



STRATEGIC APPROACH TO COMBATING CORRUPTION IN NORTHERN CENTRAL AMERICA



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OVERVIEW

The Biden-Harris Administration has made clear its conviction that corruption lies at the root of many critical foreign policy challenges. By establishing the fight against corruption as a core U.S. national security interest, launching the first whole-of-government U.S. Strategy on Countering Corruption, and hosting the first of two Summits for Democracy with renewed focus on confronting authoritarianism, fighting corruption, and promoting respect for human rights, President Biden has laid out a comprehensive approach for how the United States will work domestically and internationally with a broad range of public and private partners to effectively counter corruption and its increasingly globalized nature.

In the Northern Central American countries of El Salvador, Guatemala, and Honduras, corruption is pervasive and systemic, and its impact is insidious. Throughout the region, corruption undermines country competitiveness, investment, decent work opportunities, and public service delivery; drives crime, violence, and migration; fuels transnational criminal organizations; erodes the social compact; and contributes to environmental degradation, human and labor rights abuses, and democratic backsliding. In El Salvador, for example, there is evidence that between September and November 2020, the individual serving as the Vice Minister of Justice and Bureau of Prisons Director embezzled \$1.6 million worth of foodstuffs intended to assist families affected by the COVID-19 pandemic. In Honduras and Guatemala, recent years have witnessed corruption scandals involving multi-million-dollar thefts from the public health services. These are just a few cases among many throughout the region in which corruption directly and tangibly impacts those already struggling to meet every day needs. More broadly, corruption fuels the capture of the political system by narrow private—and often criminal—interests, undermining the public good, citizens’ faith in their governing institutions, and their hope for a better future in their home communities.

Guided by the July 21, 2021 Strategy for Addressing the Root Causes of Migration in Central America (“Root Causes Strategy”) and under the impetus of USAID’s Northern Triangle Task Force, the Agency

is helping to drive a coordinated and comprehensive interagency policy and programmatic response to corruption in the region. This means forward-leaning diplomacy, flexibility in the deployment of foreign assistance, selectivity in our partners, and responsiveness to opportunities and challenges as they arise.

It also means a commitment to governance based on the reality that transparent, accountable, and effective democratic governance is a critical precursor to all the objectives of the Root Causes Strategy. This commitment requires striking a balance between responsiveness to short-term challenges and opportunities and a long-term, systems-oriented approach to enhancing capacity across all sectors and actors and levels—regional, national and sub-national—to safely and sustainably prevent, detect, mitigate, and punish corruption.

This paper establishes the institutional framework and documents that guide USAID’s efforts to combat corruption in Northern Central America. It lays out USAID’s understanding of corruption and its impact in the region. Finally, it describes USAID’s programming and forward-looking strategic approach to optimize Agency resources—from funding and staff to dedicated partners at all levels—to achieve the Root Causes Strategy’s anti-corruption objectives and contribute to the Agency’s and U.S. government’s global goal of curbing corruption and its deleterious effect.

I. Introduction and Purpose

The Anti-Corruption Imperative

President Biden has made countering corruption a centerpiece of both his domestic and international agenda, emphasizing the importance of effectively combating illicit finance and offshore tax havens, bolstering asset recovery, and supporting the transparency of the global financial system. The June 3, 2021, [National Security Study Memorandum](#) (NSSM) grounded this commitment by establishing the fight against corruption as a core national security interest of the United States. The NSSM kicked off an interagency review to take stock of existing U.S. government (USG) anti-corruption efforts and to identify and rectify persistent gaps in the fight against corruption. In parallel with this review, departments and agencies are accelerating and amplifying efforts to prevent and combat corruption. In December 2021, the Administration launched the first-ever U.S. Strategy on Countering Corruption that outlined a whole-of-government approach to elevating the fight against corruption. That same week, President Biden held the first of two Summits for Democracy, which brought together leaders from government, civil society, and the private sector to establish an affirmative agenda for democratic renewal focused on confronting authoritarianism, fighting corruption, and promoting respect for human rights. It also marked the launch of ambitious [new initiatives](#) to advance democracy, including to combat corruption.

The Biden-Harris Administration has made clear its conviction that corruption lies at the root of many critical foreign policy challenges, including irregular migration throughout Central America. On February 2, 2021, President Biden issued an [Executive Order \(EO\)](#) creating a comprehensive regional framework to address the root causes of migration, to manage migration throughout North and Central America, and to provide safe and orderly processing of asylum seekers at the U.S. border. On May 4, 2021, in response to the EO, USAID launched the Northern Triangle Task Force (NTTF) to ensure a coordinated, unified, bold, and creative approach to addressing the causes of irregular migration. The NTTF is overseeing USAID's implementation of the July 21, 2021 [Strategy for Addressing the Root Causes of Migration in Central America](#) ("Root Causes Strategy"). Among other elements, the Strategy highlights the importance of combating corruption, strengthening democratic governance, and advancing the rule of law.

