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ANALYSIS OF USAID ANTICORRUPTION PROGRAMMING WORLDWIDE (2007 - 2013)

FINAL REPORT



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ACRONYMS

CS	Civil Society
CSO	Civil Society Organization
DEC	Development Experience Clearinghouse
DRG	Democracy, Human Rights and Governance
DRG Center	USAID Center of Excellence in Democracy, Rights and Governance
EAP	East Asia and Pacific
E&E	Europe and Eurasia
EG	Economic Growth and Trade
ENGAGE	Encouraging Global Anticorruption and Good Governance Efforts IQC
GRECO	Group of States Against Corruption
IQC	Indefinite Quantity Contract
LAC	Latin America and Caribbean
LG&D	Local Government and Decentralization
MCA	Millennium Challenge Account
MCC	Millennium Challenge Corporation
MENA	Middle East and North Africa
M&E	Monitoring and Evaluation
NGO	Non-governmental Organization
OSS	One-stop Shop
PMP	Performance Monitoring Plan
RFA	Request for Applications
RFP	Request for Proposals
RIA	Regulatory Impact Assessment
RoL	Rule of Law
SCA	South and Central Asia
SSA	Sub-Saharan Africa
TCP	Threshold Country Plan
TI CPI	Transparency International Corruption Perception Index
TO	Task Order
USAID	United States Agency for International Development
VCA	Vulnerability to Corruption Assessment
WB	World Bank

EXECUTIVE SUMMARY

Anticorruption programming is an important element of USAID's strategic approach worldwide. The overarching goal of USAID's Strategy on Democracy, Human Rights and Governance (DRG) (2013)¹ is to support the establishment and consolidation of inclusive and accountable democracies. To accomplish this, the Strategy prioritizes initiatives to foster greater accountability, promote citizen participation and inclusion, and enhance the integration of these DRG principles and practices throughout USAID's portfolio. Corruption is viewed as a cross-cutting issue that must be addressed across all sectors. In particular, the DRG strategy seeks to:

Support long-term work of developing accountable and transparent institutions, including expanding anti-corruption efforts needed for democratic consolidation, to arrest backsliding in developing democracies, and to promote broad-based growth (p. 15)

The USAID Anticorruption Strategy (2005)² also calls for integrating anticorruption initiatives into all sectoral programs that may be affected by corruption and focusing democracy and governance and economic growth resources more explicitly on anticorruption targets. To assist USAID missions with integrating anticorruption into their programming, the USAID Center of Excellence in Democracy, Rights and Governance (DRG Center) conducted specialized workshops (2005-08) and continues to provide technical assistance to missions worldwide. In addition, the DRG Center developed an Anticorruption Assessment Handbook³ to provide USAID missions with a practical methodology to conduct tailored anticorruption assessments across sectors efficiently and at a level sufficiently detailed to assist in developing targeted and prioritized programming recommendations across the mission's portfolio.

This report is a part of a study that seeks to identify lessons learned and develop recommendations of effective anticorruption programming from analyzing USAID-implemented programs between 2007 and 2013 that contained anticorruption initiatives. Each of the six Implementing Partners (IP) of the ENGAGE Indefinite Quantity Contract was assigned to collect publicly available data and review programs in one of six geographic regions and within one particular sector worldwide. After reviewing approximately 2000 projects, more than 330 were identified to have implemented anticorruption activities. The purpose of this report is to consolidate the findings from these six analyses and provide a global perspective on what anticorruption interventions have been tried and in what sectors.

Anticorruption Programming Overview

Between 2007 and 2013, USAID sponsored more than 330 projects worldwide that included anticorruption activities, of which 289 were long-term country projects, 30 were short-term efforts (assessments, evaluations, staff training), and the remainder were regional long- or short-term projects. Total funding of the long-term projects including anticorruption initiatives amounted to about US\$6.7 billion.⁴ The table below indicates the number of countries in each region in which USAID-funded long-term projects were selected for analysis, the number of long-term country projects analyzed by IPs in their regional and sectoral analysis, and the estimated total funding in each region.

¹ USAID Strategy on Democracy, Human Rights and Governance, 2013:

[http://www.usaid.gov/sites/default/files/documents/1866/USAID%20DRG_%20final%20final%206-24%203%20\(1\).pdf](http://www.usaid.gov/sites/default/files/documents/1866/USAID%20DRG_%20final%20final%206-24%203%20(1).pdf)

² USAID's Anticorruption Strategy, 2005. - http://pdf.usaid.gov/pdf_docs/pdaca557.pdf

³ Anticorruption Assessment Handbook, 2009: http://pdf.usaid.gov/pdf_docs/pa00ip37.pdf

⁴ This figure represents the total funding for these programs which, in almost all cases, included extensive programming beyond anticorruption activities. The amounts allocated for anticorruption work are not publicly available.

Table 1. USAID long-term country programs with anticorruption interventions, 2007-2013

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

* Note that the total amount in the MENA region includes about \$1 billion allocated for projects in **Iraq** and in the SCA region over \$1.9 billion for projects in **Afghanistan**.

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

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

Entry Points for USAID Anticorruption Programming

There was extensive variation in the country political and economic context across USAID-sponsored anticorruption projects and activities. Direct anticorruption projects and sectoral projects with anticorruption objectives were typically implemented by USAID in countries that were already pursuing anticorruption agendas and democratic reforms. Often, such commitments were associated with a country joining an international instrument or convention⁵ or were driven by the prospect of the country gaining access to new international funding, such as the MCC Compact program.

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

Anticorruption projects launched with inadequate political will or consultations with the host government typically faced significant challenges that often resulted in delays or changes in the scope of work. When there was a lack of

⁵ For example, the UN Convention Against Corruption, Group of States against Corruption (GRECO), African Union Convention on Preventing and Combating Corruption, Economic Community of West African States (ECOWAS) Protocol on the Fight Against Corruption, the Inter-American Convention Against Corruption, ADB-OECD Action Plan for Asia-Pacific, and the most recent Open Government Partnership initiative.

demonstrated political will or receptiveness to USAID anticorruption assistance, programming was often built around the objectives of improving government efficiency, transparency and accountability, or complying with international standards – as opposed to an explicit anticorruption focus. Also, when there was a lack of cooperation by the host government, USAID programs tended to support the demand-side stakeholders, in other words, civil society groups, businesses and the mass media in advocating for anticorruption reforms and conducting public awareness and watchdog activities.

Infusing Anticorruption Objectives into USAID Sectoral Programming

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

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

Most of the calls for proposals for MCC TCP, issued for countries with low scores on the World Bank's Control of Corruption index, are among good examples of how to incorporate anticorruption objectives into projects regardless of sector. Aside from MCC TCPs there were several other good examples of integrating anticorruption into sectoral projects, including the **Iraq** National Capacity Development (Tatweer)⁶, **Moldova** Business Regulation, Investment, and Trade (BRITE)⁷, and **Serbia** Local Economic Development Activity (LED)⁸ projects.

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

Measuring Program Impact on Corruption

Many projects have had activities that could lead to preventing or reducing corruption. But the majority of these projects did not monitor their activities explicitly through an anticorruption lens and did not set targets to document their impact on corruption. For instance, the **Liberia** Governance and Economic Management Assistance Program (GEMAP)⁹ instituted processes that could reduce the opportunities for corruption in the budgeting process, public procurement, and natural resources concessions, but failed to measure their impacts on corruption.

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

⁶ Iraq National Capacity Development (NCD) Program. – RFTOP 267-06-004, April 2006.

⁷ Moldova Business Regulatory, Investment, and Trade Environment Program (BRITE) (2012-2017). – RFP: https://www.fbo.gov/index?s=opportunity&mode=form&id=21199ef678931a435f28f0ca9e574deb&tab=core&_cview=1

⁸ Serbia Local Economic Development Activity (LED), RFP 169-10-006: https://www.fbo.gov/?s=opportunity&mode=form&tab=core&id=ab04f9721418745e7db5968e23a4f1e1&_cview=1 and <https://www.fbo.gov/utills/view?id=2a769e517381d10d60fa5dcebfcfd6ac3>

⁹ Liberia Governance and Economic Management Assistance Program (GEMAP) (2006-2010). - Final Evaluation: http://pdf.usaid.gov/pdf_docs/PDACR798.pdf

Those few projects, mostly MCC TCP, that specifically measured anticorruption impact showed good results. They constructed indicators that were tailored to the interventions. For example, the **Ukraine** MCC TCP program¹⁰ reported reductions in corruption in university admissions after standardized tests were introduced and in business licensing and land leasing when one-stop shops were established. Similarly, **Albania's** MCC TCP-1 (MCCA-1) program¹¹ reported decreases in bribery in business registration at the centers supported by the project, decreases in the value of gifts expected to secure government contracts, and decreases in perceptions of corruption in tax collection and procurement. **Georgia's** Judicial Administration and Management Reform (JAMR)¹² project resulted in decreases in bribery in the pilot courts and increases in citizen satisfaction with the courts.

Some projects used global indices, such as the TI CPI, the Freedom House Nations in Transit Corruption score, and the World Bank Control of Corruption indicator. While these projects may have contributed to changes in these indicators, it is not possible to directly associate particular initiatives with changes in such broadly based indicators. MCC TCP programs that were used these indicators extensively up until a few years ago concluded that they “are not a satisfactory means of measuring program impact, and movements in indicator scores cannot be directly attributed to threshold program interventions.”¹³

Program Areas and Interventions

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

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

Anticorruption projects and sectoral projects with anticorruption interventions were not spread equally across regions. The East Asia and Pacific region, particularly **Indonesia** and the **Philippines**, had the most number of interventions. In the **Philippines**, there were five multi-million dollar long-term comprehensive projects including an MCC TCP Technical Assistance Project.¹⁴ In **Indonesia**, there were at least four well-thought of complex anticorruption projects, including an MCC TCP Control of Corruption Project.¹⁵ In contrast - the South and Central Asia region had a total of only five direct

¹⁰ Ukraine MCC TCP (2006-2009). - <http://www.mcc.gov/pages/countries/program/ukraine-threshold-program>; Trade, Investment, and Business Acceleration (TIIBA) (2006-2009). – Final Report: http://pdf.usaid.gov/pdf_docs/PDACQ085.pdf; Combating Corruption and Strengthening Rule of Law (2006-2009). – Final Report: http://pdf.usaid.gov/pdf_docs/PDACN921.pdf; The Ukrainian Standardized External Testing Initiative (USETI) (2006-2009). – Final Report: http://pdf.usaid.gov/pdf_docs/PDACQ648.pdf

¹¹ Support to Albania's Millennium Challenge Account Threshold Agreement (2006-2008), Final Report, 2008: http://pdf.usaid.gov/pdf_docs/PDACM504.pdf

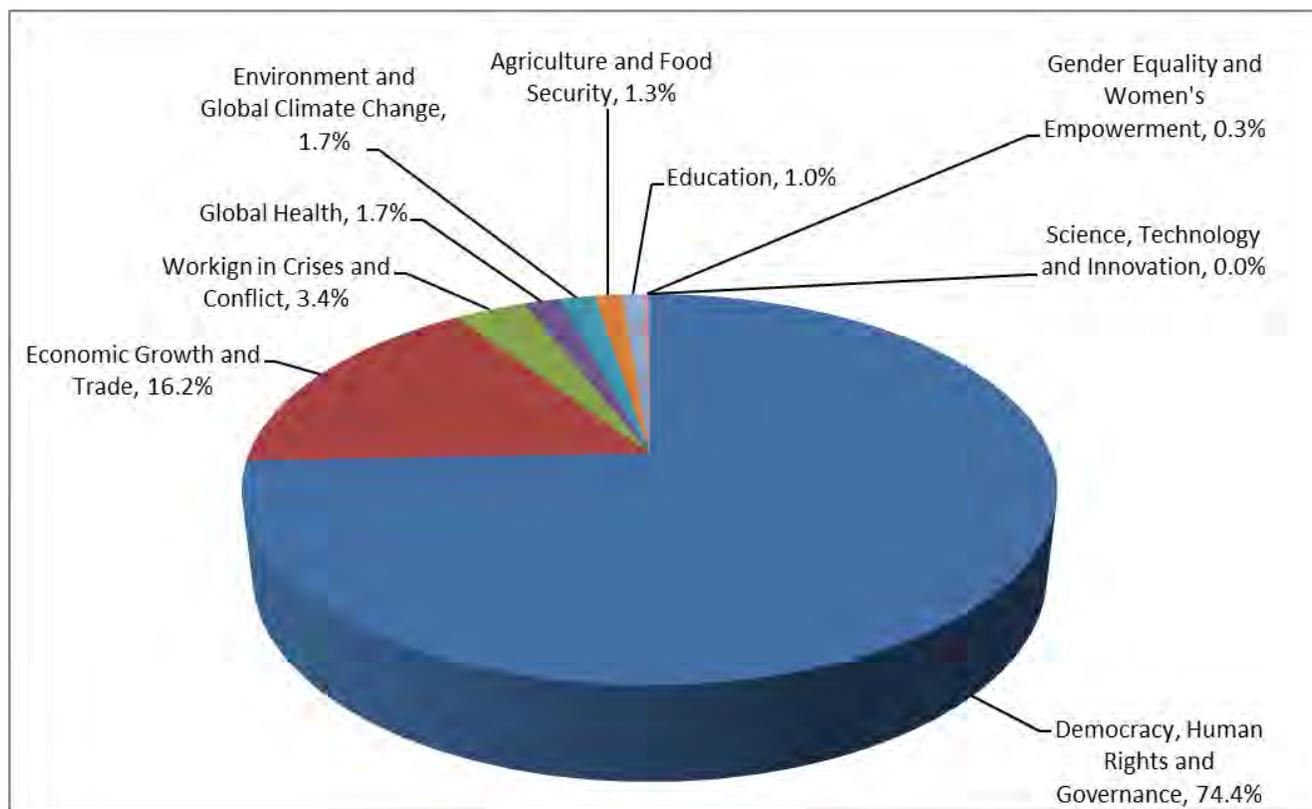
¹² Georgia Judicial Administration and Management Reform (JAMR) (2007-2011). – Final Report, 2011: <https://sites.google.com/a/usaid.gov/drg/home/about-1/drg-center-teams/governance-and-rule-of-law/anticorruptionmapping>

¹³ Congressional Budget Justification for FY 2012: <http://www.mcc.gov/documents/reports/mcc-fy2012-cbj.pdf>

¹⁴ Philippines MCC TCP Technical Assistance Project (MCA-PTP) (2006-2009). – MCC website: <http://www.mcc.gov/pages/countries/program/philippines-threshold-program>

¹⁵ Indonesia MCC TCP Control of Corruption Project (2007-2009). - Final Report: http://pdf.usaid.gov/pdf_docs/pdacn906.pdf

anticorruption projects during this period of time and fewer sectoral projects with anticorruption objectives.



Integrating anticorruption into sectoral projects was accomplished unevenly. Programs in the DRG area, including rule of law, governance, and civil society, incorporated anticorruption objectives more frequently than projects in other sectors. Projects in the Economic Growth area included a number of interventions to prevent or reduce corruption, although in many cases the projects did not set specific objectives to address corruption. Projects in the health and education sectors rarely integrated anticorruption into their objectives and activities.

USAID Programming Analysis

Explicit Anticorruption Projects

USAID's explicit (or direct) anticorruption programming between 2007 and 2013 was largely focused on a pragmatic approach of supporting established independent agencies and helping them develop and implement policies, procedures and systems to enhance government accountability and control corruption. These interventions included support for income and asset declaration management systems, political party and election finance monitoring systems, corruption complaint management systems, and conflicts of interest management systems, among others. Sectoral projects were also tuned to design and implement systems to improve efficiency and transparency of government operations and service delivery. Particularly, e-government systems (e-procurement, e-customs, e-trade, etc.) were typical interventions in many Economic Growth and Trade (EG) programs. Case management systems and court automation constituted a large segment of activities in rule of law programming. One-stop shops were frequently used to reduce corruption vulnerabilities in the delivery of public services.

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

MCC Threshold Country Programs

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

Economic Growth and Trade

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

Public Administration

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

Local Government and Decentralization

Local Government and Decentralization (LG&D) projects were the fourth largest group of projects with anticorruption interventions. The most common anticorruption themes of these projects are improving local government performance, accountability and transparency in policy development and service delivery, and promoting citizen participation in decision making. Specific initiatives were targeted at

supporting the decentralization process, including legal drafting and institutional strengthening in implementing reforms. Other projects sought to reduce corruption by strengthening local government institutions (including budgeting, financial management, tax collection, etc.) and service delivery, and by involving citizens in decision-making processes. Typically, LG&D programs work on both the supply and demand sides. On the demand side, in addition to mobilizing communities to actively participate in local policy development and governance, the projects also often support civil society watchdog activities to monitor public service delivery using such tools as social audit and report cards. Overall, about 70 LG&D projects or activities within projects were implemented in more than 40 countries.

Rule of Law

Rule of Law (RoL) projects comprised the largest group of projects that included anticorruption interventions in all six regions. Activities ranged from strengthening the independence of the judiciary to legal education, improving professionalism in the justice system, building the legal framework, establishing anticorruption institutions within the justice system, building capacity to investigate and prosecute corruption, increasing court transparency by making information about justice system operations and court decisions publicly available, engaging civil society in watchdog activities thereby enhancing court accountability, enforcing codes of conduct, modernizing courts and implementing e-government solutions, implementing modern court administration systems, and bringing country justice systems in line with global anticorruption standards set by international instruments.¹⁶ All of these activities could translate into reduced corruption both within and outside the justice sector if measured, although few programs in fact measured such impact.

Civil Society, Media, and Private Sector

More than half of the projects identified for this study had activities which promoted civil society and media participation in the anticorruption agenda by organizing civil society around anticorruption reforms and providing support to Civil Society Organizations (CSOs) and the media to conduct advocacy, watchdogs, legal assistance, and public awareness and education activities. Some projects worked exclusively with the mass media to stimulate and support investigative reporting. Sectoral projects with civil society components most typically involved CSOs in conducting public awareness and education activities, although some supported watchdog activities as well. Overall, CSOs became proactive and effective in monitoring public budget formulation and expenditures, procurement, the judiciary, public service delivery, and other governmental operations. These activities demonstrated success in advocating for anticorruption reforms and participating in policy decision processes. CSOs became more sophisticated in conducting public awareness and education activities using a wide spectrum of approaches ranging from traditional pamphlets to public fairs, production of radio and television shows, and using social media and crowdsourcing. USAID increasingly supported civil society and media projects through direct grants. Unlike projects working with the government, the impact of civil society projects was often measured by changes in societal behavior. This includes changes in citizen tolerance for corruption and a reduction in initiating bribery or exchange of favors, among others.

Healthcare

Although there were many projects in the healthcare sector, only a few pursued goals of reducing corruption. Nevertheless, many interventions to strengthen health systems and health governance likely strengthened the anticorruption environment, improved transparency and accountability, reduced fraud, and led to reduced corruption. The most common activities included implementing health information

¹⁶ Reducing Corruption in the Judiciary. - Office of Democracy and Governance USAID Program Brief, 2009: http://pdf.usaid.gov/pdf_docs/PNADQ106.pdf

systems and standard operating procedures, improving the healthcare regulatory environment, implementing reforms in procurement, warehousing and distribution of drugs and equipment, financial and resource management, improving monitoring of fees and expenses in local health centers, conducting public education, and enhancing citizen participation and oversight.

Other Sectors

Anticorruption interventions in such sectors as Elections, Education, Disaster Recovery, Food Security and Agriculture, and some others were rather infrequent. Overviews and examples of anticorruption interventions related to Combating Cross-Border Crimes, the Environment and Natural Resources, and some other sectors can be found in the regional and sectoral reports written by the ENGAGE IQC IPs (see Annex 3).

Lessons Learned and Programming Recommendations

Integrate anticorruption into sectoral projects and measure impact.

The USAID Anticorruption Strategy requires missions to integrate anticorruption objectives into sectoral programs to incorporate “strategies to control corruption, promote transparent and accountable governance, and target specific vulnerabilities as they are identified.” Analysis has shown that few sectoral projects, except for several MCC TCP programs that were explicitly targeted at reducing corruption, actually integrated corruption into their activities by clearly identifying anticorruption objectives or monitoring anticorruption impacts. As a result, it is difficult to assess systematically the value of specific initiatives on corruption outcomes. Programs that commenced under the MCC TCP initiative most clearly integrated anticorruption and measured program activity impact on reducing corruption because it was specifically required by MCC TCP.

Key tips for integrating anticorruption in sectoral projects:

- Include clear requirements in the call for proposals and ensure compliance during implementation
- Develop approaches and tools for integrating anticorruption into sectoral programs
- Establish indicators and targets to measure activity impact on corruption
- Secure commitments of the key counterparts and identify ‘champions’
- Use supply/demand approach.

✓ **Recommendation:** Incorporate anticorruption goals into project objectives and design interventions and apply approaches and tools that have been proven to be effective in addressing corruption across sectors or in particular sectors. Identify and use specific indicators to measure behavioral project intervention impacts on corruption. Avoid using indicators that measure perceptions, including global indexes such as the TI CPI or the World Bank Control of corruption measures.

Secure the commitment of key counterparts and tie initiatives to ‘champions.’ The commitment of host governments to reforms, particularly anticorruption reforms, is a decisive factor for success. This was particularly true for MCC TCP programs, for which governments and other domestic stakeholders participated in program design and obligated themselves to support and contribute to the implementation as well. Nevertheless, in most cases, such commitments did not filter down to the levels of government or the counterpart agencies that projects worked with directly. This created some difficulties and delays in implementing activities.

✓ **Recommendations:** Secure the political will of key counterparts prior to commencing anticorruption programs. Align programs with local priorities and strategies and use sound incentives to facilitate such commitments. Focus assistance where significant gains appear most feasible. Also, to the extent possible, stakeholders from government and non-governmental sectors

should be involved or consulted on program design and should assume specific obligations and responsibilities for cooperating and contributing to the programs once launched. To ensure sustainability, tie the initiatives to a local “champion of reform” or to an institution interested in reform, either within or outside the government, such as business associations that can carry out reforms over time.

Include specific requirements in calls for proposals to integrate anticorruption and ensure compliance during implementation. Analysis showed that calls for proposals varied in their requirements to incorporate corruption in project interventions and monitor anticorruption impacts. Aside from MCC TCPs, only a few calls for proposals for sectoral projects incorporated anticorruption into program objectives, suggested illustrative activities or described clear requirements to address corruption. Even fewer required that corruption impact be measured or that reducing corruption was among the proposal’s evaluation criteria. The majority of calls did not discuss corruption at all or limited their requirements to a brief discussion of corruption as it may affect the project’s activities.

✓ **Recommendation:** Include more specific and obligatory requirements for integrating anticorruption in calls for proposals/applications and task orders. Include integrative anticorruption measures in the evaluation criteria. Provide illustrative examples of integrating anticorruption into project activities. Require monitoring and measuring of corruption impacts through tailored intervention indicators and justifiable targets.

Balance supply and demand approaches. To various degrees, sectoral projects combined supply and demand approaches. For MCC TCP projects, this was a requirement although engagement of the demand side was limited in some projects. In non-MCC projects, combining supply and demand techniques within sectoral projects was uneven. The majority of projects working on the supply side had rather narrow interventions on the demand side because they were not well equipped for working with civil society. In some countries, standalone civil society projects filled the gaps between two approaches by engaging CSOs, businesses or the media in advocacy and watchdog activities. Typically, involving non-governmental agents in the activities facilitates greater accountability and transparency of government and therefore reduces the possibilities for corruption and builds citizen trust in government.

✓ **Recommendation:** Use supply and demand approaches for programming to engage both government and non-governmental sectors. Experience shows that a combination of top-down and bottom-up approaches in anticorruption projects is very effective for ensuring government accountability to reforms, as well as sustainability of the reforms. When the supply/demand approach is applied to sectoral projects the work on the demand side should be reinforced to a meaningful level. If separate supply and demand projects are implemented, they should be coordinated with each other. For example, a project in the health sector working on the supply side should be complemented with a civil society project focused on health issues that monitors healthcare service delivery or implements other activities to keep government accountable.

I. INTRODUCTION

This report provides an overview and analysis of recent USAID projects that have anticorruption objectives or distinctive anticorruption components and activities. The report is based on a database of projects identified and analyzed by six USAID implementing partners (IPs) who manage the ENGAGE Indefinite Quantity Contract (IQC). Each IP was tasked to (a) focus on one of the six geographic regions as defined by the U.S. Department of State¹⁷ and one program sector worldwide,¹⁸ (b) identify USAID-sponsored anticorruption-related initiatives implemented in their region from January 2007 to September 2013, and (c) conduct an analysis and derive lessons learned from these projects. Sources for the research were limited to information publicly available online, including the USAID Development Experience Clearinghouse (DEC).

This reliance on publicly available project documents resulted in significant limitations in performing meaningful analyses. Such documents as final performance, evaluation and audit reports were only available for about one-third of the projects. Requests for proposals or applications were scarcely available and task orders were not publicly available at all. Despite the limitations of information, the IPs were able to review about 2000 programs and identified more than 330 with anticorruption activities and associated usable data.

The purpose of this report is to consolidate the data and analysis of the six regional/sectoral reports and present a global perspective on what anticorruption interventions have been tried and in what sectors.

