



USAID
FROM THE AMERICAN PEOPLE



Photo: Aldo Vera

PERU / ACTIVITY FACTSHEET

TRANSPARENT PUBLIC INVESTMENT

Corruption undermines faith in government, hinders economic growth, renders opportunities for exploitation, and deprives citizens of basic services. In Peru, where half of all government spending is in procurement—the purchase of goods, services, and infrastructure for society’s benefit—corruption in public procurement is an acute concern.

USAID collaborates with the Government of Peru to strengthen the capacity of key public and private entities to reduce systemic corruption in public procurement and to strengthen civil society oversight. The assistance convenes government agencies, civil society actors, and private sector associations to establish standards, strengthen procedures, improve oversight, and promote a culture of integrity. The goal is to ensure that public resources are devoted to meeting citizens’ needs.

In support of Peru’s goal to accede to the Organization for Economic Cooperation and Development (OECD), this activity strengthens Peru’s capacity to prioritize the public interest over private interests using risk-based approaches with an emphasis on cultivating a culture of integrity across the whole of society. It makes public integrity a tangible institutional objective through changes in systems, culture, and accountability.

HOW DOES THE ACTIVITY WORK?

Public procurement is extremely vulnerable to corruption due to the complexity of the processes, the discretionary influence of government officials, and the number and size of transactions. Opportunities are abundant for undue influence or fraud in analyzing competitive markets, defining government purchase requirements, selecting from competing bids, invoicing, and contract administration. This USAID activity provides training and technical expertise to address these vulnerabilities. The activity works to strengthen controls throughout the entire procurement life cycle, increase citizen oversight, and promotes private-sector ethical conduct.

The activity works with a range of public entities including the Comptroller General's Office, Public Integrity Secretariat (SIP), General Logistics and Supply Directorate (DGA), Supervisory Agency for Public Procurement (OSCE), the National Civil Service Authority (SERVIR), and select regional governments.

RESULTS ACHIEVED

1. Improved procurement controls reducing the risk of corruption

- The SIP applied an Index of Preventive Capacity against Corruption as a measure of internal controls, ethical conduct, and transparency. Regional governments nationwide are increasingly using this tool to identify successes and deficiencies, as well as to compare progress.
- The SIP improved its ability to manage cases and provide whistleblower protections for complaints received through its online corruption reporting system. Public awareness of the system increased.

2. Enhanced citizen oversight of public investment

- Five integrity networks formed in target regions consisting of key Peruvian government entities, civil society organizations, and business associations that promote integrity in public procurement processes.
- As of December 2022, the five integrity networks oversaw 25 public works projects.
- More than 140 investigative journalists improved their ability to report on public investment projects following training in research methods and financial analysis.

3. Increased private-sector commitment to fair competition

- Forty-one companies successfully completed the By Business for Business corruption prevention training program.
- Fifty construction-sector small- and medium-sized enterprises (SMEs) participated in training and committed to anti-corruption measures.
- Four SMEs in the construction sector were certified as Ambassadors for Integrity, having completed the in-depth anti-fraud program by *Empresarios por la Integridad*.

PROJECT INFORMATION

IMPLEMENTER: Chemonics International

ACTIVITY DURATION: January 6, 2019 – January 6, 2025

USAID FUNDING: \$15,892,259

LOCATION: Cusco, Lambayeque, Lima, Loreto, Piura, Cajamarca, and San Martin regions

COORDINATOR'S NAME: Sobeida Gonzales

TELEPHONE: (51-1) 618-1244

EMAIL: sgonzales@usaid.gov