Both the Root Causes Strategy and the U.S. Strategy on Countering Corruption are intended to leverage a wide array of USG tools to address corruption in the Northern Central American countries of El Salvador, Guatemala, and Honduras. This includes supporting and strengthening judicial actors; revoking visas and imposing financial sanctions on corrupt officials; pursuing criminal investigations; and bolstering civil society, grassroots, and government reformers. It also includes a region-wide approach that minimizes opportunities for corrupt actors to co-opt and misuse legitimate trade and commercial flows, foreign assistance resources, and development finance; enhances private sector anti-corruption practices; strengthens the detection and disruption of illicit finance and supply networks; and fosters multi-sector coalitions committed to combating corruption. In addition to working with Northern Central American governments that demonstrate political will to tackle corruption, these strategies send an important message to the international community of U.S. commitment to fighting corruption and support for anti-corruption champions in all sectors.

Adapting and Expanding USAID Programming to meet the Anti-Corruption Focus

USAID has long understood that corruption is a key constraint to our development mission, and continues to provide robust support to prevent, detect, and combat corruption in countries around the world. Under Administrator Power's leadership, USAID is taking concrete steps to position the Agency to meet the objectives of the U.S. Strategy on Countering Corruption and rejuvenate and augment USAID's anti-corruption programming and policy engagement. This includes establishing a cross-cutting team focused on global corruption, the [Anti-Corruption Task Force \(ACTF\)](#), to elevate, strengthen, and integrate anti-corruption efforts across USAID.

This paper incorporates USAID's robust understanding of and experience working on anti-corruption issues in the region and globally, and identifies priority lines of action within the framework of the Root Causes Strategy. It also reflects the principles and objectives of the U.S. Strategy on Countering

Corruption and the ACTF and informs them through the following approaches to adapt and expand programming in the Northern Central American region.

II. The State of Corruption

Corruption is a pervasive and systematic challenge to development globally, including throughout Latin America, and in particular in the countries of El Salvador, Guatemala, and Honduras. This is evident across all main global corruption indices. In Transparency International's 2020 Corruption Perceptions Index - a global ranking of 180 countries' and territories' perceived degree of corruption - El Salvador is ranked 104, Guatemala 149, and Honduras 157, with 180 being the worst.¹ The World Justice Project's 2021 Rule of Law Index ranks El Salvador at 95/139 countries for rule of law, Guatemala at 109/139, and Honduras at 126/139. The three countries' Control of Corruption and Open Government scores are similar.² The 2021 TRACE Bribery Risk Matrix, which measures bribery risks across 194 countries from high (100) to low (0), ranks El Salvador (117/194), Guatemala (131/194), and Honduras (146/194).³ Rankings on the 2019 International Budget Partnership's Open Budget Survey were more varied, with Guatemala providing substantial budget information, while El Salvador and Honduras less so.⁴

Throughout the region, corruption drives crime, violence, and migration; fuels transnational criminal organizations; contributes to environmental degradation and human rights abuses against environmental defenders and other civil society actors; and contributes to democratic backsliding. Data suggests corruption impacts and undermines the rule of law, citizen trust, and country competitiveness and investment, while driving increased risks of bribery and links to global crime. Of note, the data seems to suggest that while El Salvador, Guatemala, and Honduras have made some progress on global measures of open government and open budget, these gains do not necessarily translate into concrete movement on anti-corruption deterrence and enforcement.

Separately, throughout all three countries, governments have increasingly attempted to quash civil society and independent media's attempts to bring corruption to light. The 2019 TRACE Bribery Matrix scored each country lowest on "anti-bribery deterrence and enforcement"; the 2021 Matrix scores each of them lowest on "capacity for civil society oversight." Across the region, governments have used penal code reforms and "NGO" and anti-defamation laws to threaten, intimidate, and attack civil society organizations and independent media outlets.⁵ At the individual level, investigative journalists and

¹ See [Transparency International Corruption Perceptions Index 2020](#)

² See [World Justice Project Rule of Law Index 2021](#)

³ See [Trace Bribery Risk Matrix 2021](#)

⁴ See [International Budget Partnership Open Budget Survey 2019](#)

⁵ See [ICNL Civic Freedom Monitor](#)

anti-corruption reformers, prosecutors, judges, human and labor rights advocates, and environmental defenders face significant online and in person harassment, persecution through the legal system, and physical threats and attacks.

