cor·rup·tion (kə rup shən) ***n.*** [L *corruptus*, **CORRUPT** to destroy, spoil, debase] **the misuse of public office for private gain** *see also* **Grand Corruption**, *e.g.*, high-level bribery, procurement fraud, money laundering, embezzlement, tax evasion

BRIEFING BOOK ON CORRUPTION

with a focus on the **NIS Region**

February 1998

Introduction

The Roots of Corruption:

① **public cynicism** in the wake of autocratic governance and economic monopolization tl literally forced citizens into subversive actions;

② **history of rule of men** rather than rule of law;

③ **organized crime,** rather than weak law enforcement and judicial institutions, enforce newly-acquired property rights;

④ **weakly-developed oversight institutions,** such as parliaments and regulatory agencies; and,

⑤ **underdeveloped civil society**, such as consumers' rights, small business, and other "watchdog" groups; political parties; advocacy organizations; independent labor unions; and independent media.

⑥ **incoherent local and national policies, as well as excessive regulation**, such as those related to entrepreneurship, business licensing and standards.

Two Key Elements of Anti-Corruption Efforts:

❶ the free flow of information, or "**transparency**"

❷ oversight, or "**accountability**"

This briefing book on corruption was prepared by Michael Shea of the Economic and Social Data Service, with editorial guidance and contributions from Keith Henderson and Corbin Lyday, the technical co-chairs of ENI's Working Group on Corruption, as well as members of the Agency's Working Group on Corruption. Ron Sprout of ENI/PCS also contributed to the design of this report. It is intended to serve as an overview sketch of some of the salient themes related to corruption and development.

Research related to corruption is proceeding at an intense pace. This briefing book is an evolving document and will be supplemented periodically. Comments or questions should be directed to either Michael Shea (mshea@esds.cdie.org) at 202-661-5806 or Keith Henderson (kehenderson@usaid.gov) at 202-712-5167.

February 1998

In this briefing chartbook, **CORRUPTION** is defined simply as *the misuse of public office for private gain*. As the chart on the opposite page argues, corruption has a deleterious impact on trade and investment, bolsters support for organized crime, and impedes the development of democratic societies.

Fighting corruption is part of a broader context of building effective governments and promoting economic and social development. An effective government is the cornerstone of building credibility for the state, which itself is associated with economic growth and investment.

In the NIS region, the credibility of governments is unusually low. This observation is borne out by various indicators. Fighting corruption and building credible governments in the NIS region are essential ingredients in any strategy to promote economic and social development.

cor•rup•tion(kə **rup´shən**)***n.*** **L** *corruptus*, **CORRUPT** to destroy, spoil, debase **the misuse of public office for private gain** *see also* **Grand Corruption**, *e.g.*, high-level bribery, procurement fraud, money laundering, embezzlement, tax evasion

Harmful Impact on Trade and Investment & Enables Organized Crime to Flourish

Impedes USG's Ability to Collaborate with the Host Government on the Mutual Objectives of Democratic Development

How widespread is the problem in the NIS region?

World Bank's Survey on Corruption: NIS Region has lowest average scores.

As the graph on the opposite page indicates, the **NIS region** scored the **lowest average** on the World Bank's Survey on Corruption. The percentages of respondents who did NOT report that corruption was a significant problem in their country are shown. The findings are based on surveys taken of more than 3,600 business firms in 1996.

BACKGROUND ON THE WORLD BANK SURVEY: PRIVATE SECTOR SURVEY FOR THE WDR 1997

A survey covering predictability of laws, political instability and security of property, the government-business interface, law enforcement and bureaucratic red tape, and efficiency of basic government services was conducted by the World Bank in 69 countries. More than 3,600 business firms were surveyed. Some characteristics of the business firms surveyed in all regions include:

