



USAID
FROM THE AMERICAN PEOPLE

FACT SHEET

SUPPORTING ANTICORRUPTION REFORM

Overview

Addressing corruption is an important U.S. foreign policy objective. There is a strong global consensus that fighting corruption and supporting good governance are essential for the development of people, markets, and nations. Corruption undermines social cohesion and broad participation in economic and political life by distorting the allocation of resources and the delivery of public services, usually in ways that particularly harm the poor. It also damages prospects for economic growth by reducing foreign direct investment, skewing public investment toward unproductive projects, encouraging firms to operate in the informal sector, and weakening the rule of law and protection of property rights. In doing all this, corruption fundamentally weakens the legitimacy and effectiveness of new democracies and creates conditions for conflict, organized crime and other transnational threats.

The *USAID Anticorruption Strategy* defines corruption as 'the abuse of entrusted authority for private gain,' an intentionally broad way of conceptualizing the problem. Since corruption is manifested in so many different ways, at so many levels (both high-level grand corruption and lower-level administrative corruption), and with so many linkages to broader political and economic interests, the challenge for anticorruption programming is to make strategic choices and avoid programs that address capacity weaknesses without first assessing the impact of vested interests and political will. For further information on the *USAID Anticorruption Assessment Framework*, see page 2.

USAID Practice Areas

USAID DG programs address corruption in the public sector through both government reforms and civil society activities. The majority of programs focus on corruption prevention and education, though USAID also supports prosecution and enforcement through rule of law programming.

Government reforms, whether at the national or sub-national level, focus on regulatory and procedural reform and increasing management capacity within the executive, or strengthening the oversight capacity of the judicial and legislative branches of government. Government reform programs include activities to strengthen functions such as public financial management, procurement transparency, audit and internal controls as well as efforts to make budget processes more transparent and accountable. Customs and taxation authorities are often targeted. Programs also help strengthen the effectiveness and responsiveness of line ministries, local governments and anticorruption bodies, such as anticorruption commissions and ombudsman offices. Some programs promote transparency, accountability and more effective governance in service delivery such as health and education.

Civil society approaches support anticorruption research, monitoring government processes (such as budgets, expenditures, procurement), civic education and advocacy among NGOs, business associations, service users and civic groups in all sectors, as well as efforts to promote freedom of information and increase the monitoring and transparency role of media. Civil society programs foster constituencies for reform to demand greater transparency and accountability of government and to increase opportunities to participate effectively in oversight of public activities. Other USAID programs work to improve transparency and accountability in political finance and electoral processes.

Lessons Learned

As the field of anticorruption matures, some important lessons have emerged:

- Grand corruption may make addressing administrative corruption difficult. Programmers need to assess the interests that will be affected when proposing responses for corruption problems.
- Enforcement alone is an inadequate anticorruption strategy. Preventive reforms as well as external oversight by other branches of government, civil society, the media and international actors are all essential elements for a strategy to be effective.
- There are no *silver bullets*, and there is no *one size fits all* approach. Context is critical, and multi-pronged approaches are necessary.
- Specialized anticorruption agencies (such as Anticorruption Commissions) work best in the context of fairly high levels of government and judicial capacity. Without these facilitating conditions, focusing reform and assistance efforts on specialized bodies may distract attention from critical management and oversight capacity elsewhere in government.
- Allies are critical. Corruption is more a political than a technical problem, and political will to tackle it is key. A lone reformer, even one at the top, may not represent sufficient political will.
- Diplomatic and international efforts can play a major role in both supporting political will where it exists and encouraging leaders to adopt reform programs.

Technical Leadership

The USAID Anticorruption Strategy identifies several important areas for further work, including: political corruption, sector and industry-specific approaches, and improving measurement and evaluation. DCHA/DG and partners are developing guidance to enhance anticorruption programming and capture lessons learned regarding anticorruption commissions, extractive industries, access to information, post-conflict settings, social auditing and other areas. DCHA/DG also has developed an Anticorruption Assessment Framework which can be used to comprehensively assess reform needs and opportunities. Additionally, the office conducts anticorruption mainstreaming workshops to help Missions develop cross-sectoral approaches to fighting corruption. USAID also works closely with USG interagency colleagues, bilateral donors, and multilateral organizations to coordinate efforts and develop policy around initiatives like the United Nations Convention Against Corruption and the Extractive Industry Transparency Initiative.

How to Obtain Services

Missions and other USAID entities may obtain services under these indefinite quantity contracts (IQCs):

- **Encouraging Global Anticorruption and Good Governance Efforts (ENGAGE) IQC**
Christina del Castillo, Contracting Officer's Technical Representative (COTR)
The ordering period for these awards runs through March 2013. IQC holders are: ARD, Inc.; Casals and Associates; Chemonics International Inc.; Development Alternatives Inc.; Management Systems International, Inc.; and QED Group, LLC (small business). Contract numbers: DFD-I-00-08-00067; 069; 070; 071; 072; 073.
- **Building Recovery and Reform through Democratic Governance (BRDG) IQC:**
Nils Mueller, Contracting Officer's Technical Representative (COTR)
The ordering period for these awards runs through September 2010. IQC holders include: ARD, Inc.; Chemonics International, Inc.; Development Alternatives, Inc.; Management Systems International, Inc.; and Millennium International Consulting/The Institute for Public-Private Partnerships (small business) – Contract numbers: DFD-I-00-05-00218, 219, 220, 221, 222.

Also available for programs focusing on economic reform:

SEGIR Commercial Law and Institutional Reform (CLIR) IQCs:

Nick Klissas, Contracting Officer's Technical Representative (COTR)

The ordering period for these awards runs through September 2010. IQC holders include: ARD, Inc.; Booz Allen Hamilton; Chemonics International, Inc.; East West Management Institute; Financial Markets International, Inc.; and the IRIS Center at University of Maryland.

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