2. GLOBAL TRENDS IN USAID ANTICORRUPTION PROGRAMMING

Program Overview

Between 2007 and 2013, USAID sponsored more than 330 projects worldwide that included anticorruption activities, of which about 290 were long-term projects, about 30 short-term efforts (assessments, evaluations, staff training), and a few regional projects. Total funding of long-term projects accounted to about US\$6.7 billion.¹⁹

While IPs were tasked to collect a database of relevant USAID projects, some projects funded by other donors were also reviewed and included for further analysis. A review of projects conducted in the South and Central Asia region, for example, revealed that USAID-funded projects including anticorruption activities constituted only about one-third of the total projects funded by various donors. However, the availability of public information on projects funded by other donors proved limited, with little published information on mechanisms used or final reports.

The table below indicates the number of countries in which USAID-funded long-term projects were selected for analysis, the number of long-term country projects analyzed by IPs in their regional and sectoral analysis, and the estimated total funding in each region.

¹⁷ <http://www.state.gov/countries/>

¹⁸ Each IP also reviewed programs in one of the sectors worldwide. Sectoral reports on the Business Environment, Service Delivery, Natural Resources and Land Tenure, Health, Gender, and Crime and Youth can be found in Annex 3 of this report.

¹⁹ This figure represents the total funding for these programs which, in almost all cases, included extensive programming beyond anticorruption activities. The amounts allocated for anti-corruption work are not publicly available.

Table 1. USAID long-term country projects with anticorruption interventions, 2007-2013

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

* Note that the total amount in the MENA region includes about \$1 billion allocated for projects in **Iraq** and in the SCA region over \$1.9 billion for projects in **Afghanistan**.

The EAP region had the highest ratio of projects per country (6.3) with **Indonesia**, the **Philippines** and **Mongolia** accounting for 80% of the total number of projects. The SSA region had the lowest ratio (1.8) of programs per country, but the projects were more evenly distributed across the regional countries (between 1 and 5). The highest number of projects across all regions was in **Afghanistan** – 25. Some countries reviewed for this analysis appeared to not have any projects that included anticorruption activities, including **Belarus**, **Uzbekistan** and **India**. Although the Middle East and North Africa (MENA) and the South and Central Asia (SCA) region had significantly higher levels of overall funding, the largest portion of it went to Iraq and Afghanistan. If those two countries were excluded, the funding level would range from US\$24 million per average project in the MENA region to \$5.8 million in the SSA region.

Funding Vehicles

About 50% of the USAID projects reviewed between 2007 and 2013 were implemented using various Indefinite Quantity Contracts (IQCs). The remaining projects were funded through full and open competition and other vehicles. IQCs were used most frequently in the LAC region (about 73%) and the least often in the EAP region (about 14%). A number of explicit anticorruption projects were implemented as task orders under ENGAGE and preceding Government Integrity IQCs, both having specific objectives to address corruption. Other most frequently used IQCs were RoL II, BRDG, REDI, ADVANCE, Water II, CLIR, SEGIR, and SEGIR-MACRO II. Twenty two projects were commenced under the Millennium Challenge Corporation (MCC) Threshold Programs using various contracting vehicles.

Entry Points for Anticorruption Programming

The country context within which USAID’s anticorruption projects and activities were implemented varied significantly. For example, the World Bank Control of Corruption index ranged from -1.68 to +0.66 in the countries covered by this analysis between 2004 and 2012.²⁰ Among the worst in 2004 were **Burma/Myanmar** (-1.68), **Iraq** (-1.56) and **Haiti** (-1.52) and the best were **Bhutan** (+0.62), **Jordan**

Anticorruption interventions were typically implemented by USAID in countries ready to pursue anticorruption agendas and democratic reforms. Programs commenced without the political will of host governments or in consultations with them often faced challenges and delay.

²⁰ This index ranges from -2.5 (worst) to +2.5 (best).

(+0.34), and **Tunisia** (+0.24). Between 2004 and 2012, changes in this index over time showed a steady and significant improvement in some countries (**Georgia, Rwanda** and **Bangladesh**), minor fluctuations in the majority of countries, and steady declines in others (**Libya, Nicaragua, Yemen, Burundi** and **Uganda**). Similarly, countries varied significantly on the Transparency International Corruption Perceptions Index (TI CPI) rankings -- from the worst 5 (**Bangladesh** in 2004) to the best 52 (**Georgia** in 2012) -- with a lot of variation over the years. Both the CPI and Control of Corruption indices for each country between 2004 and 2012 are provided in the *Anticorruption Programming in the Regions* section of this report. Overall, there is no best practice that can be drawn from USAID experience about the optimum country corruption level at which to implement anticorruption programming.

On the other hand, we found that direct anticorruption projects or sectoral projects with anticorruption objectives and activities were typically commenced by USAID in countries that were already pursuing anticorruption agendas and democratic reforms. Often such commitments were associated with a country joining an international instruments or convention²¹ or were driven by the prospect of the country gaining access to new international funding, such as the MCC Compact program. For MCC TCP programs, securing host government commitments usually took the form of formalized intergovernmental agreements and mutual financial obligations that in many cases, although not always, facilitated smoother implementation of the programs. Also, country commitments at the highest level of the government did not always filter down to lower levels where program counterpart assurances were a key factor for project success.

When anticorruption projects were implemented without strong political will or consultations with the host government, they typically faced more challenges and friction. This happened, for instance, with the Mobilizing Action Against Corruption in **Armenia** Project (MAAC)²². In those countries where demonstrated political will or receptiveness to USAID anticorruption assistance was weak, programming was built around the objectives of improving government efficiency, transparency and accountability or pursuing international standards – as opposed to an explicit anticorruption focus. For example, while the **Vietnam** Support for Trade Acceleration I (STAR I)²³ was designed to promote the country's international trade, by improving the legal and regulatory regime toward international standards, it also resulted in reducing the opportunities for corruption. Also, when there was a lack of cooperation by the domestic government, USAID projects tended to support the demand-side stakeholders, in other words, civil society groups advocating for anticorruption reforms and conducting public awareness and watchdog activities.

Assisting USAID Missions to Integrate Anticorruption

Between 2005 and 2008, USAID/DRG undertook an effort to assist USAID missions with integrating anticorruption in their country strategies and program portfolios as required by the USAID Anticorruption Strategy.²⁴ A series of integrating workshops were conducted and technical assistance was provided to USAID staff in many field missions. Often, these trainings put particular emphasis on specific program areas. For example, whereas the workshop for USAID mission in **West Bank and Gaza** was tasked to assist the mission to integrate anticorruption as a cross-cutting theme for all programs, the workshop and assistance for the **Cambodia** mission focused on programs in particular sectors, including healthcare, education, and good governance.

²¹ For example, the UN Convention Against Corruption, Group of States against Corruption (GRECO), African Union Convention on Preventing and Combating Corruption, Economic Community of West African States (ECOWAS) Protocol on the Fight Against Corruption, the Inter-American Convention Against Corruption, ADB-OECD Action Plan for Asia-Pacific, and the most recent Open Government Partnership initiative.

²² Armenia Mobilizing Action Against Corruption Project (MAAC) (2006-2011). – Mid-term evaluation, September 2010:

http://pdf.usaid.gov/pdf_docs/PDAGR144.pdf

²³ Vietnam Support for Trade Acceleration I (STAR I) (2001-2007). - Final Report: http://pdf.usaid.gov/pdf_docs/PDAGR854.pdf

²⁴ USAID Anticorruption Strategy, 2004. - http://pdf.usaid.gov/pdf_docs/pdaca557.pdf

In addition to training, corruption assessments were undertaken in a number of countries to assist missions with incorporating anticorruption objectives into mission strategies and programs. The newly developed USAID Corruption Assessment Methodology²⁵ was used in several countries to identify overall strategic and programming priorities for addressing corruption and integrating anticorruption in sectoral programs. For example, in **Honduras**,²⁶ the assessment developed strategic recommendations leading to anticorruption programming in the health, education and economic growth sectors. In **Senegal**,²⁷ the assessment identified the health, education and natural resource management sectors as those to highlight for anticorruption initiatives.

Both training and assessments were instrumental in improving USAID field staff understanding of the impacts of corruption and in how to incorporate anticorruption objectives and activities in their strategies and programs.

Integrating Anticorruption in Sectoral Programming

Calls for proposals can help guide program design by implementers to include particular objectives. The database indicates that only 8.6% of all USAID interventions are direct anticorruption activities, while the rest have anticorruption embedded in sectoral activities. But analysis across all regions shows that only a few calls for proposals for sectoral programs included anticorruption as an explicit objective or as a cross-cutting theme. Some calls were specific and directive in their requirements to address corruption. But few calls suggested illustrative activities, described clear requirements to address corruption and measure impact, or included measures to reduce corruption in the evaluation criteria for proposals. On the other end of the spectrum are the majority of calls for proposal that did not discuss corruption at all or limited their requirements to a brief discussion of corruption as it may affect the project's central activities. An obvious conclusion that can be drawn is that there needs to be more explicit guidance for anticorruption activities, clear requests for measuring anticorruption impact, and inclusion of evaluation criteria related to how anticorruption issues are addressed in USAID calls for proposals.

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

Most of the calls for proposals for MCC TCP, issued for countries that scored low on the World Bank's Control of Corruption index, are among good examples of how to incorporate anticorruption objectives into programs regardless of sector. For example, the **Albania** task order²⁸ for MCC TCP clearly stated that the purpose of the program was to assist the government in reforming and reducing corruption in public procurement, tax administration, and business registration. The task order required that each project component be designed to reduce the opportunity for corruption by improving transparency, enhancing public scrutiny, and institutionalizing mechanisms to control corruption. The task order also identified outcome indicators to measure program impact on corruption. Task orders for MCC TCPs in other countries had similar requirements that guided effective anticorruption programming and impact monitoring.

Aside from MCC TCPs, there have been several good examples of integrating anticorruption into sectoral projects. For example, a task order for the **Iraq** National Capacity Development project (Tatweer)²⁹ (2006-2011) established an objective to assist the government to strengthen the management capability of executive branch institutions, increase transparency, improve communication and decrease corruption in

²⁵ Anticorruption Assessment Handbook, USAID, 2009. - http://pdf.usaid.gov/pdf_docs/pnadp270.pdf

²⁶ Honduras Anticorruption Assessment, 2008

²⁷ Senegal Corruption Assessment, 2007. – Assessment Report: http://pdf.usaid.gov/pdf_docs/PNADK548.pdf

²⁸ Albania MCC TCP Task Order, 2006

²⁹ Iraq National Capacity Development (NCD) Program. – RFTOP 267-06-004, April 2006

the public sector. Anticorruption and ethics were cross-cutting themes across the entire project and were itemized rather specifically in project interventions.

In **Moldova**, while the RFP for the Business Regulation, Investment, and Trade (BRITE) Program³⁰ did not specifically mention anticorruption as a project objective, it did outline cross-cutting issues as specific requirements and activities to be implemented, including addressing corruption in each project component: tax and trade, regulatory reform, and strategic communication. Specific impact indicators were listed and scores were assigned in the evaluation criteria to ensure that implementing partners incorporated anticorruption activities seriously.

In **Serbia**, the RFP for the Local Economic Development Activity (LED) of 2010³¹ targeted a reduction in opportunities for corruption within the municipal public sector by improving efficiency in service provision and conducting economic development in a transparent and participatory manner. To measure project impact, the RFP sought for improved citizen satisfaction with public service provision, increased numbers of local governments making information available to the public, and the establishment of mechanisms for public participation in the budgeting process.

Another example is from the health sector. Although anticorruption was not a primary objective of the RFP for the Enabling Equitable Health Reforms in **Albania** of 2010,³² it stipulated that improved health sector governance be accomplished through strengthened transparency and accountability in the sector, thereby reducing corruption. Reducing informal payments was listed among the key priorities of the program. But in the end, anticorruption remained an afterthought in this RFP as it was not required in the description of activities or results measurement. Moreover, while anticorruption was listed as one of the cross-cutting issues, it was omitted from the evaluation criteria while all other cross-cutting issues were scored.

Overall, anticorruption objectives were rarely included in USAID calls for proposals for sectoral projects or, if included, they did not filter down to the project components or activity descriptions, were not required for impact measurement, and were not included in the evaluation criteria for proposal selection. For example, the **Liberia** Governance and Economic Management Support Program (GEMS) RFP of 2010 included anticorruption as a project objective, calling for developing and maintaining systems that increase transparency and accountability, increase efficiency, reduce expenditures, increase revenue, and limit opportunities for corruption. At the same time, the RFP's scope of work did not discuss how this objective should be translated into program activities or required impact measurement, limiting measurement to two "F" output indicators.

The majority of sectoral project calls for proposals, particularly those outside of the DRG area, were confined to referencing corruption in their background sections only, providing no guidance or incentives for bidders to incorporate anticorruption into their program designs. Another trend observed in the latest calls for proposals is a tendency to limit anticorruption requirements to a formal statement calling upon implementers to ensure that project implementation and administration is free of corruption without any requirement for incorporating anticorruption in the program interventions themselves.

³⁰ Moldova Business Regulatory, Investment, and Trade Environment Program (BRITE) (2012-2017). – RFP:

https://www.fbo.gov/index?s=opportunity&mode=form&id=21199ef678931a435f28f0ca9e574deb&tab=core&_cview=1

³¹ Serbia Local Economic Development Activity (LED), RFP 169-10-006:

https://www.fbo.gov/?s=opportunity&mode=form&tab=core&id=ab04f9721418745e7db5968e23a4f1e1&_cview=1 and

<https://www.fbo.gov/utills/view?id=2a769e517381d10d60fa5dcebfc6ac3>

³² Albania Enabling Equitable Health Reforms, RFP 182-10-018:

https://www.fbo.gov/index?s=opportunity&mode=form&id=6652d4bd494661da28b0ebb514a21dc8&tab=core&_cview=1

Measuring Project Impact on Corruption

Many projects have had activities that could lead to preventing or reducing corruption. But the majority of these projects did not monitor these activities explicitly through an anticorruption lens and did not set targets to document their impact on corruption. As discussed earlier, calls for proposal usually did not require such monitoring. As a result, we often lack hard evidence about how the project activities directly contributed to reducing corruption. For example, some projects improved the business registration and operations environment substantially as reflected in the World Bank's Doing Business ratings, while other projects improved court administration and management through built-in safeguards which contribute to reducing corruption. But the projects did not set targets or applied indicators to specifically measure their impact on corruption. For instance, the **Liberia** Governance and Economic Management Assistance Program (GEMAP)³³ instituted processes that could reduce the opportunities for corruption in the budgeting process, public procurement, and natural resources concessions but failed to measure their impacts on corruption. There are many similar examples of sectoral projects that omitted measuring the corruption impact of their interventions.

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

At the same time, there were programs and calls for proposals that established excessive and unrealistic indicators and targets that were outside of the projects' control. For example, some programs were expected to measure program impact based on changes in the TI CPI, Freedom House Nations in Transit Corruption score, or the World Bank Control of Corruption percentile. While the programs may contribute to changes in these very broad indicators, one would not realistically expect to be able to detect the project's specific contribution, among many other factors. The MCC TCP programs used these indicators extensively up until few years ago when after a review of their programs it was concluded that those indicators "are not a satisfactory means of measuring program impact, and movements in indicator scores cannot be directly attributed to threshold program interventions."³⁴ Other examples include indicators that were beyond the project's scope of work. For instance, the Mobilizing Action Against Corruption Project in **Armenia** (MAAC)³⁵ worked with civil society legal assistance centers and was expected to produce an increased number of convictions in corruption cases and officials sanctioned.

Among good examples of well-targeted and contextually appropriate indicators are those in the **Ukraine** MCC TCP program³⁶. The program sought to reduce corruption in university admissions by using standardized tests, in business operations by introducing one-stop-shops (OSS) for land privatization and streamlining cross-border trade, and in the judiciary by improving transparency in the court system and greater access to justice. This program contracted an independent project to measure the impact of each intervention through a set of quantitative and qualitative surveys among customers which was compared to control groups. For example, the impact on corruption in university admissions was measured through targeted surveys and interviews among those who took the standardized tests and those who took the old admission exams. Similarly, the impact of the OSSs was measured through targeted surveys of user

³³ Liberia Governance and Economic Management Assistance Program (GEMAP) (2006-2010). - Final Evaluation: http://pdf.usaid.gov/pdf_docs/PDAGR798.pdf

³⁴ Congressional Budget Justification for FY 2012: <http://www.mcc.gov/documents/reports/mcc-fy2012-cbj.pdf>

³⁵ Armenia Mobilizing Action Against Corruption Project (MAAC) (2006-2011). – Mid-term evaluation, September 2010: http://pdf.usaid.gov/pdf_docs/PDAGR144.pdf

³⁶ Ukraine MCC TCP (2006-2009). - <http://www.mcc.gov/pages/countries/program/ukraine-threshold-program>

samples. These measurements could be directly linked to the specific project interventions to demonstrate measurable impact on corruption.

3. ANTICORRUPTION PROGRAMMING IN THE REGIONS

This section summarizes the focus of anticorruption programming by region. A table is provided for each region that presents dynamics of the World Bank Control of Corruption and the TI Corruption Perceptions indices since 2004, as well as the total number of USAID programs with anticorruption interventions in each country. It is important to note that changes in these indices cannot necessarily be attributed to the USAID programs, but rather illustrate the country's ability to fight and manage corruption in different time periods as measured by these global indices.

East Asia and Pacific

Upon reviewing over 250 USAID programs in the EAP region, 65 projects, including 55 long-term and 10 short-term or regional, were found to have anticorruption objectives. Total funding for these programs was more than US\$760 million. About 14% of the programs were implemented through IQCs (including the DG Anti-Corruption II, ENGAGE, ADVANCE, Rule of Law II, SEGIR, and SEGIR-MACRO II IQCs), about 25 percent were implemented through full and open competition for a contract, about 21 percent were implemented through full and open competition for a cooperative agreement, and about 9 percent were implemented using other mechanisms. Three programs were funded within the MCC TCP, including programs in **the Philippines**³⁷, **Indonesia**³⁸, and **East Timor**³⁹.

USAID funding of projects with anticorruption activities was not consistent across countries in the EAP region. The largest number of projects was in **Indonesia, the Philippines, Mongolia, and Cambodia**. Of the 18 direct anticorruption programs, five were in both **Indonesia** and **the Philippines**, while three were in **Mongolia**. No other country had more than two, and **Vietnam, Lao** and **Burma** did not have such programs at all. In the case of **Burma**, USAID did not have a consistent mission presence in the country over the period examined. USAID has not historically had a significant presence in the **Pacific Islands** until recently.

USAID anticorruption programming in EAP countries has focused on promoting improved governance, aimed at reducing opportunities for corrupt behavior rather than targeting specific actions through deterrence or enforcement. Activities have focused primarily on increasing transparency, accountability and the responsiveness of government to citizens. In addition, USAID focused much of its funding on the judicial sector and rule of law actors. Major reform efforts were targeted at only two agencies with a specific anticorruption mission, Indonesia's KPK and the Philippines' Office of the Ombudsman. USAID programming also approached the threat of corruption with efforts to improve environmental governance, public awareness media campaigns, combating cross-border crimes, disaster recovery, improving the business-enabling environment, and health systems strengthening.

³⁷ Philippines Threshold Program (MCA-PTP) Technical Assistance Project (2006-2009). – MCC website: <http://www.mcc.gov/pages/countries/program/philippines-threshold-program>

³⁸ Indonesia MCC Threshold Control of Corruption Project (2007-2009). – MCC website: <http://www.mcc.gov/pages/countries/program/indonesia-threshold-program>; Final Report: http://pdf.usaid.gov/pdf_docs/PDACO731.pdf;

³⁹ East Timor MCC TCP. – MCC TCP website: <http://www.mcc.gov/pages/countries/program/timor-leste-threshold-program>

Table 2. Global Indices Trends in Countries of the EAP Region

Region/Country	Number of USAID-sponsored anticorruption projects	TI Corruption Perception Index										WB Control of Corruption Index										
		2004	2005	2006	2007	2008	2009	2010	2011	2012	Difference 2004-12	2004	2005	2006	2007	2008	2009	2010	2011	2012	Difference 2004-12	
EAP	2007-2013																					
Burma/Myanmar	1	17	18	19	14	13	14	14	15	15	-2	-1.67	-1.56	-1.73	-1.57	-1.56	-1.67	-1.68	-1.68	-1.12	0.56	
Cambodia	7	n/a	23	21	20	18	22	21	21	22	-1	-1.02	-1.18	-1.23	-1.09	-1.20	-1.16	-1.23	-1.22	-1.04	-0.03	
East Timor	5	n/a	n/a	26	26	22	22	25	24	33	7	-0.53	-0.79	-0.86	-0.92	-0.90	-1.00	-0.97	-1.05	-0.98	-0.45	
Indonesia	17	20	22	24	23	26	28	28	30	32	12	-0.89	-0.86	-0.81	-0.58	-0.56	-0.82	-0.75	-0.68	-0.66	0.24	
Laos	1	n/a	33	26	19	20	20	21	22	21	-12	-1.24	-1.32	-1.32	-1.28	-1.21	-1.26	-1.21	-1.19	-1.04	0.20	
Mongolia	11	30	30	28	30	30	27	27	27	36	6	-0.38	-0.58	-0.58	-0.66	-0.67	-0.76	-0.73	-0.68	-0.52	-0.14	
Philippines	13	26	25	25	25	23	24	24	26	34	8	-0.60	-0.59	-0.81	-0.70	-0.75	-0.77	-0.80	-0.70	-0.58	0.02	
Thailand	4	36	38	36	33	35	34	35	34	37	1	-0.15	-0.10	-0.34	-0.36	-0.42	-0.28	-0.32	-0.29	-0.34	-0.19	
Vietnam	3	26	26	26	26	27	27	27	29	31	5	-0.75	-0.76	-0.74	-0.64	-0.73	-0.53	-0.63	-0.61	-0.56	0.19	

Europe and Eurasia

Since 2007, USAID has invested about US\$590 million in 72 programs in the E&E region targeted at reducing corruption in various sectors. This includes 68 long-term and 4 short-term programs. Anticorruption programming differed widely across countries in the region. While **Georgia, Macedonia** and **Moldova** were recipients of many anticorruption programs, there were no USAID anticorruption activities in **Belarus** and only a few in **Azerbaijan** and **Russia**.

Of the 72 projects selected for regional analysis, two long-term projects and one short-term activity were supported by the ENGAGE IQC and one by the preceding Governmental Integrity IQC. About 50 percent of the projects were implemented through other IQCs, 40 percent through full and open competition, and the remaining projects through other vehicles. Eight USAID projects were funded within the MCC Threshold Country program, including two in **Albania**⁴⁰, two in **Moldova**⁴¹, and four in **Ukraine**⁴².

Almost one third of the projects or components that targeted corruption were in the Rule of Law sector, 16 percent in the Local Government & Decentralization sector, 16 percent in the Civil Society sector, 15 percent in the Economic Growth sector, 13 percent in the Public Finance sector, and 6 percent in other sectors. Projects in the Health and Education sectors constituted only two percent each. About 8 percent were primarily focused explicitly on corruption topics, working with dedicated anticorruption agencies, assisting anticorruption strategies and plans, or mobilizing civil society around anticorruption agendas. Average funding per program was approximately US\$8.6 million.

⁴⁰ Albania MCC TCP-1: - MCC website: <http://www.mcc.gov/pages/countries/program/albania-threshold-program>; Albania MCC TCP-2. – MCC website: <http://www.mcc.gov/pages/countries/program/albania-ii-threshold-program>

⁴¹ Moldova MCC TCP. – MCC website: <http://www.mcc.gov/pages/countries/program/moldova-threshold-program>

⁴² Ukraine MCC TCP.- MCC website: <http://www.mcc.gov/pages/countries/program/ukraine-threshold-program>

Table 3. Global Indices Trends in Countries of the E&E Region

Region/Country	Number of USAID-sponsored Anticorruption projects	TI Corruption Perception Index										WB Control of Corruption Index												
												Difference 2004-12											Difference 2004-12	
		2004	2005	2006	2007	2008	2009	2010	2011	2012	2004		2005	2006	2007	2008	2009	2010	2011	2012				
E&E																								
Albania	8	25	24	26	29	34	32	33	31	33	8	-0.67	-0.75	-0.81	-0.66	-0.55	-0.49	-0.49	-0.65	-0.72	0.10			
Armenia	4	31	29	29	30	29	27	26	26	32	1	-0.61	-0.63	-0.59	-0.66	-0.63	-0.56	-0.65	-0.60	-0.53	0.01			
Azerbaijan	5	19	22	24	21	19	23	24	24	27	8	-1.11	-0.99	-0.99	-1.02	-1.04	-1.11	-1.18	-1.12	-1.07	-0.13			
Belarus	0	33	26	21	21	20	24	25	24	31	-2	-0.92	-0.87	-0.63	-0.68	-0.64	-0.64	-0.73	-0.72	-0.52	0.20			
BiH	7	31	29	29	33	32	30	32	32	42	11	-0.31	-0.20	-0.29	-0.38	-0.36	-0.37	-0.32	-0.31	-0.30	0.01			
Bulgaria	1	41	40	40	41	36	38	36	33	41	0	0.10	0.06	-0.10	-0.23	-0.30	-0.25	-0.21	-0.22	-0.24	-0.32			
Georgia	4	20	23	28	34	39	41	38	41	52	32	-0.61	-0.36	-0.04	-0.25	-0.22	-0.22	-0.12	-0.02	0.25	0.58			
Kosovo	6	n/a	n/a	n/a	n/a	n/a	n/a	28	29	34	6	-0.57	-0.58	-0.42	-0.76	-0.59	-0.56	-0.62	-0.61	-0.62	-0.03			
Macedonia	7	27	27	27	33	36	38	41	43	43	16	-0.49	-0.44	-0.37	-0.35	-0.17	-0.10	-0.06	-0.04	0.02	0.45			
Moldova	7	23	29	32	28	29	33	29	29	36	7	-0.99	-0.64	-0.58	-0.60	-0.57	-0.66	-0.69	-0.63	-0.60	0.36			
Montenegro	3	n/a	n/a	n/a	33	34	39	37	40	41	8	-0.58	-0.42	-0.38	-0.31	-0.19	-0.16	-0.24	-0.21	-0.10	0.37			
Russia	6	28	24	25	23	21	22	21	24	28	0	-0.74	-0.78	-0.85	-0.95	-1.05	-1.09	-1.06	-1.04	-1.01	-0.29			
Serbia	6	27	28	30	34	34	35	35	33	39	12	-0.48	-0.38	-0.28	-0.35	-0.30	-0.31	-0.29	-0.25	-0.31	0.23			
Ukraine	8	22	26	28	27	25	22	24	23	26	4	-0.89	-0.69	-0.68	-0.74	-0.79	-1.01	-0.98	-1.00	-1.03	-0.11			

Latin America and Caribbean

A review of several hundred programs in the LAC region resulted in the identification of 40 long-term and one short-term programs with anticorruption interventions. Three programs were implemented by local organizations; all others were awarded to American implementing partners. 76 percent of identified award mechanisms were IQCs, 21 percent awarded through open competition. There was one project managed through a cooperative agreement. Although the award amount was not identified for a number of projects, about US\$480 million was directed toward anticorruption programming within LAC during the period covered by this research.