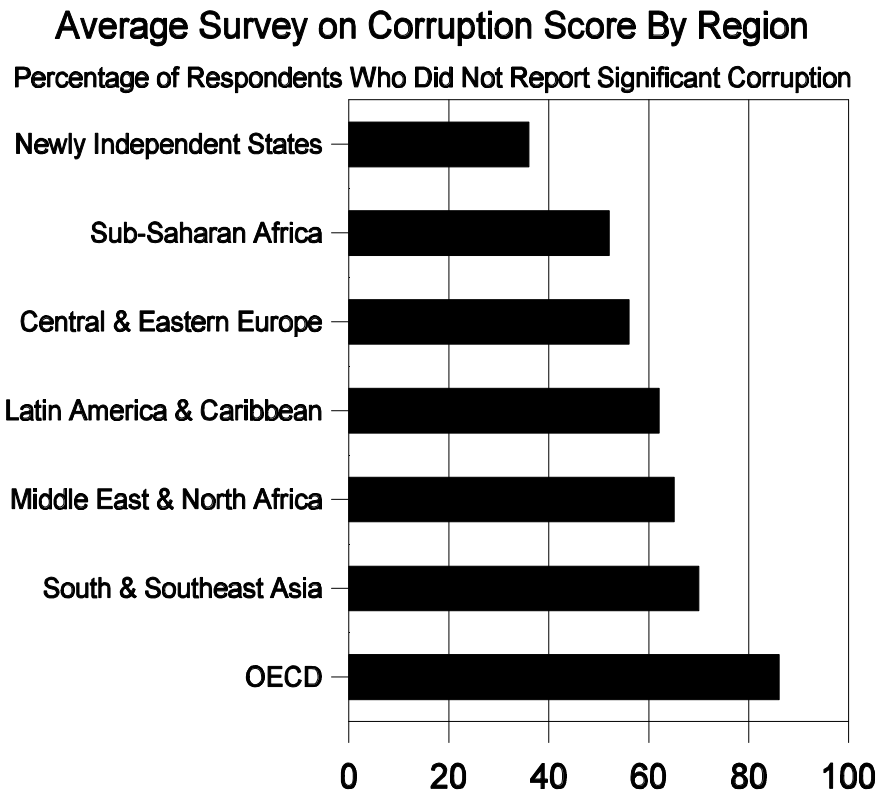
- 39% have fewer than 50 employees
- 49% are in manufacturing
- 34% have foreign equity participation

Number of countries represented in each region (69 total countries):

High-income OECD	11	Sub-Saharan Africa	22
South & Southeast Asia	3	Central & Eastern Europe	11
Middle East & North Africa	3	Newly Independent States	10
Latin America & Caribbean	9		

The respondent companies from the NIS region were smaller -- on average -- than the respondent companies from other regions. More than half the respondent firms in the NIS had fewer than fifty employees. They also less likely to be engaged in exports or to have foreign equity participation than the companies from other regions.

World Bank's Survey on Corruption: NIS Region has lowest average scores.



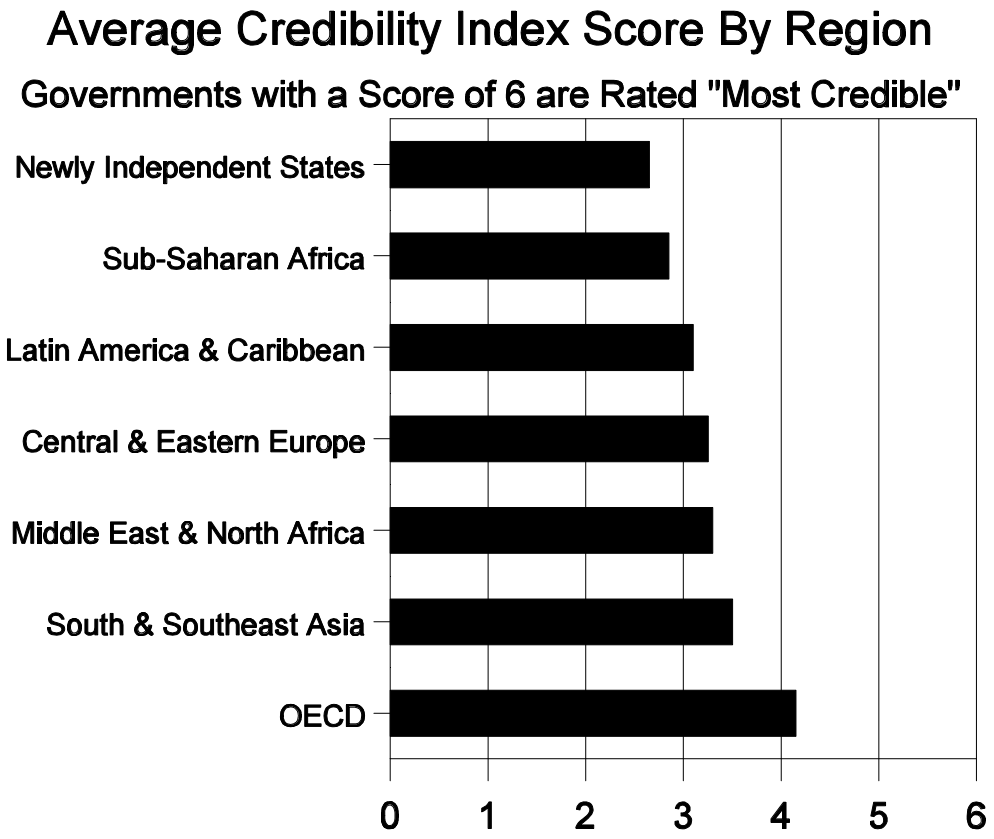
source for survey: The World Bank, World Development Report 1997

