)	Annual Report. 2010: http://pdf.usaid.gov/pdf_docs/pdacu506.pdf	17
28.	Community Participation and Regional Advocacy Project in the Russian Far East	Final Report, 2009: http://pdf.usaid.gov/pdf_docs/PDACQ845.pdf	38
29.	Promoting Citizen Engagement in Combating Corruption in Ukraine (Action)	Final Report, 2009: http://pdf.usaid.gov/pdf_docs/PDACR665.pdf;	13, 40, 56
30.	The Ukrainian Standardized External Testing Initiative (USETI)	Final Report, 2009: http://pdf.usaid.gov/pdf_docs/PDACQ648.pdf	12, 44
31.	Combating Corruption and Strengthening Rule of Law in Ukraine	http://pdf.usaid.gov/pdf_docs/PDACN921.pdf	12
32.	Combating Corruption and Strengthening Rule of Law in Ukraine	Final Report, 2009: http://pdf.usaid.gov/pdf_docs/Pdacn921.pdf	46
33.	Support for Trade Acceleration (STAR) Project in Vietnam	Performance Evaluation, May 2011: http://pdf.usaid.gov/pdf_docs/pdacs486.pdf	18
34.	Zambia Threshold Project (ZTP)	Final Report, 2008: http://pdf.usaid.gov/pdf_docs/PDACL989.pdf	25, 27, 28

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