The vast majority of anticorruption programs identified in the LAC region were funded under USAID’s Democracy, Human Rights and Governance sector. The exceptions were **Guyana’s** MCC Threshold Program⁴³ under Economic Growth and Trade; and **Ecuador’s** project⁴⁴ to create an e-government information system through the use of mobile phones, funded under Science, Technology and Innovation.

The primary program elements covered by these projects were dominated by direct anticorruption (14), local government (14) and rule of law (9) activities. Most programs had distinct components or dedicated activities directed at strengthening internal control mechanisms in the state financial management system, supreme audit institution, courts system, procurement process and customs. There was also strong support for greater involvement of civil society and initiatives promoting transparency and freedom of information.

⁴³ Guyana MCC TCP program. – MCC website: <http://www.mcc.gov/pages/countries/program/guyana-threshold-program>

⁴⁴ Ecuador Implementation of an m-governance information system in Ecuadorian municipalities (2008-2009).

Table 4. Global Indices Trends in Countries of the LAC region

Region/Country	Number of USAID-sponsored anticorruption projects	TI Corruption Perception Index										WB Control of Corruption Index										
		2004	2005	2006	2007	2008	2009	2010	2011	2012	Difference 2004-12	2004	2005	2006	2007	2008	2009	2010	2011	2012	Difference 2004-12	
LAC	2007-2013																					
Bolivia	2	22	25	27	29	30	27	28	28	34	12	-0.77	-0.76	-0.39	-0.36	-0.50	-0.63	-0.44	-0.53	-0.70	0.07	
Colombia	4	38	40	39	38	38	37	35	34	36	-2	-0.10	-0.12	-0.10	-0.19	-0.22	-0.31	-0.41	-0.30	-0.43	-0.34	
Dominican Republic	3	29	30	28	30	30	30	30	26	32	3	-0.45	-0.59	-0.63	-0.68	-0.67	-0.72	-0.81	-0.76	-0.83	-0.38	
Ecuador	1	24	25	23	21	20	22	25	27	32	8	-0.67	-0.75	-0.80	-0.87	-0.79	-0.89	-0.86	-0.79	-0.66	0.01	
El Salvador	4	42	42	40	40	39	34	36	34	38	-4	-0.40	-0.42	-0.19	-0.29	-0.30	-0.20	-0.23	-0.21	-0.38	0.01	
Guatemala	5	22	25	26	28	31	34	32	27	33	11	-0.54	-0.63	-0.74	-0.69	-0.62	-0.48	-0.48	-0.47	-0.61	-0.08	
Guyana	2	n/a	25	25	26	26	26	27	25	28	3	-0.45	-0.58	-0.62	-0.63	-0.53	-0.54	-0.55	-0.60	-0.75	-0.30	
Haiti	1	15	18	18	16	14	18	22	18	19	4	-1.52	-1.45	-1.32	-1.28	-1.21	-1.10	-1.21	-1.23	-1.24	0.28	
Honduras	2	23	26	25	25	26	25	24	26	28	5	-0.81	-0.74	-0.75	-0.69	-0.84	-0.87	-0.87	-0.80	-0.94	-0.13	
Jamaica	1	33	36	37	33	31	30	33	33	38	5	-0.45	-0.40	-0.40	-0.49	-0.49	-0.44	-0.38	-0.29	-0.36	0.09	
Mexico	2	36	35	33	35	36	33	31	3.0	34	-2	-0.29	-0.28	-0.24	-0.26	-0.24	-0.30	-0.37	-0.40	-0.41	-0.12	
Nicaragua	5	27	26	26	26	25	25	25	25	29	2	-0.36	-0.61	-0.68	-0.76	-0.76	-0.73	-0.77	-0.74	-0.78	-0.41	
Panama	1	37	35	31	32	34	34	36	33	38	1	-0.27	-0.38	-0.37	-0.35	-0.11	-0.32	-0.35	-0.34	-0.39	-0.11	
Paraguay	4	19	21	26	24	24	21	22	22	25	6	-1.40	-1.41	-1.19	-1.24	-1.01	-0.83	-0.74	-0.71	-0.84	0.57	
Peru	3	35	35	33	35	36	37	35	34	38	3	-0.35	-0.36	-0.22	-0.26	-0.20	-0.34	-0.25	-0.25	-0.39	-0.04	

Middle East and North Africa

Nearly US\$2,200 million of USAID funding was dedicated to 57 programs with anticorruption interventions, including 48 long-term and one short-term initiatives across eight countries in the MENA region. Of the programs, approximately 30 percent were implemented as task orders under IQCs, with the Regional Democracy Initiative IQC being the most active mechanism. Approximately 60 percent of the programs were awarded via full and open competition, with the remaining projects implemented through other mechanisms. All five water management projects reviewed were implemented as task orders under the Integrated Water and Coastal Resources Management II IQC. There was only one Millennium Challenge Corporation (MCC) threshold program identified in the region during the period from 2007 to the present -- the **Jordan** Local Governance Development Program⁴⁵. The Consortium for Electoral and Political Process Strengthening (CEPPS) mechanism was utilized for two programs implemented through the National Democratic Institute (NDI) and the International Foundation for Electoral Systems (IFES). Three projects were funded through the US State Department, namely the West Bank and Gaza Justice Sector Assistance program I, II, and III, and four programs were supported through the Middle East Partnership Initiative (MEPI).

The most commonly occurring program elements were rule of law (18), local government and decentralization (11), civil society (13), and economic growth (9).

⁴⁵ Jordan MCC TCP Local Governance Development Program. – MCC website: <http://www.mcc.gov/pages/countries/program/jordan-threshold-program>

Table 5. Global Indices Trends in Countries of the MENA Region

Region/Country	Number of USAID-sponsored anticorruption projects	TI Corruption Perception Index										WB Control of Corruption Index										
		2004	2005	2006	2007	2008	2009	2010	2011	2012	Difference 2004-12	2004	2005	2006	2007	2008	2009	2010	2011	2012	Difference 2004-12	
MENA	2007-2013																					
Egypt	8	32	34	33	29	28	28	31	29	32	0	-0.54	-0.52	-0.66	-0.67	-0.71	-0.42	-0.55	-0.65	-0.57	-0.03	
Iraq	8	21	22	19	15	13	15	15	18	18	-3	-1.56	-1.46	-1.56	-1.58	-1.57	-1.39	-1.31	-1.21	-1.23	0.33	
Jordan	7	53	57	53	47	51	5	47	45	48	-5	0.34	0.33	0.30	0.31	0.41	0.22	0.06	0.10	0.07	-0.27	
Lebanon	7	27	31	36	3	3	25	25	25	30	3	-0.60	-0.49	-0.94	-0.89	-0.84	-0.83	-0.86	-0.89	-0.87	-0.26	
Libya	1	25	25	27	25	26	25	22	2	21	-4	-0.83	-0.87	-1.03	-0.96	-0.86	-1.17	-1.26	-1.29	-1.40	-0.57	
Morocco	6	32	32	32	35	35	33	34	34	37	5	-0.08	-0.30	-0.40	-0.32	-0.38	-0.31	-0.18	-0.37	-0.41	-0.33	
West Bank & Gaza	10	25	26								1	-0.42	-0.98	-1.1	-0.81	-1.15	-0.37	-0.32	-0.83	0.42		
Yemen	3	24	27	26	25	23	21	22	21	23	-1	-1.01	-0.79	-0.69	-0.69	-0.69	-1.02	-1.16	-1.18	-1.23	-0.23	

South and Central Asia

57 USAID programs were identified in the SCA region, including 56 long-term and one short-term projects implemented in nine countries. Total funding amounted to approximately US\$2,600 million although about 80 percent of this funding went to programs in Afghanistan. In this region, about 100 additional programs funded by other donors were identified although information was limited for in-depth analysis. Of the USAID programs, approximately 30 percent were implemented through IQCs, with the remaining 70 percent awarded through either full and open competition or other ways.

When addressed sectorally, the majority of programs fell into the Democracy, Human Rights, and Governance sector. More than 50 percent of the programs were in the RoL sector, 22 percent in elections, 20 percent for civil society, 16 percent in local governance and decentralization and 14 percent in economic growth. Other sectors represented less than 10 percent. There were no environment/natural resources programs with anticorruption activities and programs in education and disaster recovery sector constituted 1 percent each.

Table 6. Global Indices Trends in Countries of the SCA region

Region/Country	Number of USAID-sponsored anticorruption projects	TI Corruption Perception Index										WB Control of Corruption Index										
		2004	2005	2006	2007	2008	2009	2010	2011	2012	Difference 2004-12	2004	2005	2006	2007	2008	2009	2010	2011	2012	Difference 2004-12	
SCA	2007-2013																					
Afghanistan	26	n/a	25	n/a	18	15	13	14	15	8	-17	-1.42	-1.46	-1.44	-1.59	-1.64	-1.51	-1.62	-1.55	-1.41	0.02	
Bangladesh	3	17	15	20	20	21	24	24	27	26	9	-1.49	-1.41	-1.42	-1.05	-1.02	-1.03	-1.02	-1.05	-0.87	0.62	
Bhutan	0	n/a	n/a	60	50	52	50	57	57	63	3	0.62	0.75	0.66	0.74	0.77	0.81	0.82	0.74	0.82	0.21	
India	0	29	28	33	35	34	34	33	31	36	7	-0.41	-0.40	-0.30	-0.42	-0.36	-0.48	-0.51	-0.57	-0.57	-0.15	
Kazakhstan	4	26	22	26	21	22	27	29	27	28	2	-1.10	-1.00	-0.90	-0.91	-0.90	-0.88	-0.98	-0.98	-0.88	0.21	
Kyrgyzstan	8	23	22	22	21	18	19	20	21	24	1	-1.03	-1.17	-1.26	-1.24	-1.12	-1.23	-1.11	-1.15	-1.09	-0.06	
Maldives	0	n/a	n/a	n/a	33	28	n/a	23	n/a	n/a	-10	-0.17	-0.30	-0.53	-0.83	-0.87	-0.68	-0.53	-0.52	-0.44	-0.27	
Nepal	4	25	28	25	25	27	23	22	22	27	2	-0.81	-0.63	-0.63	-0.71	-0.72	-0.65	-0.65	-0.74	-0.83	-0.02	
Pakistan	6	21	21	22	24	25	24	23	25	27	6	-1.06	-1.04	-0.76	-0.74	-0.80	-1.04	-1.07	-1.05	-1.06	0.00	
Sri Lanka	3	32	35	31	32	32	31	32	33	40	8	-0.14	-0.37	-0.18	-0.10	-0.19	-0.37	-0.40	-0.37	-0.24	-0.10	
Tajikistan	0	21	20	22	21	20	20	21	23	22	1	-1.20	-1.09	-0.92	-0.91	-1.07	-1.13	-1.20	-1.14	-1.18	0.03	
Turkmenistan	1	18	20	22	20	18	18	16	16	17	-1	-1.38	-1.43	-1.50	-1.47	-1.41	-1.46	-1.44	-1.44	-1.34	0.03	
Uzbekistan	1	22	23	21	17	18	17	16	16	17	-5	-1.07	-1.18	-0.89	-0.91	-0.95	-1.22	-1.24	-1.31	-1.23	-0.16	

Sub-Saharan Africa

In the Sub-Saharan region, 39 programs, including 29 long-term and 10 short-term, were identified in 22 countries. The total funding for these programs was about US\$170 million. About 53 percent of the projects were implemented through IQCs, 26 percent through open competition, and the remaining 21

percent through other vehicles. Four were funded within the MCC Threshold Country program, including in **Malawi**⁴⁶, **Zambia**⁴⁷, **Kenya**,⁴⁸ and **Uganda**.⁴⁹

Rule of law programs constituted about 30 percent of the total programs, civil society about 27 percent, local government and decentralization about 17 percent, and legislative strengthening about 13 percent. There were only a few anticorruption programs in the economic growth, education, healthcare and other sectors.

Nine of the programs were designed as overarching anticorruption reform programs focused primarily on understanding and addressing institutional, legal and social shortcomings that are fertile turf for corruption and corruptive practices. These programs used common approaches initiated across all sectors, such as actions related to budgeting and procurement. The rest of the programs planned to upgrade and modernize specific institutions while integrating specific approaches within that assistance that are designed to deal with corruption vulnerabilities that are particular to certain sectors.

Table 7. Global Indices Trends in Countries of the SSA Region

Region/Country	Number of USAID-sponsored anticorruption projects	TI Corruption Perception Index										WB Control of Corruption Index									
		2004	2005	2006	2007	2008	2009	2010	2011	2012	Difference 2004-12	2004	2005	2006	2007	2008	2009	2010	2011	2012	Difference 2004-12
SSA																					
Angola	2	20	20	22	22	19	19	19	20	22	2	-1.28	-1.33	-1.23	-1.32	-1.28	-1.42	-1.32	-1.34	-1.29	-0.01
Burundi	2	n/a	23	24	25	19	18	18	19	19	-4	-0.97	-0.90	-1.07	-1.12	-1.02	-1.07	-1.11	-1.12	-1.46	-0.49
Djibouti	1	n/a	n/a	n/a	29	30	28	32	30	36	7	-0.51	-0.68	-0.62	-0.47	-0.19	-0.29	-0.32	-0.30	-0.38	0.14
DRC	4	23	23	22	21	19	19	20	20	21	-2	-1.43	-1.43	-1.48	-1.31	-1.17	-1.36	-1.42	-1.40	-1.30	0.13
Ethiopia	1	23	22	24	24	26	27	27	27	33	10	-0.72	-0.77	-0.62	-0.61	-0.66	-0.72	-0.70	-0.68	-0.60	0.11
Ghana	1	36	35	33	37	39	39	41	39	45	9	-0.22	-0.36	-0.02	0.05	-0.04	0.03	0.06	0.05	-0.09	0.14
Guinea	1	26	23	24	20	20	21	21	22	25	-1	-0.84	-1.01	-1.04	-1.24	-1.15	-1.05	-1.19	-1.17	-1.11	-0.27
Haiti	1	18	18	18	16	14	18	22	18	19	1	-1.52	-1.45	-1.32	-1.28	-1.21	-1.10	-1.21	-1.23	-1.24	0.28
Kenya	4	21	21	22	21	21	22	21	22	27	6	-0.80	-0.97	-0.87	-0.91	-1.03	-1.08	-0.94	-0.94	-1.10	-0.29
Liberia	6	n/a	22	n/a	21	24	31	33	32	41	19	-1.27	-1.04	-0.47	-0.33	-0.70	-0.56	-0.53	-0.61	-0.57	0.69
Madagascar	1	31	28	31	32	34	30	26	30	32	1	-0.12	0.10	-0.12	-0.10	-0.16	-0.19	-0.27	-0.36	-0.61	-0.49
Malawi	1	28	28	28	27	28	33	34	30	37	9	-0.76	-0.74	-0.54	-0.54	-0.43	-0.38	-0.46	-0.37	-0.45	0.30
Mali	1	32	29	28	27	31	28	27	28	34	2	-0.50	-0.40	-0.41	-0.34	-0.46	-0.64	-0.65	-0.55	-0.76	-0.26
Mozambique	2	28	28	28	28	26	25	27	27	31	3	-0.59	-0.54	-0.60	-0.49	-0.47	-0.42	-0.43	-0.49	-0.59	0.00
Niger	1	22	24	23	26	28	29	26	25	33	11	-0.85	-0.73	-0.85	-0.78	-0.75	-0.61	-0.67	-0.65	-0.69	0.16
Nigeria	5	16	19	22	22	27	25	24	24	27	11	-1.30	-1.16	-1.07	-0.98	-0.81	-0.98	-1.00	-1.12	-1.13	0.17
Rwanda	1	n/a	31	25	28	30	33	40	50	53	22	-0.48	-0.74	-0.17	0.01	0.14	0.13	0.46	0.43	0.66	1.13
Senegal	1	30	32	33	36	34	30	29	29	36	6	-0.05	-0.03	-0.43	-0.55	-0.54	-0.53	-0.69	-0.57	-0.32	-0.26
Sierra Leone	2	23	24	22	21	19	22	24	25	31	8	-0.88	-1.09	-1.05	-0.90	-0.96	-0.94	-0.77	-0.81	-0.94	-0.06
Tanzania	1	29	29	29	33	30	26	27	30	35	6	-0.58	-0.65	-0.22	-0.34	-0.42	-0.44	-0.54	-0.68	-0.85	-0.27
Uganda	2	26	25	27	28	26	25	25	24	29	3	-0.75	-0.85	-0.75	-0.80	-0.83	-0.89	-0.90	-0.86	-0.95	-0.21
Zambia	2	26	26	26	26	28	30	30	32	37	11	-0.68	-0.79	-0.73	-0.57	-0.47	-0.51	-0.57	-0.47	-0.36	0.32

⁴⁶ Malawi Strengthening Government Integrity Project (2006-2008). - Final Report: <https://www.dropbox.com/sh/qtd75vd9dxl2f7s/s6SPkxzht4/Malawi%20Final%20Report.pdf>

⁴⁷ Zambia Threshold Program (ZTP) (2006-2009). – Final Report: <http://www.mcc.gov/documents/reports/content-report-121510-zambia-threshold-final-implementation-report.pdf,2009>.

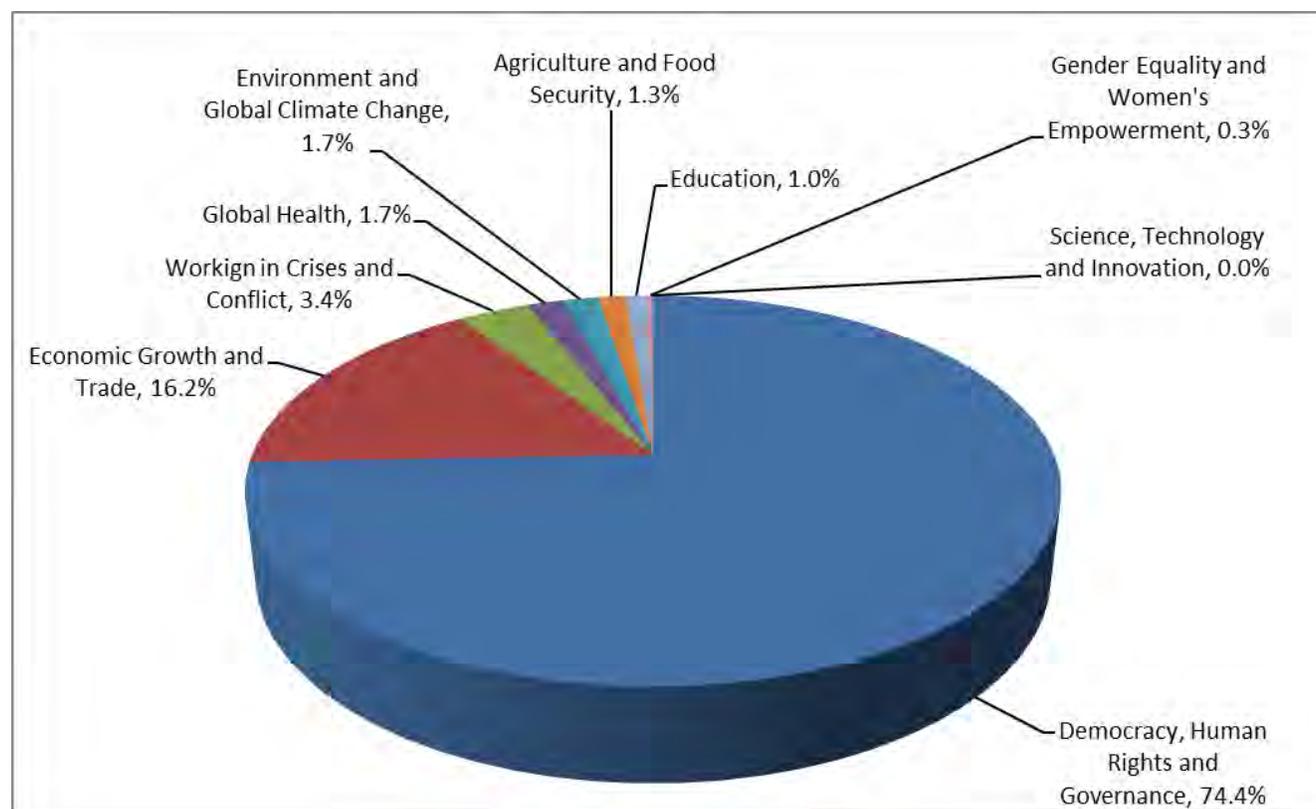
⁴⁸ Kenya Millennium Challenge Account Threshold Program (2007-2009). – Development Assistance Grant Agreement, 2007: <http://www.mcc.gov/documents/agreements/daga-kenya.pdf>.

⁴⁹ Uganda Anticorruption (MCC Threshold) Project. – Development Assistance Grant Agreement, 2007: <http://www.mcc.gov/documents/agreements/daga-uganda.pdf>.

4. PROGRAM AREAS AND SECTORS

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

Chart 1. Programs with Anticorruption Interventions



Many programs contained interventions that fell into multiple sectors. For example, the **Moldova** MCC TCP program had activities in health, RoL, and fiscal reform sectors.

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

5. PROGRAMMING ANALYSIS

This section looks in greater depth at USAID's explicit anticorruption programming and sectoral programs with special focus on the types of initiatives applied. USAID's explicit anticorruption programming

between 2007 and 2013 was notable in its pragmatic approach to supporting established independent institutions of accountability to develop and implement policies, procedures and systems to enhance government accountability and control of corruption. This included income and asset declaration management systems, political party and election finance monitoring systems, corruption complaint management systems, and conflict of interest management systems, among others. Sectoral programs were also tuned to design and implement systems to improve efficiency and transparency of government operations and service delivery. Particularly, e-government systems (e-government, e-procurement, e-customs, e-trade, etc.) were typical interventions in many EG programs. Case management systems and court automation constituted a large segment of activities in rule of law programming. One-stop shops were frequently used to reduce corruption vulnerabilities in the delivery of public services.

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

The MCC Threshold Country Program made a significant contribution to anticorruption programming by making it a centerpiece in countries that failed to reach the assigned threshold on the World Bank Control of Corruption index. These programs, more than many others supported by USAID, designed their activities with the specific goal of reducing corruption in the sectors they worked in, including economic growth, education, health, justice and trade, among others. MCC TCPs were also remarkable in the extent of their measurement of intervention impacts on corruption, using both global and program specific indicators.

Explicit Anticorruption Programs

Overview

Explicit (or direct) anticorruption programming is defined as activities or program components that were designed with the clear and specific objective of reducing corruption regardless of sector. These activities constituted a rather small percentage – about nine percent - of all USAID programming between 2007 and 2013. Such programs and activities were largely focused on strengthening the capacity and effectiveness of independent agencies (Anticorruption Agencies and Commissions, Ombudsmen, Supreme Audit Institutions, Information Commissioners and other similar institutions) and supporting the non-governmental sector in implementing anticorruption actions, serving as citizen and media watchdogs, and advocating for anticorruption reforms. Fewer programs promoted overarching anticorruption policies and legislation or supported the establishment of new anticorruption institutions. Box 1 lists some of the direct anticorruption programs that were active in 2007-2013.

Box 1. Examples of explicit/direct anticorruption programs

- **Armenia** Mobilizing Action Against Corruption Project (MAAC) (2007-2011)⁵⁰;
- Assistance for **Afghanistan's** Anti-Corruption Authority (4A) Project (2010-2013)⁵¹;
- **El Salvador** Democracy Strengthening Program (DSP)/Transparency and Governance Program (TAG) (2009-2014)⁵²;
- **Central America and Mexico** (CAM) Anticorruption, Transparency and Accountability Program (2003-2008)⁵³;
- **Guatemala** Transparency and Integrity Project (2005-2009)⁵⁴;
- Three programs in **Indonesia**: MCC TCP Control of Corruption project (2007-2009)⁵⁵, Strengthening Integrity and Accountability Program I (SIAP I) (2011-2016)⁵⁶, and Anti-Corruption and Commercial Courts Enhancement (IN-ACCE) (2005-2009)⁵⁷;
- Five programs in the **Philippines**: MCC TCP Technical Assistance Project (2006-2009)⁵⁸, the Integrity Project (2009-2012)⁵⁹, the Integrity Investments Initiative (I3) Project (2013-2018)⁶⁰, Enhanced Governance through Anticorruption Efforts (2009-2011)⁶¹, and Transparent Accountable Governance (TAG III&IV) (2007-2011)⁶²;
- Two programs in **Mongolia**: the Anti-Corruption Support Project (MACS) (2005-2011)⁶³ and the follow-on Strengthening Transparency and Governance (STAGE) (2012-2014)⁶⁴;
- **Madagascar** Anti-Corruption Initiative Program (2006-2008)⁶⁵,
- **Ukraine** Promoting Citizen Engagement in Combating Corruption (ACTION) program (2006-2009)⁶⁶, and
- **Djibouti** Anticorruption Program (DACP)(2008-2010),⁶⁷ among some others

Some other programs that had rather strong anticorruption emphasis are: **Paraguay** Threshold Program I⁶⁸, **Peru** Anticorruption Threshold Program⁶⁹, **Philippines** Transparent Accountable Governance (TAG) I & II projects⁷⁰, **Indonesia** Financial Crime Prevention Project (FCPP)⁷¹, **Kyrgyzstan** Support to National Budget Transparency program⁷², **Sri Lanka** Anticorruption Program⁷³, and others.