The Credibility Indicator: NIS Region has lowest average scores.

In addition to having the **lowest average** score from the Survey on Corruption, the **NIS region** also scored the **lowest average** on the composite "Credibility Indicator." This indicator is a broad measure of the reliability of the institutional framework as perceived by private entrepreneurs. There are five sub-indicators. Countries score high marks if they have:

predictability in their rulemaking
subjective perception of political stability
security of persons and property
predictability of judicial enforcement
an absence of corruption

The Credibility Indicator: NIS Region has lowest average scores.



source for survey: The World Bank, World Development Report 1997

The Lawlessness Syndrome: Particularly acute in the NIS region.

In the 1997 ***World Development Report***, the World Bank defines the "lawlessness syndrome" as a condition where three problems are all significant -- corruption, crime, and an unpredictable judiciary. This "trifecta of trouble" is particularly pervasive in the NIS region.

A country is scored as having one of the problem if half or more survey respondents rated the problem as "severe" (*i.e.*, they gave it a score of 1 or 2 on a scale of 1 to 6, with lower values indicating a worse problem).

Percentage of Countries in the Survey Which Reported ALL Three Problems (Corruption, Crime, and Unpredictable Judiciary)

All Regions	**39%**
OECD Countries	**0%**
Latin America & Africa	**50%**
NIS	**80%**

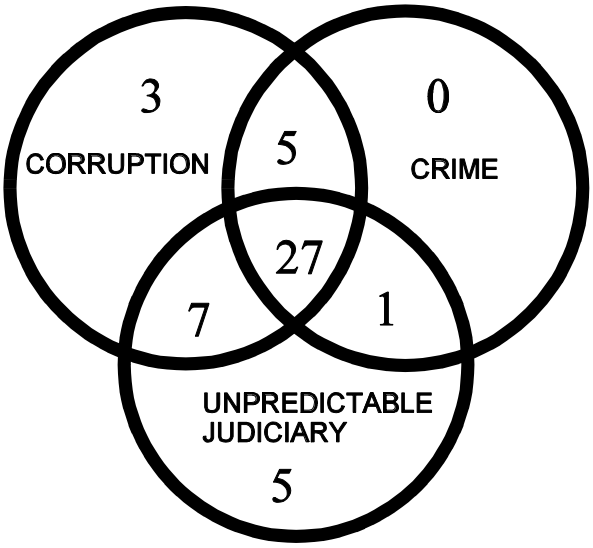
source for survey: The World Bank, World Development Report 1997

In the graph on the opposite page, a country falls within a circle if half or more of its responding firms scored the problem as a 1 or 2, and it falls within an intersection if at least 40 percent of firms scored both or all three components as 1 or 2, and if the average of the component scores exceeded 50 percent.

There were a total of 69 industrial and developing countries in the survey.

Countries fall in a circle if half or more of the surveyed firms reported that the problem was severe. Countries fall in the intersection if the problems were rated as severe by average of half or more of the firms, with at least 40 percent for each problem.

For example, 3 countries reported that only corruption was a severe problem, while 7 countries reported that both corruption and an unpredictable judiciary were severe problems.



21 countries surveyed fell into NONE of the three categories

What impact does corruption in the NIS region have on foreign investment?

Corruption in the NIS region adds to the problem of attracting investment.

The recognition that corruption -- particularly if it is unpredictable, as it is throughout most of the NIS -- has a significant presence in a country will deter potential foreign investors. This is one of the links between high levels of corruption and low levels of economic growth. Evidence from the World Bank's ***World Development Report*** 1997 shows that corruption is unusually high -- and the credibility of governments unusually low -- in the NIS region. Is there evidence that the countries in the region are also seen as relatively poor investment prospects?