Corruption in the region contributes to economic fragility and diminishes competitiveness. Leakage, tax evasion, and the diversion of public funds are estimated to cost the Northern Central America region \$13 billion annually.⁶ In Honduras, for example, corruption is estimated to have cost \$3 billion in 2018, or the equivalent of 12.5 percent of the country's gross domestic product.⁷ The Government of El Salvador has estimated that the country loses \$1.5 billion annually to corruption.⁸

Emblematic corruption cases expose the scale of the problem. These include two former Salvadoran presidents accused of diverting a total of \$651 million in government funds, a former Guatemalan president and vice president who received an estimated \$38 million in illicit kickbacks on 70 state contracts, and 38 Hondurans accused of misusing \$12 million in government funds for political purposes.⁹

Corruption also has significant negative impacts on the environment for business and enterprise-led growth. For example, the 2019 Global Competitiveness Report ranked all three countries within the 43 least competitive countries (out of 141 total), in large part because of their low rankings on Incidence of Corruption (with El Salvador the 50th, Honduras the 30th and Guatemala the 20th worst rankings of 141 countries).¹⁰

Corruption is a key driver of migration. Migration from the Northern Central America countries to the U.S. is multi-causal, with corruption as both a contributing factor and a driver. In the face of rampant corruption, individuals face an uncertain future, view opportunities as limited, and are more inclined to seek livelihoods elsewhere. In El Salvador, for example, a survey of Salvadoran migrants found that 70 percent of the individuals cited economic opportunity and violence/insecurity as primary reasons for leaving.¹¹ Moreover, the quality of democracy - with corruption as a key factor - influences intentions to migrate. Findings from initial analysis supported by USAID/Honduras found that being unsatisfied with democracy increases intentions to migrate between 7 to 10 percent compared to individuals satisfied. Finally, research conducted in 2021 indicates that victims of corruption (measured by having been asked

⁶ See <https://www.occrp.org/en/daily/11028-report-central-america-is-losing-us-13-billion-to-corruption>

⁷ See <https://www.asj-us.org/learn/corruption-in-honduras>

⁸ See <https://abcnews.go.com/International/wireStory/ap-explains-el-salvadors-anti-graft-body-67610336>

⁹ See <https://apnews.com/article/el4c67029076f267a6810e67abd879>;

<https://insightcrime.org/news/analysis/guatemala-s-government-corruption-scandals-explained/>; and

<https://insightcrime.org/news/analysis/honduras-anti-corruption-probe-implicates-president-opposition/>

¹⁰ See [the World Economic Forum Global Competitiveness Report 2019](https://www.weforum.org/reports/global-competitiveness-report-2019)

¹¹ See <https://fas.org/sfp/crs/row/IF11151.pdf>

for a bribe) in Guatemala and Honduras, are 23 percent and 13 percent, respectively, more likely to have intentions to migrate than non-victims.¹²

Corruption and related impunity undermine democracy, human rights, and governance (DRG). As in all regions of the world, pervasive, systemic corruption - and the related impunity of corrupt actors - undermines democratic governance across Northern Central America and diminishes citizen trust in government. The diversion of public funds and the weakening of public institutions compromises the capacity of governments to deliver essential services to their citizens or puts public resources at the service of narrow private interests, making combating corruption a key DRG issue throughout the region. Corruption crosses all sectors and services, from health to education to assistance to victims of violence and crime. Most recently, this has included responses to the COVID-19 pandemic and extreme weather events, both of which showcased corruption and the misuse of funds and distribution of donations. In 2021, across the three countries, more than half of respondents believe that most or all politicians are involved in corruption and corruption victimization by government officials in all three countries reached the highest rates since 2004.¹³ In Guatemala, one civil society representative described corruption as, “the food we digest on a daily basis.”

Pervasive corruption also has clear implications for human rights and the ability of civil society to operate freely. In 2021, for example, Freedom House classified El Salvador, Guatemala, and Honduras as partly free due to the increased number of violations of civil and political rights generated in great part by systematic corruption.¹⁴ To defend themselves against accusations of corruption, governments often label the actions of civil society organizations (CSO), independent media, and advocates as radical or destabilizing; impose unwieldy financial and administrative controls; and/or fail to investigate crimes or levy false charges (including defamation) against anti-corruption champions, such as human rights activists, independent journalists, and environmental defenders. This increases the risks faced by such individuals and exacerbates a culture of impunity.