⁵⁰ Armenia Mobilizing Action Against Corruption Project (MAAC) (2006-2011). – Mid-term evaluation, September 2010:

http://pdf.usaid.gov/pdf_docs/PDACR144.pdf

⁵¹ Assistance for Afghanistan's Anti-Corruption Authority (4A) (2010-2013). – Final Report: http://pdf.usaid.gov/pdf_docs/PA00JP3T.pdf

⁵² El Salvador Transparency and Governance Project (2009-2014). - Mid-term Evaluation, 2012:

http://pdf.usaid.gov/pdf_docs/PDACU963.pdf

⁵³ Central America and Mexico (CAM) Anticorruption, Transparency and Accountability Program (2003-2008). – Program Information:

<http://www.casals.com/2010/03/central-america-and-mexico-anticorruption-transparency-and-accountability-program/>

⁵⁴ Guatemala Transparency and Integrity Project (2005-2009). – Audit Report, October 2009: <http://oig.usaid.gov/sites/default/files/audit-reports/1-520-10-001-p.pdf>

⁵⁵ Indonesia MCC TCP Control of Corruption Project (2007-2009). - Final Report: http://pdf.usaid.gov/pdf_docs/pdacn906.pdf

⁵⁶ Indonesia Strengthening Integrity and Accountability Program I (SIAP I) - RFA-INDONESIA-10, November 2009. -

<http://www.grants.gov/web/grants/view-opportunity.html?oppId=50225>. - Program information, 2013:

<http://www.msiworldwide.com/project/building-accountability-and-integrity-in-indonesia/>

⁵⁷ Indonesia Anti-Corruption and Commercial Courts Enhancement (IN-ACCE) (2005-2009). -

<http://www.bluelawinternational.com/projects/closed-projects/>

⁵⁸ Philippines MCC TCP Technical Assistance Project (MCA-PTP) (2006-2009). – Program Information:

<http://www.mcc.gov/pages/countries/program/philippines-threshold-program>

⁵⁹ Philippines Integrity Project (2009-2012). - Annual Report, Sep-2010: http://pdf.usaid.gov/pdf_docs/pdacu506.pdf

⁶⁰ Philippines Integrity Investments Initiative (I3) - Project Solicitation Number: SOL-492-12-000012, February 2013:

<https://www.fbo.gov/index?s=opportunity&mode=form&id=944764941c361bc3b824532833283158&tab=core&cview=1>

⁶¹ Philippines Enhanced Governance through Anticorruption Efforts (2009-2011). – Final Report:

http://pdf.usaid.gov/pdf_docs/PDACT289.pdf, and Transparent Accountable Governance (TAG III&IV) (2007-2011). – TAG III,

QR, Jan-2008: http://pdf.usaid.gov/pdf_docs/pdacl246.pdf; TAG IV, Final Evaluation:

http://pdf.usaid.gov/pdf_docs/PDACR860.pdf

⁶² Philippines Transparent Accountable Governance (TAG III&IV) (2007-2011). - TAG III, QR, Jan-2008:

http://pdf.usaid.gov/pdf_docs/pdacl246.pdf; TAG IV, Final Evaluation: http://pdf.usaid.gov/pdf_docs/PDACR860.pdf

⁶³ Mongolia Anti-Corruption Support Project (MACS) (2005-2011). – Final Report:

<https://dec.usaid.gov/dec/content/Detail.aspx?ctID=ODVhZjk4NWQtM2YyMi00YjRmLTkxNjktZTcxMjM2NDNmY2Uy&rID=MzIxNDg4>

⁶⁴ Mongolia Strengthening Transparency and Governance (STAGE) (2012-2014). - Project Information:

<http://www.asiafoundation.org/resources/pdfs/MongoliaSTAGEFactSheet2013.pdf>

⁶⁵ Madagascar Anti-Corruption Initiative Program (2006-2008). - Final Report:

<https://www.dropbox.com/sh/abx4p4w6kqovz8a/6lkudEKAV/AIM%20Final%20Report%20Mar%2030%202009.pdf>

⁶⁶ Ukraine Promoting Citizen Engagement in Combating Corruption (ACTION) program (2006-2009). – Final Report: FR:

http://pdf.usaid.gov/pdf_docs/PDACR665.pdf

⁶⁷ Djibouti Anticorruption Program (DACP)(2008-2010). – Final Report: http://pdf.usaid.gov/pdf_docs/PDACQ980.pdf

Regional aspects of explicit anticorruption programming

The East Asia and Pacific region, particularly Indonesia and the Philippines, had the most number of long-term programs or components directly addressing corruption. For example, in the **Philippines** alone, five multi-million dollar long-term comprehensive programs, including MCC TCP Technical Assistance Project⁷⁴, provided assistance to five governmental institutions to strengthen their capacity to implement corruption prevention and enforcement functions and improve case management at the Ombudsman office among other activities. Implemented between 1999 and 2011, Transparent Accountable Governance (TAG) projects⁷⁵ conducted numerous studies, built public awareness of the negative impacts of corruption, mobilized civil society, and worked with the government to develop and implement counter-corruption and good governance measures and reforms. Launched in 2013, the Integrity Investments Initiative (I3) Project⁷⁶ pursues objectives of effective prosecution of large-scale corruption cases and improved legal tools for detecting, investigating and prosecuting corruption among others.

In **Indonesia** at least four well-thought complex anticorruption programs including MCC TCP Control of Corruption Project⁷⁷ worked with several governmental institutions strengthening integrity and professionalism of the court system, preventing money laundering, enhancing the investigative, communications, and outreach capacities of the Corruption Eradication Commission (KPK), and expanding e-procurement system. The Integrity Project assisted the Ombudsman and the Department of Justice in developing a corruption case management system and supported the Constitutional Integrity Group (CIG), composed of the Ombudsman, Civil Service Commission and the Commission on Audit, in implementing effective corruption detection and deterrence framework. The Anti-Corruption and Commercial Courts Enhancement (IN-ACCE)⁷⁸ supported the establishment of a specialized anti-corruption court (TPIKOR). Implemented since 2011, the Strengthening Integrity and Accountability Program I (SIAP I)⁷⁹ builds the capacity of the KPK in investigating corruption cases and the Supreme Audit Body (BPK) in detecting financial fraud and corruption, among other activities.

This concentration of efforts in both countries likely contributed to their steady and consistent improvements in global indices: **Indonesia** improved its Control of Corruption index from -0.81 in 2006

⁶⁸ Paraguay Threshold Program I (2006-2009). – Final Report: http://pdf.usaid.gov/pdf_docs/PDACQ482.pdf

⁶⁹ Peru Anticorruption Threshold Program (2008-2010). – Program Information: <http://www.mcc.gov/pages/countries/program/peru-threshold-program>

⁷⁰ Philippines Transparent Accountable Governance (TAG) I & II projects (1999-2007). – TAG Tool: <http://asiafoundation.org/resources/pdfs/TAGTOOLSFINALRRL.pdf>

⁷¹ **Indonesia** Financial Crime Prevention Project (FCPP) (2004-2008).- Program Information: <http://www.cifor.org/ilea/ref/donor/FinancialCrimePreventionProject.htm>

⁷² Kyrgyzstan Support to National Budget Transparency program (2012-2014). – Program Information: <http://www.undp.kg/en/media-room/news/article/3-news-list/2089-budget-transparency-project-launch>; http://www.kg.undp.org/content/kyrgyzstan/en/home/operations/projects/democratic_governance/budget-transparency-project.html

⁷³ Sri Lanka Anticorruption Program (2005-2007). – Final Report: http://pdf.usaid.gov/pdf_docs/PDACK636.pdf

⁷⁴ Philippines MCC TCP Technical Assistance Project (MCA-PTP) (2006-2009). – Program Information: <http://www.mcc.gov/pages/countries/program/philippines-threshold-program>

⁷⁵ Philippines TAG Tools - Transparent Accountable Governance (TAG) projects. - Program Information: <http://asiafoundation.org/resources/pdfs/TAGTOOLSFINALRRL.pdf>

⁷⁶ Philippines Integrity Investments Initiative (I3) - Project Solicitation Number: SOL-492-12-000012, February 2013: https://www.fbo.gov/index?s=opportunity&mode=form&id=944764941c361bc3b824532833283158&tab=core&_cview=1

⁷⁷ Indonesia MCC TCP Control of Corruption Project (2007-2009). - Final Report: http://pdf.usaid.gov/pdf_docs/pdacn906.pdf

⁷⁸ Indonesia Anti-Corruption and Commercial Courts Enhancement (IN-ACCE) (2005-2009). - Program Information: <http://www.bluelawinternational.com/projects/closed-projects/>

⁷⁹ Indonesia Strengthening Integrity and Accountability Program I (SIAP I) - RFA-INDONESIA-10, November 2009. - <http://www.grants.gov/web/grants/view-opportunity.html?oppId=50225>; Program information: <http://www.msiworldwide.com/project/building-accountability-and-integrity-in-indonesia/>

to -0.66 in 2012, and the CPI index from 24 to 32. Similarly, the **Philippines** improved its Control of Corruption index from -0.81 to -0.58 and CPI from 25 to 34 during the same period of time.

In contrast - the South and Central Asia region had only five direct anticorruption programs during this same period of time: Assistance for **Afghanistan's** Anti-Corruption Authority (4A)⁸⁰, **Pakistan** Anti-Fraud Hotline⁸¹, **Bangladesh** Promoting Governance, Accountability, Transparency, and Integrity (PROGATI)⁸², **Kyrgyzstan** Support to National Budget Transparency program⁸³, and **Sri Lanka** Anticorruption Program⁸⁴.

Types of interventions

Major explicit/direct anticorruption programs usually focus on strengthening independent agencies, assisting countries in designing and implementing national reform policies, legal drafting, and supporting civil society anticorruption activities. For example:

Designing Anti-Corruption Policies, Strategies or Action Plans

Several USAID programs supported the development of **national anticorruption policies, strategies and action plans**. Such assistance typically was linked to international obligations countries took under various global and regional instruments, including the UN Convention Against Corruption, Group of States against Corruption (GRECO), African Union Convention on Preventing and Combating Corruption, Economic Community of West African States (ECOWAS) Protocol on the Fight Against Corruption, the Inter-American Convention Against Corruption, ADB-OECD Action Plan for Asia-Pacific, and most recently, the Open Government Partnership initiative, among others. For example, in **Serbia**, the Justice Reform and Government Accountability (JRGA) project⁸⁵ supported the government in drafting a new five-year Anti-Corruption Strategy in 2013; in **Azerbaijan**, USAID supported the drafting of the national strategy and action plan through the AZPAC: Support to the Anti-Corruption Strategy of Azerbaijan project⁸⁶ to assist the country in meeting its obligations under the GRECO recommendations; in **Mongolia**, the Anti-Corruption Support Project (MACS)⁸⁷ and the follow-on Strengthening Transparency and Governance (STAGE) project assisted the government with the development of the anticorruption strategy and the action plan; in **Kyrgyzstan**, the Support to National Budget Transparency program,⁸⁸ started in 2012, supports the design and implementation of an anti-corruption strategy⁸⁹; and **El Salvador's** Democracy Strengthening Program (DSP)/Transparency and

⁸⁰ Assistance for Afghanistan's Anti-Corruption Authority (4A) (2010-2013). – Final Report: http://pdf.usaid.gov/pdf_docs/PA00JP3T.pdf

⁸¹ Pakistan Anti-Fraud Hotline (2010-2015). – Project website: <https://www.anti-fraudhotline.com/>

⁸² Bangladesh Promoting Governance, Accountability, Transparency, and Integrity (PROGATI) (2007-2012). – Performance Evaluation, 2012: http://pdf.usaid.gov/pdf_docs/PDACU912.pdf

⁸³ Kyrgyzstan Support to National Budget Transparency program (2012-2014).- Program Information: http://www.kg.undp.org/content/kyrgyzstan/en/home/operations/projects/democratic_governance/budget-transparency-project.html

⁸⁴ Sri Lanka Anticorruption Program (2005-2007). – Final Report: http://pdf.usaid.gov/pdf_docs/PDACK636.pdf

⁸⁵ Serbia Justice Reform and Government Accountability (JRGA) project (2010-2015). - Mid-term Evaluation, 2013: <https://dec.usaid.gov/dec/content/Detail.aspx?ctID=ODVhZjk4NWQzM2YyMi00YjRmLTkxNjktZTcxMjM2NDNmY2Uy&rID=MzQyNTEz>

⁸⁶ Azerbaijan Support to the Anti-Corruption Strategy (AZPAC) project (2007-2009). - Final Report: <http://www.coe.int/t/dghl/cooperation/economiccrime/corruption/projects/azpac/951-d-AZPAC-FINAL%20REPORT.pdf>

⁸⁷ Mongolia the Anti-Corruption Support Project (MACS) (2007-2011). - Final Report: <https://dec.usaid.gov/dec/content/Detail.aspx?ctID=ODVhZjk4NWQzM2YyMi00YjRmLTkxNjktZTcxMjM2NDNmY2Uy&rID=MzMxNDg4>

⁸⁸ Kyrgyzstan Support to National Budget Transparency program (2012-2014).- Program Information: http://www.kg.undp.org/content/kyrgyzstan/en/home/operations/projects/democratic_governance/budget-transparency-project.html

⁸⁹ Kyrgyzstan Support to National Budget Transparency program (2012-2014).- Program Information: <http://www.undp.kg/en/media-room/news/article/3-news-list/2089-budget-transparency-project-launch>

Governance Program (TAG)⁹⁰ supported the drafting of a 5-year action plan to implement specific transparency initiatives within the government.

Legal Drafting and Implementing and Enforcing Legislation

USAID provided assistance in legal drafting, focusing on financial disclosure, access to information, whistleblower protection, conflicts of interest, and other corruption-curtailling legislation. USAID supported the development of many laws essential to preventing corruption, including in procurement, business operations, service delivery and other areas. For example, programs in **Ukraine**⁹¹, **Mexico**⁹², and **El Salvador**⁹³ drafted freedom of information legislation; a whistleblower law was drafted in **Serbia**⁹⁴; financial disclosure legislation in **Afghanistan**⁹⁵; ethics and conflict of interest in El Salvador⁹⁶; anticorruption provisions in the criminal code and other legislation in **Panama**⁹⁷; and a modern legal framework to detect and prosecute corruption and financial crimes in **Indonesia**.⁹⁸

While legal drafting remained a significant part of the assistance, USAID also supported the implementation and enforcement of laws. In **Ecuador**⁹⁹ and **Guatemala**,¹⁰⁰ programs supported the implementation of the freedom of information legislation; in **Afghanistan**¹⁰¹, **Paraguay**¹⁰², and **Serbia**¹⁰³, programs helped implement the financial disclosure and complaint management programs; and in **Paraguay**¹⁰⁴ and **Peru**¹⁰⁵, programs focused on implementing legislation to establish internal control systems.

Supporting Anticorruption Institutions

USAID increasingly supported viable anticorruption and other accountability institutions, including Ombudsmen, Supreme Audit Institutions, and similar independent oversight agencies. Assistance included overall institutional strengthening, developing and implementing oversight systems including asset and income disclosure, political party and election financing, and complaint management and investigations. Also, assistance was provided in developing and implementing training programs, developing integrity plans by governmental agencies, and conducting various assessments including Corruption Vulnerability

⁹⁰ El Salvador Transparency and Governance Project (2009-2014). - Mid-term Evaluation, 2012:

http://pdf.usaid.gov/pdf_docs/PDACU963.pdf

⁹¹ Ukraine Promoting Citizen Engagement in Combating Corruption in Ukraine (ACTION) (2007-2009). – Final Report:

http://pdf.usaid.gov/pdf_docs/PDACR665.pdf; Mid-term Evaluation: http://pdf.usaid.gov/pdf_docs/PDACT344.pdf

⁹² Mexico Greater Transparency and Accountability of Governments Program (2003-2008). – Quarterly Report, April 2008:

http://pdf.usaid.gov/pdf_docs/PDACL691.pdf

⁹³ El Salvador Transparency and Governance Project (2009-2014). - Mid-term Evaluation, 2012:

http://pdf.usaid.gov/pdf_docs/PDACU963.pdf

⁹⁴ Serbia Justice Reform and Government Accountability (JRGA) project (2010-2015). - Mid-term Evaluation, 2013:

<https://dec.usaid.gov/dec/content/Detail.aspx?ctID=ODVhZjk4NWQtM2YyMi00YjRmLTkxNjktZTcxMjM2NDNmY2Uy&rID=MzQyNTEz>

⁹⁵ Assistance for Afghanistan's Anti-Corruption Authority (4A) (2010-2013). – Final Report: http://pdf.usaid.gov/pdf_docs/PA00JP3T.pdf

⁹⁶ El Salvador Transparency and Governance Project (2009-2014), Mid-term Evaluation, 2012:

http://pdf.usaid.gov/pdf_docs/PDACU963.pdf

⁹⁷ Panama Transparency and Accountability Program (2005-2008). - Final Report: http://pdf.usaid.gov/pdf_docs/PDACW212.pdf

⁹⁸ Indonesia Financial Crime Prevention Project (FCPP) (2004-2008). – Project information:

<http://www.cifor.org/ilea/ref/donor/FinancialCrimePreventionProject.htm>

⁹⁹ Ecuador "Sí, se puede! Anti-Corruption - Ecuador" (2003-2007). – Final Report: http://pdf.usaid.gov/pdf_docs/PDACI038.pdf

¹⁰⁰ Guatemala Transparency and Anticorruption and Transparency and Integrity projects (2005-2009). – Audit:

<http://oig.usaid.gov/sites/default/files/audit-reports/1-520-10-001-p.pdf>

¹⁰¹ Assistance for Afghanistan's Anti-Corruption Authority (4A) (2010-2013). – Final Report: http://pdf.usaid.gov/pdf_docs/PA00JP3T.pdf

¹⁰² Paraguay Threshold Program I (2006-2009). – Final Report: http://www.mcc.gov/documents/agreements/Paraguay_SOAG.pdf and

http://pdf.usaid.gov/pdf_docs/PDACQ482.pdf

¹⁰³ Serbia Justice Reform and Government Accountability (JRGA) project (2010-2015). - Mid-term Evaluation, 2013:

<https://dec.usaid.gov/dec/content/Detail.aspx?ctID=ODVhZjk4NWQtM2YyMi00YjRmLTkxNjktZTcxMjM2NDNmY2Uy&rID=MzQyNTEz>

¹⁰⁴ Paraguay Threshold Program I (2006-2009). – Final Report: http://www.mcc.gov/documents/agreements/Paraguay_SOAG.pdf and

http://pdf.usaid.gov/pdf_docs/PDACQ482.pdf

¹⁰⁵ Peru MCC Anticorruption Threshold Program (2008-2011). – Project Information: <http://www.mcc.gov/pages/countries/program/peru-threshold-program>

Assessments (VCA) to detect gaps and deficiencies. In addition, programs often assisted these agencies by strengthening their public communication efforts and enhancing their interagency cooperation. Such programs were implemented in a number of countries including **Indonesia**¹⁰⁶, **the Philippines**¹⁰⁷, **Serbia**¹⁰⁸, **Afghanistan**¹⁰⁹, **Mongolia**¹¹⁰, **Peru**¹¹¹, **El Salvador**¹¹², **Bangladesh**¹¹³, and **Madagascar**¹¹⁴ among others.

Some projects, while not explicitly focused on anticorruption, provided support to anticorruption and other independent agencies. For example, the **Iraq Tatweer** National Capacity Development Program¹¹⁵ built the capacity of the ministerial Inspectors General (IG) offices, assisted governmental agencies to establish corruption complaint systems, and supported the establishment of provincial anticorruption councils. In the SSA region alone, 11 out of 28 projects worked with such independent agencies. In addition to independent agencies, USAID supported interventions to control corruption within governmental executive agencies. For example, the MCC **Peru** Anticorruption Threshold Program (ATP)¹¹⁶ provided support for improving the disciplinary processes of its Internal Control Office of the Public Ministry.

Experience showed that although there were some successes working with such independent agencies, it was not always an easy task. Governmental institutions were often reluctant, lacking in commitment or unsure of how they wanted to approach corruption. This resulted in some pushback and delays in implementing donor-assisted programs. For example, the Mobilizing Action Against Corruption in **Armenia** Project (MAAC)¹¹⁷ experienced many difficulties working with independent agencies that led to delays and activity modifications. In **Afghanistan**, the High Office of Oversight (HOO) while working collaboratively with the Assistance for **Afghanistan's** Anti-Corruption Authority (4A)¹¹⁸ program in developing income and asset declaration collection system was reluctant to go to the next step of verifying the declarations and establishing MOUs with other government agencies to obtain the needed data for verification.

¹⁰⁶ Indonesia MCC TCP Control of Corruption Project (2007-2009). - Final Report: http://pdf.usaid.gov/pdf_docs/pdacn906.pdf; Indonesia Strengthening Integrity and Accountability Program I (SIAP I) (2011-2016). - Program information:

<http://www.msiworldwide.com/project/building-accountability-and-integrity-in-indonesia/>; and Indonesia Financial Crime Prevention Project (FCPP) (2004-2008). – Project information: http://www.cifor.org/ilea/_ref/donor/FinancialCrimePreventionProject.htm

¹⁰⁷ Philippines Threshold Program Technical Assistance Project. –Program Information: PI:

<http://www.mcc.gov/pages/countries/program/philippines-threshold-program>; <http://www.msiworldwide.com/project/msi-in-the-philippines/>; and Philippines Integrity Project. (2009-2012). - Annual Report, Sep-2010: http://pdf.usaid.gov/pdf_docs/pdacu506.pdf; Program Information: <http://www.msiworldwide.com/project/msi-in-the-philippines/>

¹⁰⁸ Serbia Justice Reform and Government Accountability (JRG) project (2010-2015). - Mid-term Evaluation, 2013:

<https://dec.usaid.gov/dec/content/Detail.aspx?ctID=ODVhZjk4NWQtM2YyMi00YjRmLTkxNjktZTcxMjM2NDNmY2Uy&rID=MzQyNTEz>

¹⁰⁹ The Assistance for Afghanistan's Anti-Corruption Authority (4A) program (2010-2013: - Final Report:

http://pdf.usaid.gov/pdf_docs/PA00JP3T.pdf

¹¹⁰ Mongolia Anti-Corruption Support Project (MACS) and the Strengthening Transparency and Governance (STAGE). – Program Information: <http://www.asiafoundation.org/resources/pdfs/MongoliaSTAGEFactSheet2013.pdf>

¹¹¹ Peru Anticorruption Threshold Program (ATP) (2008-2010). – Program Information:

<http://www.mcc.gov/pages/countries/program/peru-threshold-program>

¹¹² El Salvador Transparency and Governance Program (TAG) (2009-2014). – Mid-term Evaluation, 2012:

http://pdf.usaid.gov/pdf_docs/PDACU963.pdf

¹¹³ Bangladesh Promoting Governance, Accountability, Transparency, and Integrity (PROGATI) (2007-2012). – Final Evaluation:

http://pdf.usaid.gov/pdf_docs/PDACU912.pdf; Mid-term Evaluation, April 2011: http://pdf.usaid.gov/pdf_docs/PDACR887.pdf; Audit

Report: http://pdf.usaid.gov/pdf_docs/PDACS077.pdf

¹¹⁴ Madagascar Anti-Corruption Initiative Program assisted the Bureau Indépendant Anti-Corruption (BIANCO)(2006-2008). -

<https://www.dropbox.com/sh/abx4p4w6kqovz8a/6lkcudEKAV/AIM%20Final%20Report%20Mar%2030%2009.pdf>

¹¹⁵ Iraq National Capacity Development (NCD - Tatweer) (2006-2011). – Final Evaluation: http://pdf.usaid.gov/pdf_docs/PDACR430.pdf

¹¹⁶ Peru Anticorruption Threshold Program (ATP) (2008-2010). – Program Information:

<http://www.mcc.gov/pages/countries/program/peru-threshold-program>

¹¹⁷ Armenia Mobilizing Action Against Corruption Project (MAAC) (2007-2011). – Final Report, 2011:

http://pdf.usaid.gov/pdf_docs/PDACR143.pdf

¹¹⁸ The Assistance for Afghanistan's Anti-Corruption Authority (4A) program (2010-2013: - Final Report:

http://pdf.usaid.gov/pdf_docs/PA00JP3T.pdf

Supporting Civil Society

USAID continued supporting civil society anticorruption activities within different programs, but only a few programs were specifically designed around this anticorruption objective. Among such standalone anticorruption civil society programs were the **Ukraine** Promoting Citizen Engagement in Combating Corruption (ACTION) Program¹¹⁹ and the Strengthening Civil Society Monitoring Capacity in **Moldova** Program¹²⁰, both implemented as part of the MCC TCPs. Both programs monitored corruption and the impact of concurrent MCC TCP programs through surveys and other assessments instruments, supported CSO and media advocacy and watchdog activities, and promoted journalist investigative reporting. Both the **Egypt** Combating Corruption and Promoting Transparency¹²¹ and **Lebanon** Transparency and Accountability Grants (TAG)¹²² worked with non-governmental sectors. While the Egypt project conducted public opinion polls, promoted corporate ethics and investigative reporting, the Lebanon project funded about 130 CSOs supporting advocacy, watchdog and awareness activities to increase government transparency and accountability. The TAG project resulted in an increased number of government actions prodded on by CSO initiatives and implemented efficient and transparent practices in the private sector and civil society.