Data on foreign investment flows to each country in the region -- adjusted for the size of the country as measured by its GDP -- are shown in the table on the opposite page. Given that foreign investment is seen as one element in speeding up economic development, these are sobering numbers for the NIS region. Foreign investment flows were less than one percent of GDP during the 1993-1995 period in the fifteen NIS countries, on average, where corruption is most rampant. By contrast, capital flows to the CEE region -- where corruption is still a problem but less so -- were significantly larger as a percent of GDP.

Corruption in the NIS region adds to the problem of attracting investment.

	World Bank's Survey on Corruption Score (100 = No Corruption)	Median Value of Foreign Investment Flows As Percent of GDP, Average for 1993-1995
South & Southeast Asia	70	2.7%
Latin America & Caribbean	62	3.0%
Central & Eastern Europe	56	2.9%
Newly Independent States	36	0.7%

source: World Bank Private Sector Survey 1996; World Bank's World Development Indicators 1997

"Foreign Investment Flows" are net private capital flows, which include private debt and nondebt flows. Private debt flows include commercial bank lending, bonds, and other private credits; nondebt private flows are foreign direct investment (FDI) and portfolio equity investment.

Although data from the World Bank's Survey on Corruption are not available by country, the NGO Transparency International (TI) has produced an annual ranking of countries based on a **"survey of surveys" method**. There are only 52 countries -- from all regions -- in the TI rankings, but more countries are expected to be added in future years. Among the NIS countries, only Russia is included in the TI rankings. Russia scored 2.27 points out of a maximum ten points for 1997, leaving it in 49th place among 52 countries. Other countries in the TI rankings, which fared better with respect to their corruption score, also fared much better with respect to attracting foreign investment.

If Russia is ranked 49th out of 52 countries by TI, are things really that bad? Not necessarily. There is a consensus that the TI rankings -- which only include 52 out of 209 economies in the world -- include a higher proportion of the low corruption countries. In other words, having a low rank in the TI scores is not necessarily the same thing as having a low rank if all countries were included.

What does a "survey of surveys" approach mean? Transparency International analyzes existing survey data in each country, using surveys taken of foreign journalists and business leaders with respect to the environment for doing business. Only those countries with at least four different and relatively recent surveys available are included in the TI rankings.

Corruption in the NIS region adds to the problem of attracting investment.

	Transparency International Score on Corruption (10 = no corruption)	Foreign Investment Flows As Percent of GDP Average for 1994-95
Czech Republic	5.20	8.5%
Hungary	5.18	12.3%
Poland	5.08	2.8%
Romania	3.44	2.0%
Russia	2.27	0.2%

source: Transparency International; World Bank, World Development Indicators 1997

What impact does corruption have on domestic investment and economic activity?

High Corruption & Unpredictable Payments/Outcomes Hurt Investment.

Statistics from within NIS countries demonstrate that domestic investment is hurt tremendously by corruption. Russian sources estimate that the country loses between $20 and $40 billion each year, as transfer payments abroad. Corruption encourages the development of a "hidden," or semi-legal, economy. The semi-legal economy may account for as much as 25 percent of GDP, according to Russia's Security Council.

In the 1997 *World Development Report*, the World Bank cites studies which show a clearly negative correlation between the level of corruption (as perceived by businesspeople) and both investment and economic growth. The Bank also calculated gross investment to GDP ratios (*i.e.*, what percentage of GDP is gross investment equal to in a country) for 39 countries for which data were available for 1990 to 1994. The graph on the opposite page is based upon cross-country results for those countries, which were also among the countries in the World Bank Private Sector Survey in 1996. Country scores on corruption and predictability of payments or outcomes were used as the independent variable. The regression controlled for initial level of education, initial level of income, and the existing policy distortion.

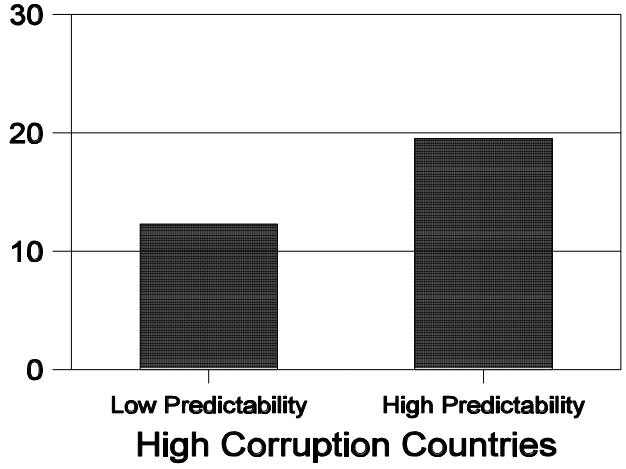
The level of corruption is a significant factor in determining the share of investment at the 10 percent confidence level; the predictability of corruption is a significant factor at the 1 percent confidence level.