Corruption drives and fuels conflict and transnational organized crime in the region. In addition to its impact on development and its influence on migration, corruption drives and fuels conflict, and is tied to organized crime syndicates and other criminal groups behind the movement of cocaine, heroin, and synthetic drugs bound for the U.S. Some of these groups are also involved in kidnapping, extortion, arms trafficking, and environmental crimes. In all three countries, there is ample evidence of alliances between and among political and economic elites, public institutions, and organized crime. In many cases, the line between organized criminal groups and political groups has blurred, especially at sub-national levels.¹⁵ A

¹² See [LAPOP Studies by Country](#)

¹³ See [LAPOP Studies by Country](#)

¹⁴ See [Freedom in the World](#)

¹⁵ See <https://www.idea.int/publications/catalogue/integrity-political-finance-systems-latin-america>

wide variety of independent reporting, analysis, and investigations conducted brings many of these alliances to light.

III. USAID's Programming in Northern Central America

In collaboration with the Departments of State and Justice, USAID has long supported anti-corruption programming within El Salvador, Guatemala, and Honduras. Pairing USAID programming with complementary initiatives from other USG agencies and diplomatic outreach and pressure is critical to the achievement of the Biden-Harris Administration's anti-corruption goals. Such efforts include strengthening the capacity of CSOs and independent media to safely conduct oversight, investigations, and advocacy; strengthening the transparency and accountability of the justice sector; promoting public procurement reform; combating impunity for grand corruption; supporting open government principles; and raising citizen awareness and improving civic participation.

USAID Missions in the region have publicly available 2020-2025 Country Development Cooperation Strategies (CDCS). As outlined below, each CDCS discusses the role and impact of corruption on USAID Mission priorities and related anti-corruption programming.

El Salvador: USAID's [2020-2025 CDCS](#) focuses on combating corruption by enhancing oversight and accountability, and by strengthening civil society, control institutions, and line ministries to counter corruption. The Mission promotes more active and vibrant citizen advocacy groups and independent media to serve as a check on government, and more representative and responsive political parties. The seven control institutions include: the Court of Accounts, Probity Unit, Attorney General's (AG) Office, Access to Information Institute, Ethics Tribunal, the Public Defender of the Republic, and the Electoral Tribunal. In response to actions by the Bukele Administration that weaken accountability and rule of law, USAID redirected assistance away from some of these institutions, specifically the AG's office, the Supreme Court, and the Institute for Access to Public Information, as well as the National Civilian Police. These and other funds are fortifying efforts by CSOs, human rights organizations, and independent media to promote transparency, combat corruption, and monitor human rights. The Mission is also increasing support to preserve civic space, enhance the digital and physical security of the organizations and institutions committed to anti-corruption objectives, and placing greater emphasis on improving administrative planning and public services to enhance living conditions and increase opportunities for social development at the sub-national level.

Guatemala: USAID's [2020-2025 CDCS](#) focuses on combating corruption by strengthening transparency and accountability within the justice sector and justice sector oversight institutions, while also empowering local communities and organizations to become agents of change. This includes support to

justice sector institutions to strengthen ROL, the promotion of open justice principles to improve access to and the use of publicly available information to increase transparency. Activities also strengthen internal audits and accountability systems to respond to corruption and strengthen judicial independence. The Mission seeks to strengthen the investigation, prosecution, and adjudication of corruption cases, and dismantle criminal networks and improve the transparency of government contracting processes through the expanded use of a common procurement system and in tax collection and execution of those funds. The Mission supports CSOs to safely carry out advocacy and social accountability oversight of social services. In response to the July 2021 dismissal of the head of Guatemala's Special Prosecutor's Office Against Impunity, Juan Francisco Sandoval, by the Attorney General, and other actions that undermine the rule of law, the USG paused senior level engagement with the Attorney General and the Public Ministry. To date, relevant USAID programming remains on pause and the Mission is fortifying support for entities committed to judicial oversight and independence, human rights, and freedom of the press.

Honduras: USAID's [2020-2025 CDCS](#) incorporates anti-corruption throughout all three of the Mission's Development Objectives and includes a deliberate focus on engaging civil society, the private sector, and the GOH to address corruption. In addition to broader efforts to strengthen the judicial and security sectors and improve access to justice, approaches to reduce corruption in targeted sectors include: strengthening GOH anti-corruption institutions; strengthening independent oversight mechanisms; strengthening civil society and media; and decreasing public tolerance for corruption. To promote an integrated approach, USAID has developed an Anti-Corruption Strategy that encompasses all sectoral programming. The results of November 28, 2021 presidential election offer a clear mandate for President Xiomara Castro to pursue her stated priorities that include anti-corruption, human rights, and reactivation of the economy. While President Castro faces a host of complex and systemic challenges, USAID is well positioned to carry out Vice President Harris' commitment to work with the Castro administration and deepen the partnership between the U.S. and Honduras to meaningfully tackle corruption, including by establishing an international anticorruption commission modeled on the former UN International Commission Against Impunity in Guatemala (CICIG).