Many direct anticorruption programs included activities on both the supply and demand sides. For example, while the Strengthening Government Integrity in **Malawi** Project¹²³ worked primarily with governmental agencies, it also trained journalists in investigative reporting on corruption and built skills of and provided funding to CSOs to implement advocacy, public awareness and public oversight activities. Similarly, the **Indonesia** Strengthening Integrity and Accountability Program 1 (SIAP1)¹²⁴, while working primarily with independent agencies, also supports public awareness and watchdog activities conducted by civil society organizations. Such a mix of supply and demand side activities proved to be effective not only in the explicit/direct anticorruption programs, but in sectoral program as well.

Millennium Challenge Corporation Threshold Programs (MCC TCP)

A notable development in the advancement of USAID anticorruption programming between 2007 and 2013 was USAID's implementation of MCC TCP. For countries that failed to satisfy minimum acceptable levels in the World Bank Control of Corruption indicator that were required for MCC compact eligibility, MCC TCPs were designed to specifically target reductions in corruption. These programs employed a wide spectrum of activities ranging from justice sector reform to financial management, procurement, business environment, healthcare, and civil society advocacy and watchdog actions, among others. By involving governments in the design of their country programs and signing formal agreements, MCC TCPs intended to secure government commitment and ownership. This also made the MCC TCP programming approach distinctively different from other USAID approaches: USAID typically elicits ideas from local

MCC TCP programs:

- Set objectives to address corruption in sectors
- Secured host country cooperation and ownership by involving them early in program design and implementation
- Measured impact by global indices and program-specific indicators
- Short-term implementation period – 2-3 years.

¹¹⁹ Ukraine Promoting Citizen Engagement in Combating Corruption in Ukraine (ACTION) (2007-2009). – Final Report:

http://pdf.usaid.gov/pdf_docs/PDACR665.pdf; Mid-term Evaluation: http://pdf.usaid.gov/pdf_docs/PDACT344.pdf

¹²⁰ Moldova Strengthening Civil Society Monitoring Capacity Program (2006-2009). – Final Report: not available online; Program Information:

<http://www.fhi360.org/projects/moldova-civil-society-strengthening-program-mcssp>

¹²¹ Egypt Combatting Corruption and Promoting Transparency (2008-2012). – Project Information:

http://www.cipe.org/sites/default/files/publication-docs/egyptFlyer_090211.pdf

¹²² Lebanon Transparency and Accountability Grants (TAG) (2001-2011). - Final Evaluation, 2011:

http://pdf.usaid.gov/pdf_docs/PDACR860.pdf

¹²³ Strengthening Government Integrity in Malawi Project (2006-2008). – Final Report:

<https://www.dropbox.com/sh/qtd75vd9dxl2f7s/s6SPkxzht4/Malawi%20Final%20Report.pdf>

¹²⁴ Indonesia Strengthening Integrity and Accountability Program I (SIAP I) (2011-2016). - Program information:

<http://www.msiworldwide.com/project/building-accountability-and-integrity-in-indonesia/>

counterparts, but does not involve them in program design or bind them through formal agreements. The success of MCC TCPs in tackling corruption was measured by the country's improvement in the World Bank Control of Corruption Index in addition to other indicators that were specific to each country's program activities. Redesigned in 2012, a review of the MCC TCP concept concluded that while the World Bank indicators "are useful proxies for comparing peer countries' performance in a range of policy areas to determine compact eligibility, they are not a satisfactory means of measuring program impact, and movements in indicator scores cannot be directly attributed to threshold program interventions."¹²⁵

Out of 24 MCC TCP agreements signed since 2005 with 22 countries, 15 prominently declared anticorruption as a key objective of their programs by including it in the agreement titles. Although the remaining nine agreements did not explicitly include anticorruption in their titles or list of major objectives, the majority of them stipulated that the activities indeed be designed to reduce corruption. The largest number of TCP programs was implemented in the Sub-Saharan Africa region (10 programs) totaling \$161.1M. Four projects each were implemented in the Europe and Eurasia region (\$99.3M) and Latin America and Caribbean region (\$107.2M), plus there is a new program coming to Honduras in 2014 (\$15.6M). Three programs were funded in the East Asia and Pacific (totaling \$86.2M) and one program each in the Middle East and North Africa (\$25.0M) and South and Central Asia (\$16.0M) regions. Most funding was allocated through USAID, while smaller amounts were issued through other USG agencies. The majority of programs were implemented in the Economic Growth and Governing Justly & Democratically areas as well as a combination of the two, while fewer programs were focused on the Investing in People program area, including health and education. Some programs were split into several projects implemented by different parties while others were run as single multi-sectoral programs. For example, in **Ukraine** the MCC TCP program was divided into several projects including justice sector, education, private sector, customs, public sector, and civil society and the media. Alternatively, in **Albania**, a single MCC TCP program combined activities in administrative court, tax administration, business licensing, construction permitting, and civil society and the media. Activities were very diverse including improving the legal framework, strengthening institutions, improving internal policies and procedures, and strengthening civil society oversight.

Guided by MCC TCP requirements and program objectives, the programs typically sought improvement in the World Bank Control of Corruption and the TI CPI, as well as sector-specific global rating indicators, for example, the World Bank Doing Business indicators, the Business Environment and Enterprise Performance Survey (BEEPS), the World Bank Worldwide Governance Indicators (WGI), OECD/World Economic Forum (WEF) Global Competitiveness Index (GCI) indicators, and others. Few used USG F-indicators.

Endorsement of the MCC TCPs by the host governments did not always translate into smooth implementation of the programs. While in **Moldova**, the program enjoyed full cooperation and engagement of the government, the program in **Peru** experienced some official reluctance and the program in **Niger** was terminated.

Overall, the MCC TCP programs resulted in many reforms that contributed to reducing the level and spread of corruption. While changes in the global indicators cannot be directly attributed to a particular program, using indicators and targets that relate specifically to program interventions provides a measurement approach that can approximate program impact.

Sectoral Programming

Integrating anticorruption in the sectoral programs was accomplished unevenly. Programs in the DRG area, including Rule of Law, Governance, and Civil Society, incorporated anticorruption objectives more

¹²⁵ Congressional Budget Justification for FY 2012: <http://www.mcc.gov/documents/reports/mcc-fy2012-cbj.pdf>

frequently than programs in other sectors. Programs in the Economic Growth area included a number of interventions towards preventing or reducing corruption, although in many cases the programs did not specifically set objectives to address corruption. Programs in the Health and Education sectors rarely integrated corruption into their objectives and activities. This section of the report provides an overview and some examples of anticorruption initiatives within the sectoral programs, such as Economic Growth, Public Administration, Local Governance and Decentralization, Rule of Law, Civil Society, and Health. Programs selected for this analysis are primarily but not exclusively those identified by IPs as *Top Tier*, that is, those whose measured results show success or impact; where there was a significant amount of information available about the program; where the program was such that it could be scaled up or replicated elsewhere; or where the program was unique in approach. The regional and sectoral reports written by the IPs provide a broader review of these sectoral programs in each region and worldwide.

Economic Growth and Trade

USAID programs in the EG area that included anticorruption interventions constituted slightly over 16 percent of all reviewed programs. E&E, SSA, and MENA regions had more such programs than the other three regions. Only two programs were implemented in the LAC region, four in EAP, and five in SCA region, three of which in Afghanistan. The most common interventions provided equal access and economic opportunity, and improved the business-enabling environment. Activities to improve public procurement, public finance management, streamline business registration and licensing (including establishment of OSS), tax collection and customs functions related to export/import operations were frequent in many programs. E-government tools became very popular in the EG sector, including e-procurement, e-tax, and e-customs. Some projects supported harmonizing local legislation and practices with the World Trade Organization (WTO) and other international standards based on the assumption that they should lead to reduced corruption. A majority of all MCC TCP programs implemented activities in the EG area.

Few programs in the EG area, besides MCC TCPs, tracked their impact on reducing corruption. A number of the EG programs used the World Bank Doing Business indicators. Although they do not explicitly measure impact on corruption, improvements in these indicators are typically a sign of reduced corruption in particular business operations. Other programs also used the Business Environment and Enterprise Performance Survey (BEEPS) to measure impact, although they were generally not consistent with questions asked and timeframe.

Several tools and approaches that proved to be effective in reducing opportunities to corruption were used in a number of EG programs. Among such tools were OSS, also known as *single-window* facilities that originally were used for business registration processes but have expanded in recent years to business licensing and permitting, export/import operations, and investor registration. Studies have shown that depending on implementation, OSS can have a notable impact on reducing corruption.¹²⁶ Surveys conducted in **Ukraine** in 2008 and 2009 to explicitly measure corruption in permitting system showed that corruption in OSSs was 2-3 times less frequent than among traditional permitting processing.¹²⁷ Other programs measured the efficiency of the OSSs but did not measure their impact on corruption. In **Albania**¹²⁸, OSSs established in 12 municipalities for business registration reduced processing time to one day at a cost of about one U.S. dollar per registration. Also, OSS for business licensing reduced approval

¹²⁶Reducing administrative corruption in Ukraine: regulatory reform USAID/BIZPRO. – 2005: http://pdf.usaid.gov/pdf_docs/PDACG850.pdf

¹²⁷ Corruption and Business Regulations in Ukraine: Construction and Land Transactions Permits. Comparative Analysis of National Surveys: 2008-2009 for the MCC Threshold Country Program. – MSI, 2009: <https://sites.google.com/a/usaid.gov/drg/home/about-1/drg-center-teams/governance-and-rule-of-law/anticorruptionmapping>

¹²⁸ Millennium Challenge Corporation Albania Threshold Program Stage I (MCCA1) (2006-2008). – Final Report: http://pdf.usaid.gov/pdf_docs/PDACM504.pdf

were redrafted or deleted, increasing transparency and reducing the number of inspections and filing requirements imposed on businesses. Similar reforms were implemented in other countries, often sponsored by domestic governments, including in **Armenia, Croatia, Macedonia, Moldova, Serbia, Tunisia, Ukraine**, and others. While these efforts were designed with the objective of enhancing a business-friendly environment and reducing opportunities for corruption, their impact on corruption was rarely measured.

Several program examples provided below offer more detail on country context, objectives and implementation approaches of integrated anticorruption activities. Additional information about these and other programs in the EG sector, with a focus on business-enabling environments, can be found in the report *Anti-Corruption and Cross-Sectoral Program Mapping: The Europe & Eurasia Region And Business Enabling Environment Programs Worldwide*.¹⁴³

Support to Albania's Millennium Challenge Account Threshold Agreement-1 (MCCA-1)

The task order for **Albania's** MCC TCP-1 (MCCA-1) program¹⁴⁴ (2006-2008) set a specific objective of reducing corruption in public procurement, tax administration and business registration. It required that each component be designed accordingly and defined indicators to measure program impact. As all other MCC TCP programs, MCCA-1 was reinforced by the Albanian government through an intergovernmental agreement and by committing resources. Nevertheless, a commitment at the top level did not always translate to the lower levels of the government which created some challenges to program implementation.

The program supported the development of e-government systems to streamline tax declaration and payment, register businesses and receive business license applications, and conduct public procurement. In addition, it assisted in developing a publicly available GIS-based urban development system to facilitate a transparent construction permit issuing system. It also assisted in drafting legislation, regulations, and internal policies and procedures in the tax and procurement areas.

To measure program impact, several indicators were adopted from international studies, including the World Bank Doing Business, Business Environment and Enterprise Performance Survey (BEEPS), and the World Bank Enterprise Survey, among others. Specifically, for reducing corruption, the project targeted reducing bribery in tax collection, government contracts and business registration; reducing the value of gifts expected to secure government contracts; and reducing firms' perceptions of corruption as a big obstacle to business operations, among others. Using these indicators, the program was able to specifically measure its impact on corruption. The program reported a decrease in perception of frequent corruption in tax collection (from 42% to 19%) and procurement (from 42% to 17%), a decrease in the value of gifts expected to secure government contracts (from 6.15% to 1% of contract value), and a decrease in bribery during business registration in the centers supported by the project (from 19% to 0%). Aside from direct and measurable impacts on corruption, there were tangible increases in the efficiency of government services that were heretofore burdened by red tape, hidden costs and long delays.

¹⁴³ Additional information about these and other programs in the EG sector with the focus on business environment can be found in the report *Anti-Corruption and Cross-Sectoral Program Mapping: The Europe & Eurasia Region And Business Enabling Environment Programs Worldwide*. – MSI, 2013 provided in Annex 3

¹⁴⁴ Support to Albania's Millennium Challenge Account Threshold Agreement (2006-2008). - Final Report: http://pdf.usaid.gov/pdf_docs/PDACM504.pdf

Improving the Business Climate in Morocco (IBCM)

The Improving the Business Climate in **Morocco** (IBCM)¹⁴⁵ (2005-2009) program assisted in developing business-enabling legislation, and streamlining business registration, investments, and building permitting. The program began at a time when the country had positive economic development and actively pursued the development of a business-friendly regulatory context motivated by membership in WTO and several international free trade agreements. The ultimate goal of IBCM was to make it easier to do business through simplifying administrative processes for starting and operating a business, and creating a business-enabling environment that allowed for free and fair competition while protecting investors.

The program facilitated a public-private dialogue that resulted in a set of recommendations for online business registration, re-engineered the process to obtain a construction permit, developed recommendations for simplifying tax clearance process for property registration, developed recommendations for labor code to reconcile different interests, facilitated establishing a National Business Climate Reform Committee to advance regulatory reform, and assisted with establishing a common business identifier to be shared by all agencies interacting with business. It also assisted the government with drafting bankruptcy law and implementing intellectual property law and legislation on arbitration and mediation. To streamline investment applications, IBCM implemented e-invest web-based software for handling investment applications and assisted regions in identifying opportunities and constraints to private investment.

Following the Task Order requirements, the project adopted several World Bank Doing Business indicators, such as improving business and licensing registration, property registration, and employing workers. No indicators and targets were established to measure the program's impact on corruption, in particular. The program made significant contributions to advancing reforms that improved the business environment, although there was a disconnect between intended actions and how their achievement was measured.¹⁴⁶ Although the project reported some successes, the outcomes were mixed. Out of four World Bank Doing Business indicators used by the project to measure its impact, the country showed improvement in the *dealing with construction permits* but regressed in the *starting a business* indicators and showed mixed results in the *employing workers* and *registering property* indicators. The impact on corruption remained unknown as it was not measured.

Vietnam Support for Trade Acceleration II Project (STAR II)

The **Vietnam** Support for Trade Acceleration II Project (STAR II) (2006-2010)¹⁴⁷ promoted strengthening of the trade and business-enabling environment to support implementation of the U.S.-Vietnam BTA and the WTO accession protocol. STAR II began at a time when Vietnam was progressing impressively on its political and economic reforms, which were transforming the country from one of the poorest in the world to a lower middle income country. The program was implemented in a very different context than the Albania program described above. Although STAR II got an endorsement from the government of Vietnam, which was aggressively pursuing the goal of advancing its international trade, the program was heavily controlled by the government with no activity implemented without their prior approval. The country was also pursuing an anticorruption agenda, but STAR II was not designed to link its activities to it. STAR II assisted the government in drafting or revising several dozen laws and regulations related to trade and business environment, trained thousands of government officials and business sector

¹⁴⁵ Improving the Business Climate in Morocco (2005-2009). - Final Report Summary: http://pdf.usaid.gov/pdf_docs/PNADY510.pdf

¹⁴⁶ Evaluation of the improving business climate in Morocco (IBCM) program and assessment of the business-enabling environment in Morocco. 2012: http://pdf.usaid.gov/pdf_docs/PDACU482.pdf

¹⁴⁷ Vietnam Support for Trade Acceleration II Project (STAR II) (2006-2010). - Final evaluation report: http://pdf.usaid.gov/pdf_docs/pdacs486.pdf

representatives, exposed hundreds of public officials to best practices via study tours, developed and published various reference materials, and launched eight web-based e-government programs. Some of the project activities more directly related to anticorruption by improving government transparency and accountability. For example, the program supported legislation requiring citizen participation in legal drafting and publicity for newly adopted legislation. The program also developed and implemented an innovative tool to measure the performance of ministries—the Ministerial Transparency Index. Another tool developed by the program - the Provincial Competitiveness Index¹⁴⁸ –became a motivating factor for improvements in performance of provincial governments.

The project likely contributed to the country’s growing trade and investment and foreign investment as measured by global indices, although no information is available about indicators and targets used by the program to measure the results. An independent survey¹⁴⁹ showed improvement in the business operations environment, including reduced time for business registration, licenses and permits, and the time businesses have to spend dealing with bureaucracy. While petty corruption in business was declining (70% in 2006 and 52% in 2011), grand corruption was alarmingly on the rise, growing from 41% in 2010 to 56% in 2011 and both foreign and domestic businesses became far more pessimistic about expanding their businesses (70% in 2006 and 47% in 2011).

Public Administration

In the Public Administration sector, improving public financial management systems, public procurement, public property management, strengthening professionalism, implementing merit-based recruitment, personnel management, performance standards, and administration systems, and introducing and enforcing ethics and conflict of interest management systems are among key interventions used to close down opportunities for corrupt behavior of public officials. Other type of corruption preventive measures used by programs are increasing government transparency through making information about government operations and services provided available to the public via information desks, websites, public meetings and other information dissemination approaches. Government accountability to the public can be promoted through involving citizens in policy development and decision making processes. Programs have facilitated the establishment of public consultations on major policies and legislation, public councils affiliated with various governmental agencies, and public oversight of decision making, including budgeting and procurement, among others.

Similarly to the EG sector, e-government solutions were one of the techniques broadly used in USAID’s public administration programs. For example, in **Jordan**, the integrated Government Financial Management Information System monitored and controlled government revenue and spending¹⁵⁰; in **Georgia**, the E-Governance Commission was created to coordinate e-development and cooperation between the public and private sectors to implement e-solutions¹⁵¹; in **Moldova**, the e-Transformation strategy of the Government of Moldova was drafted to guide implementation of the e-system across governmental institutions and functions¹⁵²; in **Macedonia**, the National e-Government Strategy was developed and e-government applications were implemented for registration of employment, automated system for applications and testing of civil servants, tax services, budgeting, public procurement,

¹⁴⁸ Provincial Competitiveness Index (PCI) in Vietnam. – Project Information: http://www.pcivietnam.org/about_pci.php

¹⁴⁹ The Vietnam Provincial Competitiveness Index. – USAID/ Vietnam Chamber of Commerce and Industry, 2011: <http://www.pcivietnam.org/index.php?lang=en>

¹⁵⁰ Jordan Fiscal Reform Project II (2009-2014). – Quarterly Report , January 2013: <http://www.frp2.org/english/Portals/0/PDFs/Reports/13th%20Quarterly%20Report%20for%20Website%20and%20Counterparts%20-%20English.pdf>

¹⁵¹ Georgia Business Climate Reform Project (2005-2009). – Final Report: http://pdf.usaid.gov/pdf_docs/PDACN591.pdf

¹⁵² Moldova Rapid Governance Support Program (2010-2011) – Final Report: <https://sites.google.com/a/usaid.gov/drg/home/about-1/drg-center-teams/governance-and-rule-of-law/anticorruptionmapping>

export/import licensing, and management of international cargo transport licenses¹⁵³; and in **Georgia**, a dedicated website operates as a one-stop portal for the public, offering electronic services such as taxpayer/trader cards, property tax calculator, e-filing of all tax returns and easy access to information on tax and customs legislation, procedures, forms, and other revenue-related issues.¹⁵⁴ Overall, e-government solutions appears to have contributed to reducing opportunities for corruption by increasing transparency, reducing public official discretion, and reducing direct interactions between governmental officials and citizens. However, it appears that most programs that employed e-government approaches did not attempt to measure the anti-corruption impact of their activities.

Public administration programs also employed *RIA* and *regulatory guillotine* for broad legal and regulatory systems. For example, in **Vietnam**¹⁵⁵, in support of the country's ambitious national simplification program, RIA and *regulatory guillotine* were applied across 24 ministries, 63 provinces, and thousands of district and commune administrations. By June 2010, more than 50,000 administrative procedures were inventoried and the first package of more than 250 simplified priority administrative procedures was developed. In **Kosovo**¹⁵⁶, a cross-sectoral working group inventoried and reviewed all regulations that resulted to elimination of over 440 unnecessary and obsolete regulations accounting for nearly 30 percent of all regulations then in force; in **Montenegro**¹⁵⁷, a sweeping *regulatory guillotine* exercise applied to all primary and secondary legislation is expected to eliminate about a hundred redundant primary and secondary regulations, and RIA has been instituted for all new legislation; and in **Egypt**¹⁵⁸, with the assistance of the web-based Regulatory e-Guillotine software, more than 250,000 general regulations were assessed in about 170 subordinate agencies and authorities and tens of thousands of regulations across several ministries were assessed through RIA and eliminated, thereby improving Egypt's regulatory system and reducing opportunities for corruption.

The following programs are among a few USAID programs in this sector that have specific anticorruption objectives:

Liberia Governance and Economic Assistance Program (GEMAP)

The multi-faceted **Liberia** Governance and Economic Assistance Program (GEMAP)¹⁵⁹ (2005-2010) was conceived in direct response to the concerns of the Government of Liberia and international partners, about the mismanagement of public resources during Liberia's post-conflict transition and the threat it represented to the peace process. Corruption was pervasive across government and culturally accepted by the public. Although GEMAP was not exclusively focused on corruption, reducing corruption was one of the program's key objectives. The program received full endorsement and support at the highest levels of government including during the implementation phase that secured good cooperation with governmental agencies and contributed to the success of the program.

The program worked with eleven governmental agencies to secure Liberia's revenue base, improve budgeting and expenditure management, improve procurement practices and granting of natural resource concessions, establish effective processes to control corruption, provide institutional support to the

¹⁵³ Fundamentals and Development of e-Government. – 2011: <http://www.mio.gov.mk/files/pdf/Osnovi%20i%20razvoj%20na%20e-Vlada%202010%20-%20eng.pdf>

¹⁵⁴ Georgia Business Climate Reform Project (2005-2009). – Final Report: http://pdf.usaid.gov/pdf_docs/PDACS591.pdf

¹⁵⁵ Vietnam Competitiveness Initiative (VNCI) (2007-2013). - Audit of USAID/Vietnam's competitiveness initiative phase II, 2011: http://pdf.usaid.gov/pdf_docs/PDACS092.pdf

¹⁵⁶ Kosovo business enabling environment program (BEEP) (2010-2013). - Annual Report #2 July 2011 – July 2012:

<https://dec.usaid.gov/dec/content/Detail.aspx?ctID=ODVhZjk4NWQtM2YyMi00YjRmLTkxNjktZTcxMjM2NDZmY2Uy&rID=MzI1NzMy>

¹⁵⁷ Good Governance Activity in Montenegro (2009-2013). - Program Information: <http://www.ewmi-ggam.org/contact/staff-information>

¹⁵⁸ Egypt Technical Assistance for Policy Reform II (TAPR II) project (2005-2010). - Final Report:

http://pdf.usaid.gov/pdf_docs/PDACQ924.pdf

¹⁵⁹ Liberia Governance and Economic Assistance Program (GEMAP) (2005-2010). - Final Evaluation:

http://pdf.usaid.gov/pdf_docs/PDACR798.pdf; Program Information: <http://www.gemap-liberia.org>

central institutions of government, and foster cross-cutting capacity building issues. GEMAP assistance in improving financial management systems resulted in rules and regulations governing allotments and transfers, revising and reviewing budget guidelines, increasing revenue collection through the introduction of a bank payment-slip process, and ensuring more transparent and accountable budget execution. Significant progress was made in making mining concessions by introducing computerized mining cadaster and linking it to the land registry, bringing contracting and concession processes and approvals procedures to the international standards, eliminating tax holidays, and introducing mining company payments for community development. The program also assisted in developing procedures for managing and monitoring public real property and vehicle procurement. The project strengthened financial and asset management systems of state-owned enterprises, the major country revenue producers. In the public works area, the program assisted with improving procedures for cash management and procurement and enhancing reporting and internal controls.

All these interventions likely led to reducing opportunities to corruption in many governmental functions including financial management, asset management, logging and mineral concessions, procurement and port operations but, as the final evaluation stated, the program failed to track its impact on corruption.¹⁶⁰ Although the evaluation credited GEMAP for improving country scores on global indices, the program interventions were not directly linked to these indices and there were many other concurrent programs in the country that were more squarely focused on corruption. Therefore, GEMAP may have contributed to reducing corruption, but it cannot be entirely credited for these improved scores.