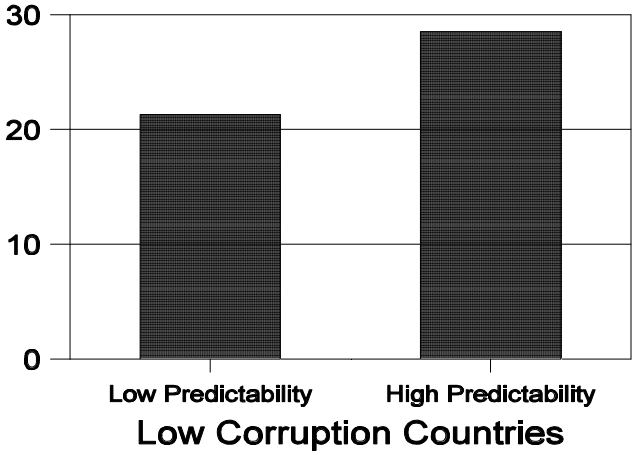
The two graphs show that countries with high corruption ***and*** high unpredictability have the lowest unweighted average of investment levels. Countries which reduce either the corruption or the unpredictability have about the same middle level of investment. Countries with low corruption and low unpredictability, however, have the highest investment levels.

High Corruption & Unpredictable Payments/Outcomes Hurt Investment.

The graphs show the Gross Investment/GDP Ratio for different groups of countries. Each ratio is an unweighted average for the countries in each group. Results are based on 39 countries with data from 1990 to 1994.

Source: World Bank, *World Development Report* 1997.





What is the impact of corruption on political institutions and sustainable democracy?

High corruption means low confidence in state institutions, greater public cynicism, and civic apathy.

Corruption's negative impact on political institutions is perhaps more difficult to quantify than with respect to economic development, but it is nonetheless a serious problem. State officials who misuse their offices in pursuit of private gain reinforce the historical cynicism of citizens in the NIS and other countries of the ENI region that "democracy" really only means that corruption is out in the open, rather than hidden away.

Recent political and economic events in Asia are beginning to answer the question as to whether economic reforms can be successful without corresponding political reforms. The "crony capitalism" under authoritarian regimes is proving to not be the answer for transitional, market-based, democratic societies.

It is dangerous when democracy and corruption become synonymous in the public mind, as that tends to undermine support for genuinely democratic solutions for economic problems. The equation of democracy with corruption also increases calls for extra-legal and authoritarian responses to problems.

Corruption in the NIS region undermines efforts to establish sustainable democracies.

Old Regime	**- need for economic reforms - corruption opportunities because of lack of democratic accountability**
Initial Transition	**- liberalized economic institutions - democratic elections and legislatures - weak judicial institutions - corruption opportunities because of inadequate legal framework and underdeveloped civil institutions - public cynicism**
Sustainable Democracy	**- strengthened judiciary - rule of law - transparency and accountability in government operations - public faith in government institutions**

Corruption in the NIS region breeds apathy and distrust of political parties.

The pattern of transition in too many countries in the NIS region fails to regulate activities which need oversight, permits insider dealings, and encourages a form of "crony capitalism" that continues to enrich a few individuals at the expense of the many. When new political parties-- the fruits of democratization-- are identified with "crony capitalism," the voters in fledgling democracies become either apathetic or antithetical to many reforms. As a sign of protest, many voters turn to candidates closely identified as "business-minded," although these candidates will often be less likely to adopt and enforce democratic accountability in government.

Thus, despite the contested elections in the NIS region, many voters are apathetic, believing that corruption is so high that it prevents real reform -- precisely at a time when new civic activism is needed in this area.

Corruption in the NIS region breeds apathy and distrust of political parties.

Evidence of public apathy and distrust of political parties:

Public opinion polls, in Russia and elsewhere, indicate the widespread belief that corruption is the greatest political danger to the region, rather than a return to the old communist regime.

Corruption of public officials in Russia is blamed for the non-payment of wages to workers; one estimate is that this affected one-quarter of the workforce at the end of 1996.