IV. USAID's Approach

USAID is helping to drive a coordinated and comprehensive interagency policy and programmatic response to corruption. This means forward-leaning diplomacy, flexibility in the deployment of foreign assistance, selectivity in our partners, and responsiveness to opportunities and challenges as they arise. It also means a commitment to governance as "first among equals." This commitment requires striking a balance between responsiveness to short-term challenges and opportunities and a long-term,

systems-oriented approach to enhancing capacity across all sectors and actors to sustainably prevent, detect, mitigate, and punish corruption.

V. Strategic Approach to Combating Corruption in Northern Central America

USAID acknowledges the importance of “meeting the moment”, and boosting collective USG actions to combat corruption across the region. **The strategic approach laid out below is informed by the understanding that:**

- Addressing corruption requires effective USG interagency coordination at country, regional, and headquarter levels.
- Addressing corruption requires the complementary deployment of the wide range of USG tools, including diplomatic and public messaging, foreign assistance, travel restrictions, financial sanctions, and criminal prosecutions.
- Addressing corruption requires effective multilateral coordination and where possible, collaboration.
- Addressing corruption requires taking a holistic view of the governance, civil society, and private sector landscape in-country.
- Addressing corruption requires programming based upon analysis of the incentives, relationships, and distribution and contestation of power among stakeholders tasked with planning, programming, expending, and overseeing public resources.
- Addressing corruption requires selectivity and regular evaluation of the entities with which USAID and the USG work large, partners.
- Addressing corruption requires a cross-sectoral approach.
- Addressing corruption requires both a country-specific and regional level approach.
- Assuming political will, addressing and preventing corruption requires strengthening the effectiveness and independence of public institutions.
- Addressing corruption requires countries to improve interagency coordination at the national and subnational levels.
- Addressing corruption requires flexible support and protection to anti-corruption champions both internal and external to government.
- Addressing corruption requires flexible support and protection to civil society actors - human rights and environmental defenders, independent media, think tanks, labor rights advocates and their organizations, professional associations, academics - committed to exposing corruption and demanding accountability

With this in mind, USAID's strategic approach to combating corruption in the Northern Central America region and in each country includes the following lines of effort:

Improving and expanding coordination with other U.S. government departments and agencies. A key line of effort in the U.S. Strategy on Countering Corruption is cooperation and coordination, and to improve that end, USAID will ensure Agency policies and programs form part of and mutually reinforce other USG-level efforts to combat and sanction corruption. To proactively ensure this, USAID will strengthen existing coordination mechanisms and create new ones, both within missions and at headquarters, between the Agency and other key interagency partners dedicated to combating corruption in the region, including the Departments of State, Treasury, and Justice. This ranges from engaging in joint and/or coordinated analysis, reporting, and decision-making; participating in and engaging the interagency through embassy anti-corruption and/or law enforcement working groups, where they exist; shaping consistent public messaging; and contributing to and carrying out related interagency workplans, including co-design and funding of initiatives where it makes sense. Such collaboration is critical to shaping a coherent and impactful USG response to actions and events that either present challenges or offer promise to anti-corruption efforts. It also helps strike the right balance between the obligation of USAID and other agencies to safeguard U.S. taxpayer funds and the strategic objective of increasing local capacity to meet the objectives of the Root Causes Strategy. In northern Central America, where numerous U.S. government agencies are active - in addition to other international and bilateral donors and nongovernmental organizations - USAID is committed to work across the interagency to assess the absorptive capacity of prospective partners, promote efficiencies, and operate with transparency.

As appropriate, USAID will also apply its strengths to advance the initiatives of other agencies. For example, USAID's support to local and international entities engaged in exposing and denouncing corruption through investigations, strategic litigation, and policy and advocacy work contributes to the goals of the [Department of Justice's Anti-Corruption Task Force in Central America](#). Among other responsibilities, the Task Force provides rapid response support in Central America for investigations and prosecutions that fall under the U.S. Foreign Corrupt Practices Act, federal narcotics laws, or involve assets linked to foreign corruption and related money laundering, especially when corruption proceeds are found in the U.S. or were obtained or transferred through abuse of the U.S. financial system. Similarly, as Vice Chair of the Board of the Development Finance Corporation, Administrator Power is uniquely positioned to work with counterparts to ensure U.S. investments in the region contribute to the effective implementation of the U.S. Strategy on Countering Corruption.

Improving and expanding intersectoral and regional coordination within USAID to combat corruption.

The development of mission-level anti-corruption strategies, such as the one developed by USAID in Honduras, promotes the integration of anti-corruption considerations and programming across all sectors. Similarly, a regional approach allows for the sharing of lessons learned and best practices, the identification of opportunities for cross-border and regional collaboration and complementarity, and the possibility of attracting greater attention, support, and protection for anti-corruption reformers from both within and outside of government at all levels.