The follow-on Government and Economic Management Support (GEMS) program was required to continue building the capacity of governmental institutions “using a results-oriented approach, whereby participating institutions will develop and maintain systems that increase transparency and accountability, increase efficiency, reduce expenditures, increase revenue, and limit opportunities for corruption.”¹⁶¹ At the same time, the RFP did not filter down this requirement to the activity description, did not reinforce it in the evaluation criteria nor require measurement of program impacts on corruption. As a result, GEMS adopted a few indicators that measure customer satisfaction related to some reforms supported by the program that could signal potential reduction in corruption, but no specific indicators are used to directly measure impact on corruption.¹⁶²

Iraq the National Capacity Development (*Tatweer*) project

The **Iraq** National Capacity Development (*Tatweer*)¹⁶³ project (2006-2011) began as Iraq was starting to rebuild its government while still at war. The program sought to assist the government to strengthen the management capability of executive branch institutions and increase transparency, improve communication and decrease corruption in the public sector. Specifically, the program was focused on core public administration functions: fiscal management, personnel management and administration, leadership/communications, strategic planning, information technology, and technical skills. Anticorruption and ethics were cross-cutting themes across the entire program and they were actively transformed into program interventions.¹⁶⁴ The program had to overcome a multitude of challenges including security, low capacity of the civil servants and old mentalities, and lack of confidence and skepticism of public officials.¹⁶⁵ In response to the requirement set by the call for proposal, the program

¹⁶⁰ Liberia Governance and Economic Assistance Program (GEMAP) (2005-2010). - Final Evaluation:

http://pdf.usaid.gov/pdf_docs/PDAGR798.pdf; Program Information: <http://www.gemap-liberia.org>

¹⁶¹ Liberia Governance and Economic Management Support Program (GEMS), Solicitation Number: 669-10-023, 2010:

https://www.fbo.gov/index?s=opportunity&mode=form&id=e6caa1209758362333857bc968159c2a&tab=core&_cview=1

¹⁶² Liberia Governance and Economic Management Support (GEMS) (2011-2015). - Project: Annual Report, 2013:

<https://dec.usaid.gov/dec/content/Detail.aspx?ctID=ODVhZjk4NWQtM2YyMi00YjRmLTkxNjktZTcxMjM2NDNBmY2Uy&erID=MzQyNzMy>

¹⁶³ Iraq National Capacity Development (NCD - *Tatweer*) (2006-2011). – Final Evaluation: http://pdf.usaid.gov/pdf_docs/PDAGR430.pdf

¹⁶⁴ Iraq National Capacity Development (NCD) Program. – RFTOP 267-06-004, April 2006

¹⁶⁵ Iraq National Capacity Development (NCD - *Tatweer*) (2006-2011). – Final Evaluation: http://pdf.usaid.gov/pdf_docs/PDAGR430.pdf

instilled the principles of transparency and anticorruption into all of its programmatic activities and also developed a separate, specialized program area to work more closely with the government to fight corruption. The project worked with 30 governmental agencies improving their procedures and systems, improving budgeting and procurement processes, and implementing IT systems resulting in greater efficiency and reducing opportunities for corrupt behaviors. *Tatweer's* targeted anticorruption efforts included training, provision of technical assistance to oversight bodies, implementing corruption complaints systems, and the establishment of provincial anti-corruption offices. While *Tatweer* measured its anticorruption activities outcomes through the number of trained personnel and number of administrative systems or procedures implemented, it did not measure the impact of these outputs on corruption.

Succeeding *Tatweer*, the Public Administration Reform (PAR) program¹⁶⁶ was tasked to improve the functions of government's public institutions in order to strengthen service delivery processes through better governance and resource management approaches. Unlike *Tatweer* though, the PAR call for proposals did not make any reference to anticorruption.

Malawi Strengthening Government Integrity Project

The **Malawi** Strengthening Government Integrity Project (SGIMP)¹⁶⁷ (2006-2008) that was one of the four MCC TCP components that worked with the fiscal system management and oversight to roll back corruption. Unlike Iraq and Liberia, Malawi is one of the most stable democracies in Africa with a multiparty democracy. The call for proposals not only placed anticorruption as a centerpiece of the program but also tried to guide applicants on how this objective could be achieved. In addition, the call for proposals reinforced this requirement in the evaluation criteria. Although the commitment of the government was secured through an intergovernmental agreement required by MCC TCP and government involvement in the program design, a political impasse between the Executive and Legislative branches and removal of the key program counterparts became serious impediments, slowing down program activities. Despite of these challenges, the program was able to achieve most of its planned results. The program assisted deployment of a computerized integrated financial management information system in several governmental agencies and trained personnel to track the allocations and expenditures of the budget and thereby curb corruption and improve fiscal responsibility. It institutionalized procurement training and trained auditors to enhance procurement, forensic and performance auditing. Unlike GEMAP and *Tatweer*, the program worked on both the supply and demand sides. On the demand side, it trained journalists in investigative reporting on corruption and built the skills of NGOs and provided funding to them to implement advocacy, public awareness and public oversight activities. The program reported results and successes of its many efforts, but fell short in measuring specific program impacts on corruption.

Local Government and Decentralization

Local Government and Decentralization (LG&D) programs were the fourth largest group of programs with anticorruption interventions. The most common anticorruption themes of these projects are improving local government performance, accountability and transparency in policy development and service delivery, and promoting citizen participation in decision making. Specific initiatives were targeted at supporting the decentralization process, including legal drafting and institutional strengthening in implementing reforms. Other programs seek to reduce corruption by strengthening local government institutions (including budgeting, financial management, tax collection, etc.) and service delivery, and by involving citizens in decision-making processes.

¹⁶⁶ Iraq National and Provincial Administrative Reform Project. - Request for Proposals (RFP) Number 267-10-012, September 2010.

¹⁶⁷ Malawi Strengthening Government Integrity Project (2006-2008). - Final Report:
<https://www.dropbox.com/sh/qtd75vd9dxl2f7s/s6SPkxzht4/Malawi%20Final%20Report.pdf>

Typically, LG&D programs worked on both the supply and demand sides. On the demand side, in addition to mobilizing communities to actively participate in local policy development and governance, the programs also often support civil society watchdog activities to monitor public service delivery using such tools as social audit and report cards, among others. Overall, about 70 programs or activities within programs were implemented in more than 40 countries. Review of these programs showed that calls for proposals rarely included anticorruption in their objectives or required monitoring of program impacts on corruption. The closest measure of the impact on corruption used by some programs was citizen trust in or satisfaction with the government that is often shaped by their perceptions and experience with corruption. A detailed analysis of anticorruption and service delivery programs in the LG&D sector should be referenced for detailed examples.¹⁶⁸ Below is a brief analysis of several illustrative USAID programs in the LG&D sector from different country contexts.

Bosnia and Herzegovina Governance and Accountability Project II (GAP2)

The Governance and Accountability Project II (GAP2)¹⁶⁹ in **Bosnia and Herzegovina** (BiH) (2007-2012) was designed to improve the ability of municipalities to serve their citizens and to support a policy and fiscal framework which is conducive to accountable, democratic governance. It was expected that “by working towards more transparent service provision and systemization of processes, GAP2 will reduce opportunities for corruption at the local level. By seeking to better define inter-governmental roles, responsibilities and finances, GAP2 will reduce opportunities for waste and work with a number of sensitive issues where corruption can be visible.”¹⁷⁰ GAP2 was built upon its predecessor GAP program that had made significant strides in improving customer service, internal management, and financial management systems.¹⁷¹ GAP2 assisted municipalities to institutionalize public input in the municipal action and strategic planning processes for improvements in service delivery and municipal management; supported establishment and operations of more than thirty Citizens’ Service Centers facilitating millions of daily interactions with local government; assisted in drafting legislation and regulations to strengthen the position and role of local self-governance; and supported more than a hundred municipal capital improvement projects. The project resulted in more efficient municipal administrative services and increased citizen satisfaction with the provision of these services. By using program indices –Municipal Capacity Index (MCI) and Municipal Services Efficiency Index – GAP2 tracked municipalities’ performance and efficiency in delivering services. Citizen satisfaction with municipal services increased by almost 14-18% in different types of municipalities since the start of the program, complaints about municipal issues declined by about 20-40%, whereas resolution of complaints increased by 14-28%. Although the program did not measure the impact of program interventions on corruption, improvement in citizen satisfaction typically correlates with the reduction of corruption.

Indonesia Local Governance Support Program (LGSP)

The **Indonesia** Local Governance Support Program (LGSP)¹⁷² (2005-2009) started not long after general elections that resulted in a substantial turnover of council members as a result of citizen distrust of incumbent legislators following a number of corruption scandals. This raised major questions about the capacity of the new council members and the urgent need to address corruption. Over four years, the

¹⁶⁸ Anticorruption and Service Delivery, DAI, 2013.

¹⁶⁹ Bosnia and Herzegovina Governance and Accountability Project II (GAP2) (2007-2012). – Final Report: http://pdf.usaid.gov/pdf_docs/PDACL350.pdf

¹⁷⁰ Technical Assistance for Governance Accountability Project, Phase II (GAP2) in Bosnia and Herzegovina (BIH). – Solicitation Number: 168-07-018, May 2007:

https://www.fbo.gov/index?s=opportunity&mode=form&id=a925e91d7e820d1ff033a9e0187f1dde&tab=core&_cview=1

¹⁷¹ Bosnia and Herzegovina Governance and Accountability Project (GAP) (2007-2012). – Final Report:

http://pdf.usaid.gov/pdf_docs/PDACL350.pdf

¹⁷² Indonesia Local Governance Support Program (LGSP) (2005-2009). – Final Report: http://pdf.usaid.gov/pdf_docs/PDACP359.pdf

program enhanced the core skill of more than 60 district governments in nine provinces to plan, budget, and manage local governance while promoting active citizen participation. It assisted with the drafting of five national and about 50 local regulations related to participatory planning, development plan preparation, and transparent planning and budgeting; and developed an electronic citizen information service called e-CIS and an Internet-based procurement system. The program also developed and widely used an Anticorruption Toolkit towards preventing corruption in procurement. The Toolkit consisted of procurement monitoring tools, an integrity pact manual and other handbooks and guidance. The project resulted in increased citizen input to local plans and budgets, improvement in local government's accounting performance, in performance-based budgeting, and asset management.

Iraq LG&D programs

Several LG&D programs implemented in **Iraq** included specific interventions to reduce opportunities for corruption, although none of them explicitly measured the impact. Working in four provinces of northern **Iraq**, the *Community Action Program III (CAP III)*¹⁷³ pursued the goal of improving citizen involvement in local governance by building the capacity of local leaders to work with citizens to identify and prioritize community needs and effectively advocate to provincial authorities. The program was built upon two previous programs (CAP I & II). These earlier programs built the capacity of community action groups to fill the gap of local government and exercise true grassroots democracy by implementing projects on their own where necessary, and in partnership with local government where possible, to meet community needs. Working in 15 provinces, CAP III assisted in clarifying and strengthening the roles and responsibilities of citizens and government officials, helped community action groups with prioritizing and advocating on behalf of community needs, assisted with implementing participatory budgeting process, and supported hundreds community projects. Among the most obvious activities in anticorruption was Ethics and Transparency training of local government officials which examined principles of transparent operations, public procurement, project monitoring and evaluation, and professional conduct to create awareness about the cost of corruption and the benefits of transparent processes. Through fostering citizen participation in local decision making processes, training local officials in ethics and transparency, and building partnerships between communities and local government, the program likely contributed to reducing the cultural acceptance of corruption and closed opportunities for corrupt transactions, although the program did not measure its impact on corruption nor was it required by the call for applications.

Three consecutive *Local Governance projects (LGP, LGP II*¹⁷⁴, *and LGP III*¹⁷⁵) were implemented in **Iraq** between 2003 and 2011. LGP III sought to build on the accomplishments of the previous two programs to build the capacity and strengthen the performance of local government institutions to represent citizen priorities and create a responsive public administration through planning for public investment in the provinces, executing the provincial budgets, and holding service providers accountable. Although the government passed the Provincial Powers Act in 2008, its implementation was not without controversy. Nevertheless, the program made significant progress. It supported implementation of the provincial development strategies, enhanced the transparency of government finances by developing a customized system for managing and reporting capital expenditures and tracking the progress of capital projects, improved professionalism of provincial government officials by implementing comprehensive training programs that included modules on code of ethics, anticorruption, and accountability among others; and strengthened transparency and accountability of the Governors' offices by creating internal control and audit function. Assessments among project beneficiaries in local government, as reported in the mid-term

¹⁷³ Iraq Community Action Program III (CAP III) (2008-2012). - Final Report: http://pdf.usaid.gov/pdf_docs/PDACU839.pdf; ACDI/VOCA website: <http://www.acdivoca.org/site/ID/icapIII/>; Final Evaluation: http://pdf.usaid.gov/pdf_docs/PDACU215.pdf; Audit Report: <http://oig.usaid.gov/sites/default/files/audit-reports/e-267-12-001-p.pdf>

¹⁷⁴ Iraq Local Governance project II (LGP-II) (2006-2008). – Audit, 2009: http://pdf.usaid.gov/pdf_docs/PDACS035.pdf

¹⁷⁵ Iraq Local Governance Project III (LGP-III) (2009-2011).- Mid-term Evaluation, August 2010: http://pdf.usaid.gov/pdf_docs/PDACR554.pdf

evaluation, found improvement in the skills and capacity of elected officials and public council staff that were directly attributable to the program. For example, 88% of elected provincial officials and 93% of the staff said their budgeting had improved, and 72% and 86% respectively attributed this, in part, to LGP III. 94% of provincial employees and 82% of provincial councils' staff indicated that their legislative function had improved and 94% attributed some of this improvement to LGP III. Similarly to the CAP III, the LGP III program neither required nor undertook initiatives to measure its corruption impact although many program interventions likely led to the reduction of corruption.

Peru Decentralization for More Effective and Accountable Local Government Program (Pro Decentralization)

The Decentralization for More Effective and Accountable Local Government (Pro Decentralization) Program¹⁷⁶ in **Peru** (2008-2012) began when the country was in the midst of aggressive decentralization reforms. The objective of the program was to foster the decentralization process by strengthening the legal and public policy framework of decentralization reform and increase and improve the management capacities of sub-national decentralized governments so that they could respond appropriately to public demand. Pro Decentralization sought to promote good government practices among sub-national governments, improve the implementation of national administration services, and improve the management capacities of the sub-national governments to enable them to respond effectively to public demand. Although decentralization was one of the key reforms pursued by the government, some disagreements about its course caused delays of the reform and the program. The program built the capacity of the regional and municipal governments through training and assistance. It trained government officials to draft public investment projects in compliance with legislation and systems to facilitate investments. It also trained strategic planning, procurement, and results-based budgeting to improve the quality of public investment and promote improvement in the provision of public services. It developed, through participatory approach, a *Decentralization Compass*, a list of legislation and policies to facilitate the decentralization process. The final evaluation credited the program with increasing the number and value of public investment projects in the municipalities and improving the rate at which regional and municipal governments executed their annual approved purchasing plans. There is no evidence that the program incorporated anticorruption in its objectives and interventions or measured its corruption impact.

Rule of Law

RoL programs comprised the largest group of projects that included anticorruption interventions in all six regions. Activities ranged from strengthening the independence of the judiciary to legal education, improving professionalism in the justice system, building the legal framework, establishing anticorruption institutions within the justice system, building capacity in investigating and prosecuting corruption, increasing court transparency by making information about justice system operation and court decision publicly available, engaging civil society in watchdog activities thereby enhancing court accountability, enforcing codes of conduct, modernizing courts and implementing e-government solutions, implementing modern court administration systems, and bringing country justice systems in line with global anticorruption standards set by international instruments.¹⁷⁷ All of these activities could translate into reduced corruption both within and outside the justice sector. But positive impact is not guaranteed. For example, in **Moldova**¹⁷⁸, although three consecutive projects made significant progress in improving

¹⁷⁶ Peru Decentralization for More Effective and Accountable Local Government Program (Peru Pro Decentralization Project) (2008-2012). – Final Evaluation, November 2012: http://pdf.usaid.gov/pdf_docs/PDACCW247.pdf; Mid-Term Review, September 2010: http://pdf.usaid.gov/pdf_docs/PDACC509.pdf

¹⁷⁷ Reducing Corruption in the Judiciary. - Office of Democracy and Governance USIAD Program Brief, 2009: http://pdf.usaid.gov/pdf_docs/PNADQ106.pdf

¹⁷⁸ Moldova Governance Threshold Country Program (2007-2009) – Final Report: <https://sites.google.com/a/usaid.gov/drg/home/about-1/drg-center-teams/governance-and-rule-of-law/anticorruptionmapping>, Moldova Rapid Governance Support Program (2010-2011) – Final

professionalism, modernizing courts by installing audio recording equipment and improving case management, bribery in the courts remained high and was on the rise in 2012 compared to 2008.¹⁷⁹ Similarly, in **Indonesia** where five RoL programs with anticorruption interventions¹⁸⁰ were implemented between 2007 and 2013, bribery in the courts remained very high, with 66% of people paying bribes to the judiciary in 2013, the second highest in the country after the police.¹⁸¹

Programs in the RoL sector incorporated anticorruption into their objectives or interventions more frequently than in other sectors. But only a few measured their impact on reducing corruption. Some programs did not track their impact on corruption, even though it was originally required by the call for proposals. For example, the call for proposals for the **Dominican Republic** Justice Project¹⁸² (2008-2012) required tracking of the program's impact on corruption in the justice sector. The implemented program had many successes including a pilot computer-based case tracking and management system, automated management of hearings, the development and implementation of the Institutional Integrity System (SII) for the justice system institutions, and the development of the Management Model for Public Prosecution and Criminal Court offices to improve quality in the service of justice.¹⁸³ Nonetheless, the program omitted to measure its impact on corruption.

Other programs insinuated that their activities reduced corruption rather than actively measuring their impact. For example, the **Afghanistan** Rule of Law Stabilization II (RLS-II)¹⁸⁴ conducted ethics and anticorruption training for judges but, as the program evaluation stated, there “were no quantitative or qualitative studies to demonstrate whether there have been any improvements in the handling of cases, or a lessening of corruption, to determine if these trainings had any practical effects, or if it is ‘business as usual’ in the courts.” Similarly, while RLS-I¹⁸⁵ that worked with the informal justice sector included corruption as a topic into some issue-based discussion sessions in each district and networking meetings and some elders and officials pledged to forgo corrupt practices and agreed to mutual accountability, there is no data to substantiate if these activities resulted in reducing corruption in the informal justice system.

There were few examples of programs that integrated anticorruption or had distinctive anticorruption interventions and measured their impact. For example, in **Georgia**¹⁸⁶, bribery in the pilot courts decreased

Report, 2011: <https://sites.google.com/a/usaaid.gov/drg/home/about-1/drg-center-teams/governance-and-rule-of-law/anticorruptionmapping>, and the Rule of Law Institutional Strengthening Program (ROLISP) in Moldova (2012-2016). – Annual Report, September 2012 -

<https://dec.usaid.gov/dec/content/Detail.aspx?ctID=ODVhZjk4NWQtM2YyMi00YjRmLTKxNjktZTcxMjM2NDNmY2Uy&rID=MzI4MTgw&SID=MQ==&bckToL=VHJ1ZQ==&qcf=&ph=VHJ1ZQ==>.

¹⁷⁹ Corruption in Republic of Moldova: Perceptions vs. Personal Experiences of Households and Business People. – TI Moldova, 2012. - <http://www.rai-see.org/news/south-eastern-europe/3017-corruption-in-moldova-increases-in-2012-survey-finds.html>

¹⁸⁰ Indonesia Control of Corruption Program (ICCP) Project (2007-2009). – Final Report: http://pdf.usaid.gov/pdf_docs/PDACO731.pdf; Task Order Extension (April-October 2009). - Final Report (2009): http://pdf.usaid.gov/pdf_docs/pdacn906.pdf; Indonesia Anti-Corruption and Commercial Courts Enhancement Project. - Success Story (2010):

http://indonesia.usaid.gov/en/USAID/Article/435/Five_Model_Courts_Modernized; Indonesia Changes for Justice (C4J) Project, TT, Mid-term Evaluation, 2012: http://pdf.usaid.gov/pdf_docs/pdacu720.pdf

¹⁸¹ Indonesia Corruption Barometer 2013: <http://www.transparency.org/gcb2013/country/?country=indonesia>

¹⁸² Dominican Republic Justice Project (2009-2012). – Final Report:

<https://dec.usaid.gov/dec/content/Detail.aspx?ctID=ODVhZjk4NWQtM2YyMi00YjRmLTKxNjktZTcxMjM2NDNmY2Uy&rID=MzI0NDM3>

¹⁸³ Dominican Republic Justice Project (2009 -2012). - Final Report:

<https://dec.usaid.gov/dec/content/Detail.aspx?ctID=ODVhZjk4NWQtM2YyMi00YjRmLTKxNjktZTcxMjM2NDNmY2Uy&rID=MzI0NDM3>

¹⁸⁴ Afghanistan Rule of Law Stabilization II – Formal Component (RLS-II) (2011-2012). - Final Evaluation:

http://pdf.usaid.gov/pdf_docs/PDACU496.pdf

¹⁸⁵ Afghanistan Rule of Law Stabilization I – Informal Component (RLS-I) (2010-2012). - Final Report:

<https://dec.usaid.gov/dec/content/Detail.aspx?ctID=ODVhZjk4NWQtM2YyMi00YjRmLTKxNjktZTcxMjM2NDNmY2Uy&rID=MzI4NDQ4>

¹⁸⁶ Georgia Judicial Administration and Management Reform (JAMR). – Final Report, 2011:

<https://sites.google.com/a/usaaid.gov/drg/home/about-1/drg-center-teams/governance-and-rule-of-law/anticorruptionmapping>

by 40% compared to the control group and citizen satisfaction with the courts increased by 4% between 2007 and 2010 as a result of a set of activities that included implementation of new courtroom regulations and systems, deployment of automation of case management systems and audio recording, procedural streamlining, introducing information desks at courts, and conducting greater public awareness activities. In **Ukraine**¹⁸⁷ three RoL projects since 2007 expanded a court decisions registry, instituted random case assignment, developed a national court automation strategy, improved judicial testing and discipline, created an operating system for administrative courts, and conducted extensive public education activities. This resulted in a small decrease in extortion in the courts between 2007 and 2011, and a small increase in citizen trust, but a still growing public perception of corruption in the judiciary.

Three consecutive projects in **Macedonia**¹⁸⁸ since 2002 likely contributed to improvement in corruption perceptions of the judiciary from 2.5 percent in 2006 to 3.9 percent in 2010/2011 by improving the legal framework for the justice sector, modernizing court administration and management, improving staff professionalism, and providing greater access to justice. In **Paraguay**, two MCC TCP programs had RoL components aimed at reducing corruption in the judiciary by strengthening its disciplinary, internal control, and financial systems; improving the judiciary's ability to dispose of corruption cases at the administrative tribunals; increasing the investigative capacity of the Prosecutor's Office to address highly complex corruption cases; and improving internal control mechanisms in public institutions, including in the judiciary. The first TCP program¹⁸⁹ resulted in improved corruption case investigations thanks to a new forensic laboratory and improved investigatory skills.¹⁹⁰ In **Uganda**,¹⁹¹ the Anticorruption Division of the High Court, which was established and strengthened through the MCC Threshold Project Uganda, was able to register 306 cases and dispose of 255, with the most high-profile cases resulting in a 100 percent conviction rate secured by investigators and prosecutors trained under the program. In **Madagascar**,¹⁹² the percentage of valid corruption cases that were investigated increased from 52.11 percent to 73.47 percent while the number of cases investigated by each investigator in a month increased from 1.30 to 2 percent.

A number of programs measured citizen satisfaction with or trust in the court system, which could indirectly suggest the level of corruption in the courts. For example in **Albania**¹⁹³, activities of the four projects implemented since 2004 have evolved over the years from improving judicial performance evaluations to computerizing trial records in a number of courts, introducing audio recording of session hearings to computerized court records, upgrading court archiving and records management, and working with pilot courts to implement anticorruption strategies. Between 2007 and 2010, the projects detected a small increase (9%) in the percentage of court users satisfied with the pilot courts' accessibility, transparency and effectiveness in comparison with control courts. Similarly, two projects in **BiH**¹⁹⁴

¹⁸⁷ Combating Corruption and Strengthening Rule of Law in Ukraine under the MCC Threshold Country Program (2007-2009). - Final Report: http://pdf.usaid.gov/pdf_docs/PDACN921.pdf; Combating Corruption and Strengthening the Rule of Law in Ukraine Project (2006-2011). - Phase I Final Report, 2007: http://pdf.usaid.gov/pdf_docs/PDACK548.pdf; and Fair, Accountable, Independent, and Responsible (FAIR) Judiciary Program in Ukraine (2011-2013). - Program Information: PI: <http://www.fair.org.ua/index.php/en>; <http://www.usaid.gov/where-we-work/europe-and-eurasia/ukraine/democracy-human-rights-and-governance>; <http://www.chemonics.com/OurWork/OurProjects/Pages/Fair-Accountable-Independent-and-Responsible-Judiciary-Program.aspx>

¹⁸⁸ Corruption in the former Yugoslav Republic of Macedonia: bribery as experienced by the population, - UNODC, 2011 -

http://www.unodc.org/documents/data-and-analysis/statistics/corruption/Corruption_report_fYR_Macedonia_FINAL_web.pdf

¹⁸⁹ Paraguay Threshold Program I (2006-2009). - Final Report: http://pdf.usaid.gov/pdf_docs/PDACQ482.pdf

¹⁹⁰ Information about the results of the TCP II in the RoL area is not publicly available and therefore it is impossible to assess it.

¹⁹¹ Anticorruption MCC Project Uganda (2007-2009). - Final Report: not available online; Final Evaluation:

http://pdf.usaid.gov/pdf_docs/PDACT059.pdf; Program Information: <http://www.mcc.gov/documents/press/factsheet-2010002016406-thresholdprograms.pdf>.