Recent municipal elections in Russia underscored the distrust of almost all new political parties.

In the region, day-to-day life with respect to obtaining a business license, or even subscribing to basic utility services, is characterized by delays, bribery, and poor service by municipal and local governments.

Upcoming elections in the Ukraine will be seen as a barometer of how much the cynical public does not trust incumbent legislators.

Corruption in the NIS region widens income disparities and strains political institutions.

Countries in the NIS region are increasingly identified by tremendous gaps between the rich and the poor, at a time when former social safety nets are either unfunded or dismantled. In Russia, as the data on the opposite page indicate, the income disparities are now comparable to those traditionally seen in Brazil and South Africa. For Russia, this represents a unique "disachievement" in a relatively short period of time. A rising gap between rich and poor is a frequent theme of extremist and nationalist political organizations, undermining political stability.

Concentration of Financial Assets in Russia
as of 1997

	Share of total assets
Wealthiest 5% of households:	73%
"Middle" group representing 19%:	24%
"Bottom" group representing 71%:	3%

source: Russian Academy of Sciences

Weak judicial institutions allow organized crime to flourish.

In the judicial sphere, when courts cannot enforce judgments for non-payment of wages, denial of pensions, or other breaches of contract, disputes are more often settled by organized crime, while many individuals have no recourse to the legal system at all. Criminal elements, which profit by an absence of accounting oversight activities, limit competition and raise prices artificially. New businesses which fail to pay a *krysha* -- the Russian word for "roof" -- of protection money to one, and sometimes several competing groups, find themselves the subject of extortion arrangements or even physical violence. Because accounting procedures remain murky, businesses underreport income to the state, which subsequently fails to collect taxes in a rational and coherent fashion. Public apathy, intimidation and weak state institutions further erode domestic and foreign confidence.

In addition, weak judiciaries cannot resolve power or "turf battle" disputes between governmental entities. During a time when powers are, or should be, shifting under new constitutions toward a system that includes more checks and balances, it is critical that judiciaries be empowered and capable of assuming their arbitral role in a democratic society.

In such an atmosphere, personality politics and patronage "Tammany Hall" systems flourish, while issue-oriented political parties and civil society development remains underdeveloped. The overall effect of such development is to reward a tiny few with economic power and privilege, while disenfranchising the vast majority of people. While difficult to quantify, such "stunted" growth is both the political and the economic legacy of corruption.

What are typical elements of an anti-corruption strategy?

In order to place anti-corruption strategies in context, it is useful to review some of the opportunities for, and consequences of, corruption. The following tables are taken from *Corruption and the Global Economy*, published in 1997.

OPPORTUNITIES FOR CORRUPTION		CONSEQUENCES OF CORRUPTION	
Vying for Government Benefits	- Government procurement contracts, ranging from routine purchases of supplies to large infrastructure projects - Purchases from or sales to state-owned enterprises - Privatization of SOEs - Access to government-controlled or regulated supplies of goods, credit, foreign exchange, import and export licenses, other licenses or permits - Access to government services or subsidies, such as scholarships, health care, or subsidized housing	Inefficiencies	- Misallocated government resources as contracts go to less efficient bidders - Distortions in allocation of government expenditure and privatized enterprises - Inappropriate or poor quality infrastructure - Undersupply of public goods such as clean air or water - Incentives to create additional regulations or delays in order to collect bribes - Lost national savings and lowered investment due to flight abroad of bribe "capital"
Paying to Avoid Costs	- Regulations - Taxes - Prosecution (for illegal activities such as prostitution or gambling - Delays, red tape	Inequities	- Redistribution of assets from public sector to corrupt individuals - Redistribution from relatively poorer to relatively wealthier individuals who are likely to have more access to government officials
Paying for Official Positions		Undermining of Political Legitimacy	

source: Kimberly Ann Elliott, editor, *Corruption and the Global Economy*, 1997, page 190.

Using Information Gathering and Analysis to Detect and Deter Corruption
Assess the organization's vulnerability to corruption and identify particular areas of concern.
Look for evidence of corruption (red flags, including lifestyles more lavish than honesty would allow, random inspections, and statistical analysis).
Increase access to information by opening channels to third parties (media and banks), clients, and the public.
Strengthen internal "information agents" (auditors and investigators) and protect whistle blowers.
Create specialized units or agencies (ombudsmen and anticorruption commissions).