Employing public and private diplomacy to advance anti-corruption objectives. Administrator Power's status as a national security principal and arguably the Biden-Harris Administration's most prominent expert on international rule of law issues provides USAID a unique platform to lend its diplomatic weight to the cause of combating corruption in northern Central America. This will include:

- Elevating corruption and rule of law concerns in the diplomatic engagement of Administrator Power and other Agency leaders with public officials in northern Central America, as well as representatives of the private sector, civil society, and the international community.
- Using public outreach opportunities, such as the Administrator's remarks, social media presence, and other tools, to denounce corruption and elevate anti-corruption successes and champions.
- Meeting regularly at senior levels with public officials, civil society actors, journalists and others involved in combating corruption to hear their views and convey the U.S. government's support for their efforts.

Designing, re-designing, and procuring new bilateral programs and innovations. USAID is reviewing existing and planned activities at the bilateral level throughout the region to ensure that such efforts sustainably strengthen the overall landscape for combating corruption, to identify gaps in assistance, and to optimize programming to current political contexts. New and/or amplified programming will incorporate practices and tools - action-oriented political economy and similar analyses, applied social and behavioral science research - that allow for regular and recurring assessment of political leadership, political will, degree of commitment to a non-politicized anti-corruption agenda, the impact of corruption on citizens' every day lives, and related opportunities and challenges to reform.

Such approaches are critical to understand incentives and to identify proponents and detractors of reform and windows of opportunity best suited for USAID interventions, as many challenges are political rather than technical in nature. These approaches are also in line with the U.S. Strategy on Countering Corruption. Bilateral programs will integrate the following approaches:

- Where political will exists, strengthening the capacity of national and sub-national governing institutions tasked with the use, management, and oversight of public resources and private political financing, as well as the overall framework for preventing, detecting, mitigating, and responding to corruption. **This includes:**

- Enhancing corruption prevention through improved public sector governance, including by “re-investing” in core institutional strengthening in public administration, public financial management, merit-based hiring, and more.
 - Bringing greater oversight and transparency to the selection processes for key government officials, including attorneys general, high court judges, electoral tribunal members, and ombudspersons.
 - Improving internal control, audit, and oversight processes within governing institutions at all levels of government.
 - Improving and modernizing service delivery systems (including e-governance and other approaches to reducing petty corruption)
 - Strengthening public procurement and contracting process based on competition, cost-effectiveness, quality, and transparency.
 - Strengthening oversight bodies - such as comptroller offices, supreme audit institutions, legislative committees, and electoral management bodies - to independently and adequately monitor the use of public funds and resources and private political financing.
 - Strengthening the capacity of the justice sector - both institutions and personnel - to independently and adequately investigate, prosecute and sanction corruption, including support for specialized prosecutor offices and courts, where appropriate.
 - Improving country capacity to effectively investigate complex corruption cases, including those involving money laundering, illicit finance, contraband, and kleptocracy and tax fraud, and to enhance their ability to “follow the money.”
 - Employing public information, diplomatic reporting, civil society consultations, and interagency reporting to continuously and rigorously evaluate the commitment of government institutions and leaders to anti-corruption objectives, pivoting assistance where necessary.
- Leveraging, amplifying, and expanding good governance initiatives within the region, including efforts aimed at implementing the principles and commitments of the Open Government Partnership (OGP), the Extractive Industries Transparency Initiative (EITI), the International Budget Partnership (IBP), and the Open Contracting Partnership (OCP), among others. **This includes:**
- Increasing support for open government and transparency approaches at national and subnational levels across all sectors.
 - Enhancing support for civil society and private sector engagement in open government mechanisms, and to promote government accountability.
 - Expanding civil society and social accountability networks to boost collective action around transparency, accountability, and anti-corruption.