¹⁹² Madagascar Anti-Corruption Initiative Program (2006-2008). - Final Report:

<https://www.dropbox.com/sh/abx4p4w6kqovz8a/6lkudEKAV/AIM%20Final%20Report%20Mar%2030%2009.pdf>

¹⁹³ Rule of Law Program in Albania (ROLP) (2007-2010). -Final Report: http://pdf.usaid.gov/pdf_docs/PDACR727.pdf

¹⁹⁴ Judicial Sector Development Project in Bosnia and Herzegovina (JSDP) (2004-2009). - Final Report:

http://pdf.usaid.gov/pdf_docs/PDACQ989.pdf

resulted in a 10% increase of satisfaction with court services and improved perceptions of the judiciary between 2004 and 2009. In **Kazakhstan**, deployment by the Judicial Assistance Program (KJAP)¹⁹⁵ of a video-recording system in the courts contributed to increased public belief that the system improved court transparency and reduced corruption.

The majority of RoL programs worked on the supply side, while a few combined both supply and demand sides. Programming in **Colombia**, **Afghanistan** and some others countries showed that one-sided RoL programs having anticorruption objectives may not be successful particularly if there is resistance on the supply side and weak civil society on the demand side. For example, the Chief Judge of **Afghanistan** declined training of judges assigned to the Corruption Panels and the new Anticorruption Tribunal on Afghan laws that prohibit waste, fraud, abuse and financial crimes by the Rule of Law Stabilization II (RLS-II) project¹⁹⁶. The court administration initiatives under that same project also faced significant challenges by the Supreme Court that led to a reduced scope of assistance and significant delays. Similarly, **Colombia's** Justice Reform and Modernization Program¹⁹⁷ (2006-2010) experienced a great deal of resistance from major counterparts on improving operational court management systems to reduce judicial corruption. As well, working exclusively on the demand side may not produce significant results when the government is not responsive to civil society demand for reforms. For example, the follow-on **Colombia** Access to Justice Program (2010-2012)¹⁹⁸ approached corruption from the demand side by providing funding to CSOs to study corruption in the justice system and generate public-private dialogue but did not produce significant results.

Civil Society, Media, and Private Sector

More than half of the programs identified for this study had activities promoting civil society and media participation in the anticorruption agenda by organizing civil society around anticorruption reforms and providing support to CSOs and the media to conduct advocacy, watchdog, legal assistance, public awareness and education activities. Some projects worked exclusively with the mass media to stimulate and support investigative reporting. Sectoral projects with civil society components most typically involved CSOs in conducting public awareness and education activities, although some supported watchdog activities as well. Overall, CSOs became proactive and effective in monitoring public budget formulation and expenditures, procurement, the judiciary, public service delivery, and other governmental operations. These activities demonstrated more success in advocating for anticorruption reforms and participating in policy decision processes. CSOs became more sophisticated in conducting public awareness and education activities using a wide spectrum of approaches and tools ranging from traditional educational pamphlets to public fairs, production of radio and television shows, and using social media and crowdsourcing. USAID increasingly supported civil society and media programs through direct grants. For example, in the E&E region four out of eight standalone programs were implemented by local groups.

Unlike programs working with the government, the impact of civil society programs can be measured by changes in societal behavior. It includes changes in citizen tolerance for corruption and a reduction in initiating bribery or exchange of favors, among others. Few programs measured such impact though. For example, the MCC TCP program in **Ukraine** that had both a standalone civil society program and civil society components in most of its sectoral programs reported a reduction in voluntary bribe-giving in 14 out of 20 governmental institutions and services, although using personal connections dropped in only 8 agencies. At the same time, tolerance of corruption remained unchanged. Reductions in voluntary bribery

¹⁹⁵ Kazakhstan Judicial Assistance Program (KJAP) (2005-2009). – Final Report: http://pdf.usaid.gov/pdf_docs/PDACQ477.pdf

¹⁹⁶ Afghanistan Rule of Law Stabilization II – Formal Component (RLS-II) (2011-2012). - Final Evaluation: http://pdf.usaid.gov/pdf_docs/PDACU496.pdf

¹⁹⁷ Colombia Justice Reform and Modernization Program (2006-2010). - Final Report: http://pdf.usaid.gov/pdf_docs/PDACR351.pdf

¹⁹⁸ Colombia Access to Justice Program (2010-2012). - Final Report: http://pdf.usaid.gov/pdf_docs/PDACT938.pdf

also dropped in the construction and land permitting systems and in school graduation and admissions to colleges.¹⁹⁹ Such changes cannot be attributed to civil society activities exclusively, as many other factors can contribute.

Examples of measuring program impact on corruption are very rare in civil society programs. A majority of programs measured output indicators such as the number of anticorruption reforms initiated, the number of awareness campaigns conducted and people reached, the number of investigative reports published, and the number of businesses that signed integrity pledges, etc. An overview of some programs that got closer to having an impact on corruption is provided below.

In the E&E region, the most notable civil society programs focused on anticorruption were the Promoting Citizen Engagement in Combating Corruption in **Ukraine** (ACTION), the Strengthening Civil Society Monitoring Capacity in **Moldova** Program (SCSMCM) under the MCC TCP implemented in 2006-2009, and the Mobilizing Action Against Corruption in **Armenia** Project (MAAC). The **Ukraine** ACTION program²⁰⁰ monitored the impact of all the other MCC TCP programs that worked with the justice system, business regulatory reforms, education, and government ethics. It also built the capacity, facilitated networking, and provided financial support to hundreds of CSOs throughout the country to implement public awareness on corruption activities, provide legal assistance to victims of corruption, monitor governmental institutions, and advocate for anticorruption reforms. The program also trained hundreds of journalists on investigative reporting on corruption, provided legal support to journalists, and incentivized reporting. The program resulted in more than a hundred proposed reforms initiated by CSOs, including the Access to Information law, half of which were enacted by government. Media reporting on corruption increased by about 15% with about one-third of the journalist reports triggering governmental investigations and one-tenth prosecuted. Thousands of victims of alleged corruption received independent legal consultations and assistance. The **Moldova** SCSMCM²⁰¹ had a similar set of activities and resulted in 26 recommendations developed by CSOs to improve health services, local budgeting, and citizen involvement in local decision making; over 100 investigative pieces on corruption cases published by the media; improved access to information as measured by experts; and provided legal support to hundreds of citizens. In contrast to Ukraine and Moldova, the **Armenia** MAAC program²⁰² experienced many difficulties working with the government, but according to its mid-term evaluation had very modest achievements among its CSO activities relative to the resources expended.²⁰³ At the same time, the project motivated a network of viable legal assistance centers throughout the country that provided legal support to victims of corruption.²⁰⁴ These centers continued to be directly supported by USAID under the **Armenia** Against Corruption project, providing legal support in more than 3000 cases between 2008 and 2013.²⁰⁵

¹⁹⁹ Corruption in Ukraine: Comparative Analysis of National Surveys 2007-2009 for the MCC Threshold Country Program, 2009

²⁰⁰ Promoting Citizen Engagement in Combating Corruption in Ukraine (ACTION) (2006-2009), TT.- Final Report: http://pdf.usaid.gov/pdf_docs/PDACR665.pdf

²⁰¹ Strengthening Civil Society Monitoring Capacity in Moldova Program (2007-2009). – Millennium Challenge Corporation Moldova Threshold Country Program: Final Completion Report, February 2010: http://moldova.usaid.gov/sites/default/files/mcc_tcp_moldova_final_report.pdf

²⁰² Armenia Mobilizing Action Against Corruption Project (MAAC) (2006-2011). – Mid-term evaluation, September 2010: http://pdf.usaid.gov/pdf_docs/PDACR144.pdf

²⁰³ Armenia Mobilizing Action Against Corruption Project (MAAC) (2006-2011). – Mid-term evaluation, September 2010: http://pdf.usaid.gov/pdf_docs/PDACR144.pdf

²⁰⁴ Assistance to the Network of Advocacy and Assistance Centers in Armenia (2011-2015). – Program Information: <http://www.aac.am/?p=26514&lang=en>

²⁰⁵ Assistance to the Network of Advocacy and Assistance Centers in Armenia (2011-2015). – Program Information: <http://www.aac.am/?p=26514&lang=en>

In the EAP region, USAID-funded civil society projects focused heavily on training and capacity building although one program - the Support for Peaceful Democratization in **Indonesia**²⁰⁶ – provided extensive financial support to CSOs, including corruption awareness programs. Similarly, in **Cambodia**, the Mainstreaming Anti-Corruption for Equity (MAE) program under the USAID Strengthening Governance and Accountability (SGA) project²⁰⁷ worked with civil society and the private sector to raise awareness of corruption. The **Indonesia** SIAP I project,²⁰⁸ supported local CSOs in working in close collaboration the government’s Corruption Eradication Commission (KPK), to develop short anticorruption films that were broadcasted widely, supported legal offices that helped victims of corruption, and promoted CSO advocacy to increase government and political party transparency in election and campaign financing. A number of other projects in the EAP region involved CSOs in various activities.

In the SSA region, the **Nigeria** Media Support for Strengthening, Good Governance and Empowerment (MESSAGE)²⁰⁹ supported radio stations to engage audiences in discussion around governance issues such as oil sector transparency, effectiveness of government institutions, management of public resources, health and water management and community service delivery, education and conflict mitigation. Also in Nigeria, the Advocacy, Awareness, and Civic Empowerment Program (ADVANCE)²¹⁰ (2005-2012) supported CSO partners’ initiatives for mobilizing their communities for budget monitoring and tracking, mobilized civil society to advocate for passage of the Freedom of Information Act, and supported many CSO initiatives towards increasing government transparency and accountability in many sectors and service delivery areas.

While there were only few standalone civil society programs, several sectoral programs had major civil society components or activities. The **Malawi** Strengthening Government Integrity Project (2006-2008)²¹¹ built the professionalism of journalists for better reporting on corruption and supported CSO activities in advocacy, public awareness, and public oversight related to campaigns against corruption and for fiscal responsibility.

The few standalone civil society programs in the LAC region focused on building the capacity of the sector. There is no information that any of these projects had anticorruption-related activities. At the same time, some DRG and other sectoral programs had distinctive civil society components. For example, one of two components of the **El Salvador** Democracy Strengthening Program (DSP)/Transparency and Governance Program (TAG)²¹² was tasked with fostering civil society participation, particularly the private sector, in promoting transparency, accountability and control of corruption in the use of public funds. The mid-term evaluation indicated though that the private sectors showed little genuine interest in advancing transparency and combating corruption. Support to CSOs was modest and that translated into limited

²⁰⁶ Support for Peaceful Democratization in Indonesia (2004-2007). - Final Report: http://pdf.usaid.gov/pdf_docs/pdacn982.pdf

²⁰⁷ Cambodia Strengthening Governance and Accountability (SGA). - Annual (FY07) and Quarterly Report, September 2008: http://pdf.usaid.gov/pdf_docs/PDACO704.pdf

²⁰⁸ Indonesia Strengthening Integrity and Accountability Program I (SIAP I). – Program Information, 2013: <http://www.msiworldwide.com/project/building-accountability-and-integrity-in-indonesia>.

²⁰⁹ Nigeria Media Support for Strengthening, Good Governance and Empowerment (MESSAGE). - Mid-term Evaluation, 2012: <https://dec.usaid.gov/dec/content/Detail.aspx?ctID=ODVhZjk4NWQtM2YyMi00YjRmLkxNjkiZTcxMjM2NDNmY2Uy&trID=MzI3NDIw>

²¹⁰ Nigeria Advocacy, Awareness, and Civic Empowerment Program (ADVANCE) (2005-2012). - Quarterly Report, January 2013: <https://dec.usaid.gov/dec/content/Detail.aspx?ctID=ODVhZjk4NWQtM2YyMi00YjRmLkxNjkiZTcxMjM2NDNmY2Uy&trID=MzI5Njc4>; Mid-term Evaluation, 2009: http://pdf.usaid.gov/pdf_docs/PDACT375.pdf

²¹¹ Strengthening Government Integrity in Malawi Project (2006-2008). – Final Report: <https://www.dropbox.com/sh/qtd75vd9dxi2f7s/s6SPkxzh4/Malawi%20Final%20Report.pdf>

²¹² El Salvador Democracy Strengthening Program (DSP)/Transparency and Governance Program (2009-2014). - Semi-Annual Report, April 2013: <http://www.casals.com/wp-content/uploads/2013/09/El%20Salvador%20Semi-Annual%20Report%20No%208%20Final%20with%20M&E.pdf>

activities, although they were active in advocating for implementation of the Law on Access to Public Information.²¹³

In the MENA region, the most notable civil society programs that focused on advocacy for government transparency and accountability were the **Lebanon** Transparency and Accountability Grants (TAG)²¹⁴, the **West Bank Gaza** Civic Participation Program (CPP), and **Yemen** Responsive Governance Project (RGP)²¹⁵. A ten year long **Yemen** TAG program was implemented at a time when there was strong political will to tackle corruption and address issues of transparency, accountability and good governance by the government. It provided small grants to a wide range of civil society organizations and individuals that worked to promote and foster transparency, accountability and good governance. Surveys conducted by the program evaluation team among program participants showed that between 45% and 63% of them believed that TAG had promoted and fostered transparency, accountability, and good governance, but only 12% responded that these activities could ultimately lead to achieving good governance. The ongoing **Yemen** RGP program, though not explicitly focused on anticorruption, is expected to result in a more equitable, representative, transparent, accountable, responsive and reliable government that meets the needs of its citizens. Under its civil society component, it succeeded in getting the Access to Information law passed.

Healthcare

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

Examples of such programs include the Millennium Challenge Account Threshold Program for **Kenya** (Phase I & II),²¹⁶ the **Mali** Support to Local Governance and Decentralization Program, the Enabling Equitable Health Reforms (EEHR) in **Albania**, the Health Sector Reform and Development Project (Palestinian Flagship) in **West Bank and Gaza**, and the **Moldova** Governance Threshold Country Program (MGTCP).²¹⁷ The MGTP was among a few in the healthcare sector that established objectives to reduce opportunities for corruption in the health care delivery system. To reach this objective, the project sought to decrease the discretionary powers of health personnel through the establishment of norms and standards and increasing accountability through increased oversight. An independent survey showed a 7 percent increase in the percent of people admitting to frequently needing to pay bribes or give gifts in the healthcare field between 2008 and 2012, although this may not be attributable to the project.²¹⁸

²¹³ El Salvador Democracy Strengthening Program (DSP)/Transparency and Governance Program (2009-2014). - Mid-Term Evaluation: http://pdf.usaid.gov/pdf_docs/PDACU963.pdf

²¹⁴ Lebanon Transparency and Accountability Grants (TAG) (2001-2011). -Final Evaluation Report: http://pdf.usaid.gov/pdf_docs/PDAGR860.pdf

²¹⁵ Yemen Responsive Governance Project (2010-2015). - Mid-term Evaluation, 2012: http://pdf.usaid.gov/pdf_docs/PDACU527.pdf

²¹⁶ Kenya: Reforming The Public Procurement System (2007-2009). – Program Information: http://www.tetrachintdev.com/intdev/index.php?option=com_k2&view=item&id=163%3Akenya-reforming-the-public-procurement-system&Itemid=60&lang=es, <http://www.mcc.gov/documents/agreements/daga-kenya.pdf>

²¹⁷ Moldova Governance Threshold Country Program (2007-2009). – Final Report: <https://sites.google.com/a/usaid.gov/drg/home/about-1/drg-center-teams/governance-and-rule-of-law/anticorruptionmapping>

²¹⁸ Corruption in Republic of Moldova: Perceptions vs. Personal Experiences of Households and Business People. - TI Moldova, 2012: http://www.transparency.md/component?option=com_docman/task/doc_download/gid.135/lang.en/

In **Senegal**, only one out of seven programs implemented between 2006 and 2013 came close to tackling corruption, the Health Policy and Finance project (2006-2011), by making the health environment conducive to transparency and accountability. Absence of adequate information about the program precludes us from further analysis of the program’s approach and results. A 2012 report issued by USAID/**Senegal** on its programming in the health sector between 2006 and 2011 indicated that the programs had significant achievements in many areas of the country’s healthcare system but it did not discuss their relevance to anticorruption.²¹⁹

Review of the recently developed USG Global Health Initiative Strategy for **Sierra Leone**²²⁰ and **Nigeria**²²¹ that directs USAID programming in the health sector also found little reference to corruption. Further analysis needs to be done to assess if this is common for other USAID missions. Additional information about anticorruption programing in the health sector can be found in the ENGAGE IQC IP report.²²²

Other Sectors

Anticorruption interventions in such sectors as Elections, Education, Disaster Recovery, Food Security and Agriculture, and some others were rather infrequent. Overviews and examples of such projects in Combating Cross-Border Crimes, the Environment and Natural Resources, and some other sectors can be found in the regional and sectoral reports written by the ENGAGE IQC IPs.²²³

6. LESSONS LEARNED AND PROGRAMMING RECOMMENDATIONS

Integrate anticorruption into sectoral project and measure impact. The USAID Anticorruption Strategy requires missions to integrate anticorruption objectives into sectoral programs to incorporate “strategies to control corruption, promote transparent and accountable governance, and target specific vulnerabilities as they are identified.” Analysis has shown that few sectoral programs, except for several MCC TCP programs that were explicitly targeted at reducing corruption, actually integrated corruption into their activities by clearly identifying anticorruption objectives or monitoring anticorruption impacts. Rather, they included some interventions that could impact corruption, but without adequate measurement, there was no evidence that these interventions indeed impacted corruption. For example, while some programs supported the drafting of new legislation and regulations, they typically did not assess them from the point of view of their impact on corruption and its prevention. Similarly, when implementing administrative and procedural reforms, most programs assumed that they would reduce corruption

Key tips in integrating anticorruption in sectoral projects:

- Include clear integration requirements in the call for proposals and ensure compliance during implementation
- Develop approaches and tools for integrating anticorruption in sectoral programs
- Establish indicators and targets to measure activity impact on corruption
- Secure commitment of the key counterparts and identify ‘champions’
- Use supply/demand approach.

²¹⁹ The USAID/Senegal Health 2006 to 2011 Strategic Objective Completion Report, December 2012: http://pdf.usaid.gov/pdf_docs/pdacu752.pdf

²²⁰ Global health initiative strategy for Sierra Leone for 2011-2015. - http://pdf.usaid.gov/pdf_docs/PDACX566.pdf

²²¹ Nigeria Global Health Initiative Strategy for 2010 – 2015. - http://pdf.usaid.gov/pdf_docs/PDACX563.pdf

²²² Anti-Corruption and Cross-Sectoral Program Mapping, Part 2: Anti-Corruption in Global Health. – Chemonics International, 2013 provided in Annex 3 to this report

²²³ See Annex 3 to this report

but did not craft the tools to specifically address corruption vulnerabilities. In most cases, programs did not measure the impact of reforms on corruption. As a result, it is difficult to assess systematically the value of specific initiatives on corruption outcomes. Programs that commenced under the MCC TCP initiative most clearly integrated anticorruption and measured program activity impact on reducing corruption because it was specifically required by MCC TCP.

✓ **Recommendations:** Incorporate anticorruption goals into program objectives and design interventions and apply approaches and tools that have been proven to be effective in addressing corruption across sectors or in particular sectors. Examples of integrating tools include one-stop shops, regulatory simplification, e-government, administrative process reengineering based on VCA or similar tools, participatory decision making involving stakeholders, citizen complaint systems, government transparency (using tools relevant to particular country situations), and public oversight and citizen watchdog activities (using *report cards* or similar tools, for instance), among others. Identify and use specific indicators to measure behavioral program intervention impacts on corruption. Avoid using indicators that measure perceptions, including global indexes such as the TI CPI or the World Bank Control of corruption measures.

Secure the commitment of key counterparts and tie initiatives to ‘champions.’ The commitment of host governments to reforms, particularly anticorruption reforms, is a decisive factor for success. This was particularly true for MCC TCP programs, for which governments and other domestic stakeholders participated in program design and obligated themselves to support and contribute to implementation as well. Nevertheless, in most cases, such commitments did not filter down to the levels of government or the counterpart agencies that projects worked with directly. This created some difficulties and delays in implementing activities.

✓ **Recommendations:** Secure the political will of key counterparts prior to commencing anticorruption programs. Align programs with local priorities and strategies and use sound incentives to facilitate such commitments. Focus assistance where significant gains appear most feasible. Also, to the extent possible, stakeholders from government and non-governmental sectors should be involved or consulted on program design and should assume specific obligations and responsibilities for cooperating and contributing to the programs once launched. To ensure sustainability, tie the initiatives to a local “champion of reform” or to an institution interested in reform, either within or outside the government, such as business associations that can carry out reforms over time.

Include specific requirements in calls for proposals to integrate anticorruption and ensure compliance during implementation. Analysis of documents available to this study showed that calls for proposals varied in their requirements to incorporate corruption in project interventions and monitor anticorruption impacts. The most directive were programs funded under MCC TCP which built their objectives around reducing corruption in particular sectors and refer to the country Threshold Plan with specific indicators to measure impact on corruption. But aside from MCC TCPs, only a few calls for proposals for sectoral programs incorporated anticorruption into program objectives, suggested illustrative activities or described clear requirements to address corruption. Even fewer required that corruption impact be measured or that reducing corruption was among the proposal’s evaluation criteria. On the other hand, in some cases, anticorruption indicators required by the calls were excessive and outside of the project’s control. The majority of calls did not discuss corruption at all or limited their requirements to a brief discussion of corruption as it may affect the project’s activities.

✓ **Recommendations:** Include more specific and obligatory requirements for integrating anticorruption in calls for proposals/applications and task orders. Include integrative anticorruption measures in the evaluation criteria. Provide illustrative examples of integrating anticorruption into project activities. Require monitoring and measuring of corruption impacts through tailored intervention indicators and justifiable targets.

Balance supply and demand approaches. To various degrees, sectoral programs combined supply and demand approaches. For MCC TCP projects, the combination of government activities with civil society/business sector watchdog and advocacy activities was a requirement, although engagement of the demand side was limited in some programs. In non-MCC programs, combining supply and demand techniques within sectoral programs was uneven. The majority of programs working on the supply side had rather narrow interventions on the demand side because they were not well equipped for working with civil society. In some countries, standalone civil society programs filled out the gaps between two approaches by engaging CSOs, businesses or the media in advocacy and watchdog activities. Typically, involving non-governmental agents in the activities facilitates greater accountability and transparency of government and therefore reduces the possibilities for corruption and builds citizen trust in government.

✓ **Recommendations:** Use supply and demand approaches for programming to engage both government and non-governmental sectors. Experience shows that a combination of top-down and bottom-up approaches in anticorruption programs is very effective for ensuring government accountability to reforms, as well as sustainability of the reforms. When the supply/demand approach is applied to a sectoral program, the work on the demand side should be reinforced to a meaningful level. If separate supply and demand programs are implemented, they should be coordinated with each other. For example, a program in the health sector working on the supply side should be complemented with a civil society program focused on health issues that monitors healthcare service delivery or implements other activities to keep government accountable.

ANNEXES

ANNEX I – List of USAID Anticorruption Studies/Assessments Funded (2007-2013)

- Afghanistan, Afghanistan Parliamentary Assistance Program Evaluation (2012): http://pdf.usaid.gov/pdf_docs/PDACU416.pdf
- Afghanistan, Assessment of Corruption in Afghanistan (2009):
- Afghanistan, Assessment of political party programming by USAID in the Islamic Republic of Afghanistan (2008): http://pdf.usaid.gov/pdf_docs/PDACM817.pdf
- Afghanistan, Municipal governance strategic framework for municipalities in the Islamic Republic of Afghanistan (2008): http://pdf.usaid.gov/pdf_docs/PNADO251.pdf
- Afghanistan, Performance Evaluation of Support to Sub-National Governance Structures (SNG) (2013): https://dec.usaid.gov/dec/content/Detail.aspx?ctID=ODVhZjk4NWQtM2YyMi00YjRmLTkxNjktZ_TcxMjM2NDBmY2Uy&rID=MzMyMjUw
- Afghanistan, Political Party Assessment (2012): http://pdf.usaid.gov/pdf_docs/PNADZ833.pdf
- Asian Republics (2009): http://pdf.usaid.gov/pdf_docs/PNADS880.pdf
- Assessment of Corruption – Paraguay, July 2008
- Assessment of the Administrative Legal System in Bosnia and Herzegovina, Bosnia, 2007, http://pdf.usaid.gov/pdf_docs/PNADL004.pdf
- Bosnia Herzegovina Tolerance Assessment, Bosnia, 2009
- Corruption Assessment – Senegal, August 2007: http://pdf.usaid.gov/pdf_docs/pnadk548.pdf
- Corruption Assessment – Timor Leste, September 2009: http://pdf.usaid.gov/pdf_docs/pnadq697.pdf
- Corruption Assessment for Jamaica, September 2008: http://pdf.usaid.gov/pdf_docs/pnadu835.pdf
- Corruption Assessment of Rwandan Health Sector, December 2008
- Corruption Assessment: Montenegro, Montenegro, 2009 <http://montenegro.usaid.gov/upload/documents/Corruption%20Assessment%20-%20Montenegro.pdf>
- Honduras Corruption Assessment, September 2008: http://pdf.usaid.gov/pdf_docs/PNADO248.pdf
- Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, Uzbekistan, Gender assessment, USAID/Central
- Morocco Corruption Assessment, Morocco, June 2008
- Russia Democracy and Governance Assessment, Russia, 2010
- The Labor Sector and U.S. Foreign Assistance Goals: Cambodia Labor Sector Assessment, Cambodia, October 2007, http://pdf.usaid.gov/pdf_docs/pnadw628.pdf.
- Ukraine Democracy and Governance Assessment, Ukraine, 2010
- USAID Anti-Trafficking in Persons Programs in Asia: A Synthesis, Regional, November 2009, http://pdf.usaid.gov/pdf_docs/pdact220.pdf.