Changing Incentives to Discourage Corruption
Increase rewards for honesty by raising low-end salaries, reducing need for illicit supplements.
Introduce merit pay and incentive schemes that reward honest and efficient service, including nonmonetary rewards (*e.g.*, desirable transfers, training, travel, publicity, and praise).
Use contingent contracts (*e.g.*, nonvested pensions for public employees and performance contracts for private contractors).
Increase the penalties for corrupt behavior by raising the level of formal penalties. Where that is not possible, for political or other reasons, use nonformal penalties (*e.g.*, undesirable transfers, negative publicity, loss of professional standing, and blackballing).
Increase the authority to impose punishment.
Link the penalty to the expected gain from corruption (the size of the bribe for the public employee; the size of the expected illicit profit for the briber).

source: Kimberly Ann Elliott, editor, *Corruption and the Global Economy*, 1997, page 211.

Civil Society Programs

Civic Monitoring	**NGO watchdog/advocacy groups, civic monitoring organizations with hotlines, associations of professionals, businesses and users/providers of governmental services, self-regulatory organizations, targeted cost/benefit analytical studies, and coalitions that mobilize business and labor groups as well as the media**
Media	**Free and independent media, training for investigative journalists, ethical codes for journalists, international press centers, human rights organizations**
Civic Education	**Educational programs for businesses and citizens focused on the economic and political costs of corruption, how to participate in governmental programs, how to protect property rights, public opinion polling, academic and applied research on corruption, the translation and distribution of the global Transparency International Source Book and/or the development of a country-tailored anti-corruption source book.**
Training	**National, regional, and international workshops and conferences**

Governmental Programs

Transparency	**Transparent procedures and laws, freedom of information and financial disclosure laws, internal auditing laws and procedures, conflict of interest or ethical guidelines for all branches of government, whistle-blower and witness protection programs**
Oversight	**Inspector Generals, Ombudsmen, Auditor Generals, independent anti-corruption commissions and committees, independent counsels, donor-coordination mechanisms**
Enforcement	**Institution building programs related to the judiciary, the parliament, the procuracy, the law enforcement institutions and regulatory systems (capital markets, banking system), targeted islands of opportunity (tax police).**
Civil Service	**Targeted civil service reforms including a salary above the minimum standard of living, incentives for reforms and rewards for honest officials, cost/benefit studies, performance-based pay hikes, rotation of offices, modern management systems, and the appointment and dismissal procedures for judges, prosecutors, and police**
Legal Infrastructure/Laws	**Laws and regulations clearly defining corruption, protecting property rights, fairly punishing corrupt practices, enhancing inter-agency law enforcement coordination, outlining transparent and competitive procurement bidding procedures; and the development of mutual assistance treaties and regional/global cooperative mechanisms**
Enforcement	**Transparent and fair privatization of government assets; decentralization; reduction of import tariffs; reform and enforcement of taxes and financial regulations; demonopolization and trimming discretionary administrative and prosecutorial power; freeing of exchange rates; ending of price controls; development of a harmonized system of property rights, licensing, banking, taxes, customs, credit, and financial management**
Training	**National, regional, and international workshops and conferences**
Coordination/ Ethics/ Human Rights	**Inter-agency/international coordination mechanisms and procedures, criminal law training, ethical codes and guidelines and human rights training**

Strategy for anti-corruption activities by ENI: The Four Pillars

ENI anti-corruption activities continue to evolve and improve their focus. A proposed "four pillar strategy," or "four modes of intervention," is one way to summarize the overall strategy.

The "four pillar strategy" largely builds upon existing ENI programs, including those in democracy and governance, as well as in economic restructuring. In particular, the strategy draws heavily upon programs emphasizing policy development and institutional capacity building.

The underlying premise of the strategy is that corruption is systemic in a number of ENI countries. For current reforms to become sustainable, corruption must be contained and reduced. Indeed, when corruption is systemic -- either at the country or ministerial level -- technical assistance can be rendered ineffective. Unless anti-corruption efforts are underway, there may be cases where technical assistance is not appropriate, even if it is needed. Adopting these concerns about corruption into the assessment and design phase of new programs should be undertaken as a matter of course.