- Utilizing and enhancing USAID’s existing digital investments and approaches through the Innovation, Technology and Resource Hub to support the uptake of low-cost digital tools to combat corruption and crime and promote open government and political finance reporting and disclosure, and supporting the use of collaborative innovation tools to advance transparency and accountability
- Empowering civil society and media reformers and equipping them with the tools, knowledge, and networks needed to amplify efforts, promote collective action, and ensure safety. **This includes:**
 - Expanding programmatic and diplomatic support for civil society organizations, independent journalism, and other non-governmental actors with a demonstrated commitment and capacity to detect, denounce, and/or combat corruption.
 - Strengthening and/or building civil society and media networks using a coalition approach, both to broaden the stakeholder base, promote greater collaboration, identify positive deviance/change agents, and drive partnerships across organizations.
 - Developing and strengthening civil society oversight mechanisms such as observatories to identify government waste, fraud, and abuse ; raise awareness; and demand accountability.
 - Developing and strengthening media capacity, particularly alternative media, to conduct investigative and independent journalism and improve strategic communications and dissemination of evidence-based data.
 - Supporting safeguards and protective measures for CSOs, whistleblowers, investigative journalists, and anti-corruption reformers under threat, including through legal and insurance funding, digital security, and relocation assistance.
 - Fostering civic education and engaging young people to support them in holding government institutions and political parties accountable and reducing feelings of powerlessness.
 - Supporting academia and civil society think tanks to conduct research and analysis on the impact of corruption and anti-corruption interventions; pilot/adapt related programming, and strategically disseminate findings to raise citizen awareness.
 - Partnering with business associations and private companies to develop national anti-corruption systems, embed anti-corruption in their business models, and foster transparency in corporate reporting.
 - Supporting diplomatic and programmatic efforts to advocate or litigate against laws that unduly restrict the activities of civil society organizations.
 - Strengthening efforts, in conjunction with other departments and agencies, to protect the civic space for non-governmental reformers.

- Pursuing partnerships with the private sector as essential actors in sustainably combating corruption. **This includes:**
 - Supporting multi-stakeholder platforms between government, civil society, and the private sector to enhance collective action around transparency, integrity, and government accountability.
 - Pursuing joint activities to enhance private sector engagement on and advocacy for government and business integrity, anti-corruption, and anti-bribery safeguards to facilitate a properly regulated and honest operating environment that stimulates transparency.
 - Supporting private companies to adhere to international standards of integrity and accountability to become competitive, socially responsible, and ultimately create a level operating field.
 - Exploring opportunities to partner with private sector companies in combating corruption.
 - Mainstreaming anti-corruption considerations throughout our economic growth/private sector programming, as reflected below.

- Integrating anti-corruption considerations and approaches across all mission programming (including across all sectors and mechanisms). **This includes:**
 - Developing USAID mission-level anti-corruption strategies (as is being done by USAID in Honduras) to be shared at the embassy level and with relevant agency bureaus in Washington.
 - Mapping anti-corruption considerations for each activity/Development Objective to ensure or rationalize USAID responses.
 - Requiring anti-corruption sections in each new mission-level procurement in order to ensure integration.
 - Using [USAID's Risk Appetite Framework](#) and [Key Considerations for Programming in Politically Sensitive Countries](#) in strategy development, mapping, and assessment processes. These Agency operational policy documents support staff and partners to identify risks, opportunities, and/or triggers that could lead to an expansion of, shift in, or cessation of programming. Such processes are also key to safeguarding foreign assistance resources from diversion, waste, fraud, and abuse or otherwise fueling corruption.
 - Strengthening or creating internal anti-corruption working groups at the mission level to ensure collaboration and coordination.
 - Seeking concrete opportunities for integrated programs (governance/

biodiversity, governance/climate change, governance/health, etc.), as well as for greater collaboration with Office of Transition Initiatives and Complex Crisis Fund programs.

- Strengthening USG interagency coordination at post/mission to ensure coordination, collaboration, and to mutually reinforce U.S. anti-corruption efforts across the prevention through sanctioning spectrum. **This includes:**
 - Developing activity design processes to involve interagency colleagues (and to ensure USAID is involved in other agency designs).
 - Co-convening and hosting quarterly NT-related anti-corruption meetings with interagency colleagues to discuss opportunities for cooperation and whole-of-government approaches.
 - Contributing to/developing cross-agency metrics and indicators to measure progress on anti-corruption results.

Pursuing new multilateral and donor partnerships to combat corruption in the region. In coordination with the Department of State, USAID will strengthen collaboration and pursue new partnerships with multilateral actors - including other donors, the Organization of American States, the United Nations, multilateral banks, NGOs, and others - operating in the region on corruption issues. This could include, for example, support for a renewed, independent, and empowered international anti-corruption commission in Honduras, a campaign pledge of President-elect Castro. **It also includes:**

- Bolstering multi stakeholder platforms, such as the Extractive Industries Transparency Initiative (EITI) and Open Government Partnership, to further develop and scale technologies and tools that allow for greater transparency and visualization of data and disclosures, tracking of revenue and commodity flows, and identifying and addressing vulnerabilities in sectors at greatest risk for enabling transnational corruption and crime.
- Taking advantage of or applying the principles of new USAID initiatives, such as [the Combating Transnational Corruption Grand Challenge](#) to mobilize businesses, associations and alliances, innovators, philanthropists, other governments and donors, and others to crowdsource new tools and technologies to stop corrupt officials from plundering resources and moving them across borders.
- Providing impetus and input for the Rule of Law Pledge being developed by the Partnership for Central America as a condition of PCA membership for private sector and other entities.