Strategy for anti-corruption activities by ENI: The Four Pillars

The Four Pillar Strategy is:

I.	**Staying the Course**	Many existing projects, activities, and initiatives are fundamental to addressing corruption. They contain the essential building blocks for democratic societies capable of rooting out corruption. But all too often, they are not enough.
II.	**Program Integration**	To build upon the core programs, as needed, by adding new features to existing programs which more fully integrate corruption issues into their design and implementation.
III.	**New Targeted Programs**	To develop new, discrete programs (coordinated with, but independent of, existing activities), related either to (a) civil society's role in combating corruption and/or (b) targeted good governance issues related to trade and investment.
IV.	**Post-Presence Partnership Linkages**	To link our anti-corruption activities with the long-term objectives and programs of private or public sector U.S. entities and other key donors and international agencies (*e.g.*, the World Bank and European Union) which can become or are likely to be engaged in ENI anti-corruption work after USAID close-outs.

Eight high-priority activity areas offer an initial framework for programs.

The eight priority areas are primarily designed to promote more transparent democratic processes, increase trade and investment, and develop public confidence in government institutions and the rule of law. The underlying principle is that corruption is best eliminated by broader public involvement in, and freer flow of information from, the government. Of course, individual Missions must decide if one or more of these eight areas is appropriate, depending on resources, political will, activities of other donors, and the scope of the problem.

❶ **Broad-based Anti-corruption Coalitions**	Support both public and private NGOs, *e.g.*, Transparency International country chapters, that are focussed on assessment, design, and implementation of anti-corruption agendas. Emphasize pubic and business education, as well as transparency in government.
❷ **Targeted NGO Programs**	Support for NGOs specifically focused on business education, media campaigns, information dissemination about government activities, and industry or government watchdog groups.
Public Ethics Codes	Support legislation and enforcement of public ethics codes and conflict-of-interest regulations, with an emphasis on public disclosure of the income of high-level government officials.
Targeted Deregulation Initiatives	Support for streamlining of business licensing regimes, developing efficient and fair review and appeal procedures, and improving the regulatory capability in key financial sectors.

Eight high-priority activity areas offer an initial framework for programs.

Public Procurement Reform	Support for internationally acceptable public procurement tender laws, regulations, and review procedures in order to promote fair and free competition for government contracts.
Public Accounting Reform	Support for internationally acceptable pubic accounting and auditing standards so that budgets and monies received by government officials can be independently audited in order to promote public accountability and enforcement.
Freedom of Information Legislation	Support for freedom-of-information-like laws and regulations related to trade, investment, and good governance issues in order to promote transparency and public accountability.
Targeted Deregulation Initiatives	Support for targeted programs related to enhancing the capacity and independence of the judiciary, watchdog, or oversight entities (*e.g.*, inspectors general, ombudsmen, accounting chambers), and regulatory agencies. In particular, those entities and agencies related to tax, customs, privatization, and banking.

Accomplishments and initiatives launched in 1997 provide a solid foundation for further progress.

①	Preliminary anti-corruption assessments and design exercises in the Ukraine, Russia, and Bulgaria.
②	Issuance of first IMF anti-corruption strategy and staff guidance guidelines. An IMF loan to Kenya was suspended for reasons explicitly related to corruption.
③	The Council of Europe has drafted anti-corruption protocols similar to the Inter-American Convention Against Corruption that would apply to Europe, including Central and Eastern Europe.
④	Adoption of OAS Inter-American Convention Against Corruption (first regional anti-corruption treaty) in March.
⑤	USAID increased its collaboration with other USG agencies involved with anti-corruption, including the Department of Commerce, Justice, Treasury, and State.
⑥	ENI Bureau approved regional monies to undertake assessment and design exercises, as well as to fund anti-corruption pilot projects. ENI/PER study linked anti-corruption issues with many aspects of ENI's core agenda, *e.g.*, need for focus on institution-building and enforcement issues related to commercial law.
	The International Chamber of Commerce adopted voluntary anti-bribery code of conduct and Transparency International has grown to include over 75 country chapters in just four years. (Partially USAID funded)
	Adoption of an international anti-corruption resolution at the Eighth International Anti-Corruption Conference in Lima, Peru during September. (USAID co-sponsored)
	First regional forum on corruption in Africa was held in November, organized by the Global Coalition for Africa.
	December signing of the new OECD Anti-Bribery Treaty (also open for non-OECD member countries to be signatories).

For further information on anti-corruption activities, consult the report by Ryan S. McCannell of the Research and Reference Services (R&RS), "Corruption-Related Documents: An Annotated Bibliography," April 25, 1996. For copies of this bibliography, send an email to:

CDIE_INFO@CDIE.RRS@AIDW