Developing and funding new regional programs and innovations. Regional approaches are important to tracking and combating corruption within high-risk supply chains, transnational corruption and related illicit finance, and the trafficking of both people and commodities. Regional approaches also facilitate the development and consolidation of networks of independent media and investigative journalists committed to exposing corruption, of civil society organizations dedicated to tackling corruption, of reformers within key anti-corruption institutions, and of private sector entities committed to

anti-integrity practices. Regional networks can amplify the voice and actions of anti-corruption champions but can also serve to mitigate security threats, build capacity, and provide mentorship and accompaniment. USAID will pursue targeted regional programming aimed at strengthening responses to the nexus of corruption and transnational organized crime. **This will include:**

- Seizing political windows of opportunity to support the establishment of international anti-corruption commissions such as the former CICIG and the Mission to Support the Fight Against Corruption and Impunity in Honduras (MACCIH).
- Where political will exists, and with key USG interagency partners, exploring regional programs aimed at enhancing the capacity of oversight and supreme audit institutions throughout the region to detect and investigate cases involving illicit finance, money laundering, and the proceeds of corruption. Such programs would be designed to incorporate individual country contexts, frameworks, and institutional characteristics.
- Pursuing joint USG/interagency collaboration on enhancing inter-governmental and regional case tracking and referral for cases involving illicit finance, money laundering, and the proceeds of corruption.
- Developing regional programs to strengthen reform coalitions across civil society and independent media to combat corruption, **including:**
 - Support for investigative journalism networks, such as those currently implemented in LAC and other regions.¹⁶
 - Support to develop and strengthen civil society coalitions with the capacity to expose and denounce corruption, initiate strategic litigation, raise public awareness, and develop and advocate for policy reforms.
 - Create/support international networks to call for protective measures and safeguard CSOs, whistleblowers, and individuals under threat.
 - Take advantage of or apply the principles of new USAID initiatives, such as the Empowering Anti-Corruption Change Agents Program and the Defamation Defense Fund for Journalists.¹⁷
- Convening and facilitating the sharing of best practices and lessons learned among Northern Central American countries, USG agencies, and USAID missions to prevent and combat corruption, **including:**

¹⁶ See [Organized Crime and Corruption Reporting Project](#) and [Promotion of Journalism and Freedom of Expression Project](#)

¹⁷ See [USAID announces initiatives to Advance Democracy in support of Presidential Initiative for Democratic Renewal](#)

- Hosting regional events and workshops among the competent authorities of the three countries.
 - Supporting conventional and digital regional platforms/structures to strengthen transnational cooperation in combating corruption.
- Pursuing private sector partnerships at the regional level, and convening the sharing of best practices and lessons learned to prevent corruption and incentivize business integrity and open business practices, **including:**
- Hosting regional events and workshops to bring together business and trade associations, large private companies and small and medium enterprises, government actors, and civil society representatives to explore ways to further the anti-corruption and integrity agenda. This includes implementation of the UN Guiding Principles on Business and Human Rights which addresses the relationship between human rights, due diligence, and anti-corruption compliance.
 - Exploring linkages with the U.S. business community on approaches to supporting integrity in business practices, including labor rights and supply chains.
 - Supporting conventional and digital regional platforms/structures to strengthen regional private sector cooperation in combating corruption.

VI. Conclusion

Similar to the Latin America and Caribbean region as a whole, the countries of El Salvador, Guatemala, and Honduras are recovering from a once-in-a-century economic downturn, public health crisis, and political reckoning. Institutions are increasingly fragile and democracy is facing unprecedented challenges. As Administrator Power has made clear, corruption is “a fire that can consume democracies from within” and addressing it is critical to addressing the factors that contribute to the decisions of individuals and families to leave their home behind and seek opportunity elsewhere.

In the face of these immense challenges, there is also tremendous opportunity for progress. President Biden and Vice President Harris have given USAID and the interagency as a whole a clear mandate to work with committed government leaders, public institutions, civil society, and the private sector to fight corruption, and advance good governance as key priorities. The U.S. Strategy on Countering Corruption and the Root Causes Strategy lay out a clear framework for combating corruption, strengthening democratic governance, and advancing rule of law. They have already generated new thinking, reinvigorated proven approaches, and attracted new resources. The NTTf and ACTf, in collaboration with USAID missions, bureaus, and the interagency is helping to drive these strategies forward. As Administrator Power stated in her September 28, 2021 remarks at the InterAmerican Dialogue, “...we

have to invest, together, in the region’s greatest resource—its people—by ensuring that public goods are not stolen or captured by the well-connected but used to build the education systems, the health systems, the public safety systems that will allow citizens to prosper in their own communities where they most want to prosper.”