ANNEX 2 – USAID Anticorruption Programming Database

The Anticorruption Programming Database (Database) includes information about USAID programs with anticorruption interventions implemented worldwide between 2007 and 2013. The Database includes about 300 long-term country programs and few regional or short-term projects. Programs were identified and information collected by the six Implementing Partners (IP) of the ENGAGE Indefinite Quantity Contract. Each IP was assigned to collect data for one of the six regions: Europe and Eurasia, East Asia and Pacific, Latin America and Caribbean, Middle East and North Africa, South and Central Asia, Sub-Saharan Africa. Criteria for selecting programs included: distinctive program interventions targeted at reducing corruption or promoting government integrity, accountability and transparency that ultimately results in reducing opportunities to corruption. Availability of sufficient information about the programs was another criteria for selecting them for the Database. This included at a minimum project description and results, implementation timeframe, project value, and implementer.

The initial data was collected and entered into separate regional databases by IPs in early 2013. The regional databases then were combined and additional documents and information added. For example, the database was supplemented with information about the type of anticorruption interventions, some RFPs and RFAs, and two World Bank indices - Control of Corruption and Political Stability – to define country context within which programs were conceived.

Although, the overwhelming majority of the long-term USAID programs with anticorruption activities in the Database fell into the Democracy, Human Rights and Governance area (DRG) there are also programs in other program areas, such as Economic Growth and Trade, Working in Crises and Conflict, Environment and Global Climate Change, Global Health, Agriculture and Food Security, and Education, Gender Equality and Women's Empowerment, and Science, Technology and Innovation.

The database has the following information for each project: region, country, project name, start date, end date, program value, implementing partner, sectors, interventions, type of interventions (enforcement, accountability, transparency, awareness, participation), description project objectives and activities and project results, links to project documents (performance, evaluation and audit reports, calls for proposals, and other documents), and two indicators at the start of each project - the World Bank Control of Corruption indicator and the project and World Bank Political Stability indicator.

The Database allows searching for programs by combining several criteria to filter through the data. The filters are the following: region, country, period of performance, program value, sector, type of interventions, WB Control of Corruption and Political Stability indicators.

ANNEX 3 – Reports on USAID Anticorruption Programming in the World Regions and Sectors

I. Anti-Corruption and Cross-Sectoral Program Mapping: the Europe & Eurasia Region and Business Enabling Environment Programs Worldwide



USAID
FROM THE AMERICAN PEOPLE

ANTI-CORRUPTION AND CROSS- SECTORAL PROGRAM MAPPING THE EUROPE & EURASIA REGION AND BUSINESS ENABLING ENVIRONMENT PROGRAMS WORLDWIDE FINAL REPORT

AUGUST 19, 2013

This publication was produced for review by the United States Agency for International Development. It was prepared by Svetlana Winbourne, Bertram I. Spector and Elena Ponyaeva, Management Systems International.

ANTI-CORRUPTION AND CROSS-SECTORAL PROGRAM MAPPING

THE EUROPE & EURASIA REGION AND BUSINESS
ENABLING ENVIRONMENT PROGRAMS

WORLDWIDE

FINAL REPORT



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ACRONYMS

ADR	Alternative Dispute Resolution
ASYCUDA	Automated System for Customs Data
BEEPS	Business Environment and Enterprise Performance Survey
BiH	Bosnia and Herzegovina
BRDG	Building Recovery and Reform Through Democratic Governance IQC
BTA	Bilateral Trade Agreement
CBI	Common Business Identifier
CLIR	Commercial Legal and Institutional Reform IQC
CPI	Corruption Perception Index
CPIA	Country Policy and Institutional Assessment
CS	Civil Society
CSO	Civil Society Organization
DEC	Development Experience Clearinghouse
DFID	Department for International Development
EBRD	European Bank for Reconstruction and Development
E&E	Europe and Eurasia
EG	Economic Growth
ENGAGE	Encouraging Global Anticorruption and Good Governance Efforts IQC
EPS	Electronic Procurement Systems
GBCR	The Georgia Business Climate Reform project
GDP	Gross domestic product
GGN	Government of Georgia Network
GNIA	Georgian National Investment Agency
GRECO	Group of States Against Corruption
IQC	Indefinite Quantity Contract
LG&D	Local Government and Decentralization
MCA	Millennium Challenge Account
MCCA	The Millennium Challenge Corporation Albania Threshold Program
MCC TCP	Millennium Challenge Corporation
MoF	Ministry of Finance
MoL	Ministry of Lands
NAPR	National Agency for Public Registry
NGO	Non-governmental Organization
NLC	National Licensing Center
NRC	National Registration Center
OECD	Organization for Economic Cooperation and Development
OSS	One-stop Shop
PMP	Performance Monitoring Plan
PPAO	Public Procurement Advocate's Office
PPRS	Reforming the Public Procurement System project

RFA	Request for Applications
RFP	Request for Proposals
RIA	Regulatory Impact Assessment
RoL	Rule of Law
SRS	State Revenue Service
STAR	Support for Trade Acceleration Project
TCP	Threshold Country Plan
THF	The Heritage Foundation
TI	Transparency International
TO	Task Order
UNCAC	United Nations Convention Against Corruption
UNODC	United Nations Office on Drugs and Crime
USAID	United States Agency for International Development
VAT	Value Added Tax
VCA	Vulnerability to Corruption Assessment
WB	World Bank
WTO	World Trade Organization
ZRA	Zambia Revenue Authority
ZTP	Zambia Threshold Program

EXECUTIVE SUMMARY

Anticorruption programming is an important element of USAID's strategic approach worldwide. The USAID Anticorruption Strategy (2005) calls for mainstreaming anticorruption initiatives into all sectoral programs that may be affected by corruption and focusing democracy and governance and economic growth resources more explicitly on anticorruption targets.

The objective of this study is to identify lessons learned and develop recommendations on effective programming from an analysis of development programs implemented by USAID between 2007 and the present that contained integrated anticorruption elements.

This report consists of two parts. Part I provides an overview and analysis of USAID-sponsored programs implemented in the Europe and Eurasia (E&E) region that had distinctive anticorruption components or activities. Part II includes (1) an analytical overview of 43 USAID-sponsored programs in the economic growth (EG) sector implemented worldwide that were identified as targeting corruption problems, and (2) a detailed analysis of the interventions, results, impacts on corruption, and lessons learned of eight of these projects implemented in six countries. The report concludes with a summary of findings across these programs and recommendations for future programming.

To assist in future programming, the report includes links to many reference documents in footnotes throughout the text. In addition, the final recommendations section lists several handbooks and documents that might be useful for mainstreaming anticorruption initiatives into future programming.

Part I – Anticorruption Programming in the Europe and Eurasia (E&E) Region

Seventy-two USAID-sponsored projects, including 68 long-term and 4 short-term, that were implemented in fourteen countries of the E&E region between 2007 and 2013 were identified and information and supporting documentation were collected from ENGAGE IQC holders and other publicly available sources. The major criterion for inclusion was if a project had distinctive components or activities directed at reducing corruption and/or increasing transparency, accountability, and integrity of governmental institutions. Of the 14 countries in the region in which USAID operated, such countries as **Georgia, Macedonia and Moldova** were recipients of many USAID-sponsored anticorruption programs. At the same time, there were no USAID-sponsored anticorruption activities in **Belarus** and only a few in **Azerbaijan and Russia**.

Almost one third of the projects or components that targeted corruption were in the Rule of Law sector, 16 percent in the Local Government & Decentralization (LG&D) sector, 16 percent in the Civil Society sector, 15 percent in the Economic Growth sector, 13 percent in the Public Finance sector, and 6 percent in other sectors. Projects in the Health and Education sectors constituted only two percent each. About 8 percent were primarily focused on corruption topics, working with dedicated anticorruption agencies, assisting anticorruption strategies and plans, or mobilizing civil society around anticorruption agendas. The distribution of program interventions among sectors and countries is shown in charts 1 and table 2. Average funding per program was approximately US\$8.6 million, totaling about US\$624 million invested in the region for the programs selected for this study

Since 2007, USAID invested about US\$624 million in 72 programs in the E&E region targeted at reducing corruption in various sectors.

Program analysis resulted in the following findings:

- Since adoption of its Anticorruption Strategy in 2005, USAID has tended to move away from sponsoring generic or standalone anticorruption programs that support the development of legal and institutional framework and national anticorruption strategies, programs and plans. However, several programs have supported designated anticorruption institutions to strengthen their capacity, build professionalism and support public outreach/communication activities.

- Another approach used to implement standalone programs emerged in the last several years – support to local NGOs to implement anticorruption activities through direct grants from USAID. Activities range from public awareness and education to legal support, anticorruption advocacy and civic oversight.
- Common activities of projects in the **EG sector** that address corruption include simplifying and streamlining the regulatory framework and procedures, often via one-stop shops (OSS) and regulatory simplification/guillotine tools. E-government tools also have become very popular, including e-procurement, e-invest, e-tax and e-customs.
- The most common anticorruption themes of projects in the **LG&D** sector are supporting decentralization, improving local government performance, accountability and transparency in policy development and service delivery, and promoting citizen participation in decision making.
- In the **RoL** sector, anticorruption interventions range from strengthening the independence of the judiciary to legal education, improving professionalism in the justice system, building the legal framework, implementing e-solutions, and implementing modern court administration systems. Basically, all activities conducted in this sector can impact corruption both within and outside the justice sector.
- Although there were many programs sponsored in the **healthcare** sector in the E&E region, only one was formulated to specifically address corruption – the **Moldova** Governance Threshold Country Program.
- In the **education** sector, only two projects, both in **Ukraine**, targeted the reduction of corruption in the higher education system by introducing standardized admission tests.
- **Civil society** anticorruption projects included such activities as organizing the public around anticorruption reforms and providing support to CSOs and the media to conduct advocacy, watchdog, investigative reporting, legal assistance, and public awareness activities.

Part II - Mainstreaming Anticorruption in Business Enabling Environment Programs Worldwide

Public sector corruption targeting business impedes economic growth and promotes an informal economy. Extortion in business registration and inspections pushes businesses to operate illegally. Kickbacks in public procurement and corruption in export/import operations lead to inflated costs and substandard quality of products and services. A longstanding culture of corruption dissuades domestic and international investors from starting or expanding businesses. On the other hand, reforms that standardize and streamline government-business transactions, reduce face-to-face contacts, embed checks and balances, increase transparency, and deploy e-governance tools can significantly reduce the opportunities for corruption.

Worldwide, 43 USAID-sponsored projects in the EG area, all implemented since 2007 and all containing anticorruption components or activities, were identified for this analysis. Of these projects, 12 are in the Europe and Eurasia region, 10 in the Near East region, 7 in the East Asia and Pacific region, 7 in Africa, 4 in the South and Central Asia region, and 2 in Latin America. The total estimated funding for these programs is approximately US\$900 million. Twenty-seven of these programs were completed by the time this report was written.

A variety of approaches and techniques were employed across these programs to reduce opportunities for corruption, including one-stop shops, e-technologies, regulatory impact assessments, and regulatory guillotine. Other frequently used anticorruption approaches included implementing checks and balances, drafting conflict of interest and ethics codes within government, involving the private sector in policy decisions, improving access to information, and providing effective complaint redress mechanisms, among others.

Detailed analysis was conducted on eight of these business environment improvement programs implemented in six countries (across four regions) that had corruption-related objectives or interventions (see table below).

43 USAID-sponsored projects in the EG area identified for this analysis employed a variety of approaches to reduce opportunities for corruption, including one-stop shops, e-technologies, regulatory impact assessments, and regulatory streamlining. Other frequently used anticorruption approaches included implementing checks and balances, drafting conflict of interest and ethics codes within government, involving the private sector in policy decisions, improving access to information, and providing effective complaint redress mechanisms, among others.

Total funding of these programs was approximately US\$900 million.

Program name	Country	Implementer	Dates	Amount	Links	Focus of program
Support to Albania's Millennium Challenge Account Threshold Agreement (MCCA1)	Albania	Chemonics International	Sep 06 – Nov 08	\$13,789,167	http://pdf.usaid.gov/pdf_docs/PDACM504.pdf	Registration, licensing, procurement
Millennium Challenge Corporation Albania Threshold Program Stage II (MCCA2)	Albania	Chemonics International	Sep 08 – Jan 11	\$15,731,000	https://sites.google.com/a/usaid.gov/drg/home/about-1/drg-center-teams/governance-and-rule-of-law/anticorruptionmapping	Tax, licensing/permitting
Georgia Business Climate Reform (GBCR)	Georgia	Chemonics International	Sep 05 – Aug 09	\$12,900,000	http://pdf.usaid.gov/pdf_docs/PDACN591.pdf	Tax, customs, property registration, finance, investment, export, permitting
Kenya Reforming the Public Procurement System I (RPPS-I)	Kenya	ARD	Oct 07 – Sep 09	\$3,302,820	http://www.mcc.gov/documents/agreements/daga-kenya.pdf	Procurement
Kenya Reforming the Public Procurement System II (RPPS-II)	Kenya	ARD	Oct 09 – Mar 11	\$2,999,974	https://sites.google.com/a/usaid.gov/drg/home/about-1/drg-center-teams/governance-and-rule-of-law/anticorruptionmapping	Procurement
Improving the Business Climate in Morocco (IBCM)	Morocco	DAI	Jul 05 – Sep 09	\$9,250,000	http://pdf.usaid.gov/pdf_docs/PNADY510.pdf	Tax, budget
Support for Trade Acceleration II (STAR II)	Vietnam	DAI	Sep 06 – Oct 10	\$13,595,736	https://sites.google.com/a/usaid.gov/drg/home/about-1/drg-center-teams/governance-and-rule-of-law/anticorruptionmapping	Trade, investment, customs, financial sector
Zambia Threshold Program (ZTP)	Zambia	Chemonics International	May 06 – Feb 09	\$22,735,000	http://pdf.usaid.gov/pdf_docs/PDACL989.pdf	Trade, investment, licensing

Each case study is analyzed using the same structure: the country context, major activities, key goals of the interventions, overall results, impediments, program impact and lessons learned.

Analysis: The Evolution of Common Themes among the Studied Programs

- USAID Anticorruption Strategy requires “...that individual programs across all sectors incorporate strategies to control corruption, promote transparent and accountable governance, and target specific vulnerabilities as they are identified.”¹ Analysis has shown that few of the EG programs examined in this study, except for several MCC TCP programs that were explicitly targeted at reducing corruption, actually mainstreamed corruption into their activities by identifying anticorruption objectives or monitoring anticorruption impacts. Rather, they included some discrete interventions that could impact corruption. Out of a total of 25 programs for which project-collected performance indicators were available, only 11 had explicit corruption-related indicators and established targets, eight of these were MCC TCP programs. A majority of the programs merely *assumed* that their activities would lead to preventing corruption.

¹ USAID Anticorruption Strategy, 2005, p.17: <http://transition.usaid.gov/policy/ads/200/200mbo.pdf>

- Calls for proposals/applications and task orders varied in their requirements to incorporate corruption in project interventions and monitoring impacts. Some calls suggested illustrative activities, described clear requirements to address corruption and measure impact, and included measures to reduce corruption in the proposal's evaluation criteria. In some cases, though, performance indicators required by RFPs/TOs were outside of the control of project initiatives. On the other end of the spectrum are the majority of calls for proposals that did not discuss corruption at all or limited their requirements to a brief discussion of corruption as it may affect the project's activities.²

Most EG/business environment enabling programs, except for several MCC TCP programs, did not mainstream corruption into their activities through integrating objectives and measuring corruption impacts. Out of a total of 25 programs for which project-collected performance indicators were available, only 11 had corruption-related indicators and established targets, eight of these were MCC TCP programs. A majority of the programs merely assumed that their activities would lead to preventing corruption.

- All eight programs that were analyzed in detail were launched in similar environments -- when countries were in the midst of or had already started their anti-corruption reforms. This created favorable grounds for mainstreaming corruption into economic growth/business environment programs.
- The commitment of host governments to reforms, particularly anticorruption reforms, is one of the decisive factors for program success. In all eight cases analyzed in this report, such commitment and support was secured early on and at the highest levels of government. Nevertheless, in most cases, such commitments did not filter down to the levels of government or the counterpart agencies that the projects were working with directly. This created some difficulties and delays in implementing activities.
- All programs implemented various activities and tools that likely contributed to reducing opportunities for corruption. Among them: simplifying, standardizing and streamlining processes of business registration, property registration, licensing and permitting, tax payments, export/import customs procedures, and procurement using a *one-stop shop* and *e-technologies* tools to reduce excessive interaction between businesses and government. These tools were extensively used by **Albania** MCCA 1&2 and **Georgia** GBCR. Another commonly used approach is *increasing transparency* by making information publicly available on websites, in information centers, and through the mass media and non-governmental agents in dialogues. Finally, some programs implemented *checks and balance tools* within and across agencies to build government accountability (for example, the *Ministerial Transparency Index* and the *Provincial Competitiveness Index* implemented under **Vietnam** STAR-II), *engaging business/citizen participation* in government decision making process within **Georgia** GBCR and **Morocco** IBCM projects and *watchdog/advocacy* activities within **Albania** MCCA 2 project.³
- To various degrees, the programs combined supply and demand approaches and reported a benefit from involving non-governmental agents in the activities. Typically, engaging the public facilitates greater accountability and transparency of government and therefore reduces the possibilities for corruption and builds citizen trust in government.
- In several cases, the programs experienced setbacks and delays because they were designed on the assumption that certain key laws or institutions would be in place before or right after program commencement.

² Links to examples of RFPs/TOs are provided in the 'Recommendations and Guidance for Future Programming' section of this report.

³ For more on these projects, see the 'Analysis' section of this report.

Recommendations and guidance for future programming

The analysis of business environment reform programs and their ability to address corruption has led us to the following recommendations for future programming:

- **Include clear mainstreaming requirements in the call for proposals and ensure compliance during implementation.** Include more specific and obligatory requirements for mainstreaming anticorruption in calls for proposals/applications and task orders. Require monitoring and measuring of corruption impacts through tailored intervention indicators and justifiable targets.
- **Develop approaches and tools for mainstreaming anticorruption into business environment reform programs.** Most programs in this study did not mainstream anticorruption, but rather assumed that their activities would eventually lead to corruption reduction. Examples of mainstreaming tools include one-stop shops, regulatory simplification, e-government, participatory decision making, and some others. A Legal/Regulatory Corruption Impact Review, such as one developed and institutionalized in South Korea and other countries to examine existing law processes before drafting new laws, is a useful tool as well. Another example is a Vulnerability to Corruption Assessment (VCA), several variations of which have been used in countries to identify opportunities for corruption within institutional policies and procedures, targeting them for redesign.⁴
- **Secure commitments of key counterparts and tie initiatives to ‘champions.’** The political will to participate is a critical factor for implementing programs in such sensitive areas as anticorruption. Aligning programs with local priorities and strategies and using sound incentives can facilitate such commitment. Also, to the extent possible, stakeholders from government and non-governmental sectors should be involved or consulted on program design and should assume specific obligations and responsibilities for cooperating and contributing to the programs once launched. To ensure sustainability, tie the initiatives to a local “champion of reform” or to an institution interested in reform, either within or outside the government, such as business associations, that can carry out reforms over time.
- **Establish indicators and targets to measure activity impact on corruption and follow through.** Identify effective project-specific output and outcome indicators and targets to monitor and measure program impact on corruption. For example, for business registration reforms, establish baseline data for the particular processes that the project is addressing among businesses subjected to corruption before implementing reforms and then measure it afterwards.
- **When feasible, consider using appropriate global indices.** If there are other programs and activities that can contribute to fluctuation in this indicator within a given time period, consider identifying the fraction of the overall target that should be attributed to the program’s initiatives.
- **Use supply/demand approaches** for programming to engage both government and non-governmental sectors. Experience shows that a combination of top-down and bottom-up approaches in anticorruption programs is very effective in ensuring that the government is kept accountable to its commitment and the reforms address society’s priorities in a meaningful way.

Key tips for mainstreaming anticorruption into sectoral programs:

- Include clear mainstreaming requirements in the call for proposals and ensure compliance during implementation
- Develop approaches and tools for mainstreaming anticorruption in sectoral programs
- Establish indicators and targets to measure activity impact on corruption
- Secure commitment by key counterparts and identify ‘champions’
- Use supply/demand approach.

⁴ For more information, please see the ‘Recommendations and Guidance for Future Programming’ section of this report. On VCA and other institutional assessment tools, see: <http://www.u4.no/publications/overview-of-integrity-assessment-tools/> and http://searchfortruth.info/sites/default/files/IRIS_Assessment_Handbook.pdf. For an example of the Legal/Regulatory Corruption Impact Review, see: http://www.unodc.org/documents/treaties/UNCAC/WorkingGroups/workinggroup4/2011-August-22-24/Replies_to_CU_2011_45/20110901_South_Korea_5_English.pdf and <http://www.acrc.go.kr/eng/board.do?command=searchDetail&method=searchList&menuId=020302>.

PART I – ANTICORRUPTION PROGRAMMING IN THE EUROPE AND EURASIA (E&E) REGION

Introduction

This part of the report provides an overview and analysis of USAID-sponsored programs implemented between 2007 and 2013 in the Europe and Eurasia (E&E) region that had distinctive anticorruption components or activities. Seventy-two projects that were implemented in fourteen countries in the region were identified and information and supporting documents were collected from ENGAGE IQC holders and from other publicly available sources. This section of the report identifies some basic trends about the types of activities carried out under these projects and, where information is available, which activities had an impact on corruption.

Program overview

Of the 14 countries in the E&E region in which USAID operated between 2007 and 2013, there has been significant variation, politically and economically, as well as in terms of their corruption levels and dynamics. Such countries as **Albania, Georgia, Macedonia, Moldova, and Ukraine** were recipients of many USAID-sponsored anticorruption programs. At the same time, there were no USAID-sponsored anticorruption activities in **Belarus** and only a few in **Azerbaijan** and **Russia**.

The table presented below indicates the number of USAID-sponsored anticorruption programs implemented over the past 8-9 years by country and the dynamics of the country-level TI Corruption Perceptions Index and the World Bank Control of Corruption Index. **Georgia, Macedonia, Bosnia (BiH)** and **Serbia** made significant progress in both indices, while **Belarus, Bulgaria, Russia, and Ukraine** are falling behind other countries and, in fact, have regressed over the last several years. Though causality cannot be asserted, **Georgia** and **Moldova** had a high number of USAID programs and made significant progress.

Table 1. Numbers of USAID-sponsored Anticorruption Projects by Country and Index Trends

Country	Number of USAID-sponsored Anticorruption Projects	TI Corruption Perception Index										WB Control of Corruption Index									
		2004	2005	2006	2007	2008	2009	2010	2011	2012	Difference 2004-12	2004	2005	2006	2007	2008	2009	2010	2011	Difference 2004-11	
		2007-2013																			
Albania	8	25	24	26	29	34	32	33	31	33	8	-0.8	-0.8	-0.7	-0.5	-0.5	-0.5	-0.6	-0.6	0.2	
Armenia	4	31	29	29	30	29	27	26	26	32	1	-0.6	-0.6	-0.6	-0.7	-0.6	-0.6	-0.7	-0.6	0.0	
Azerbaijan	5	19	22	24	21	19	23	24	24	27	8	-1.0	-1.0	-1.0	-1.0	-1.1	-1.2	-1.1	-1.1	-0.1	
Belarus	0	33	26	21	21	20	24	25	24	31	-2	-0.9	-0.9	-0.6	-0.7	-0.6	-0.7	-0.7	-0.7	0.2	
BiH	7	31	29	29	33	32	30	32	32	42	11	-0.3	-0.2	-0.3	-0.4	-0.4	-0.4	-0.3	-0.3	0.0	
Bulgaria	1	41	40	40	41	36	38	36	33	41	0	0.1	0.1	-0.1	-0.2	-0.3	-0.2	-0.2	-0.2	-0.3	
Georgia	4	20	23	28	34	39	41	38	41	52	32	-0.6	-0.4	0.0	-0.3	-0.2	-0.2	-0.1	0.0	0.6	
Kosovo	6							28	29	34	6	-0.6	-0.6	-0.5	-0.7	-0.6	-0.6	-0.6	-0.6	0.0	
Macedonia	7	27	27	27	33	36	38	41	43	43	16	-0.5	-0.4	-0.4	-0.3	-0.2	-0.1	-0.1	0.0	0.5	
Moldova	7	23	29	32	28	29	33	29	29	36	7	-1.0	-0.6	-0.6	-0.6	-0.6	-0.7	-0.7	-0.6	0.4	
Montenegro	3				33	34	39	37	40	41	8	-0.6	-0.4	-0.4	-0.3	-0.2	-0.2	-0.2	-0.2	0.4	
Russia	6	28	24	25	23	21	22	21	24	28	0	-0.7	-0.8	-0.8	-1.0	-1.0	-1.1	-1.1	-1.1	-0.3	
Serbia	6	27	28	30	34	34	35	35	33	39	12	-0.5	-0.4	-0.3	-0.4	-0.3	-0.3	-0.2	-0.2	0.3	
Ukraine	8	22	26	28	27	25	22	24	23	26	4	-0.9	-0.7	-0.7	-0.7	-0.8	-1.0	-1.0	-1.0	-0.1	

In the late 1990s and early 2000s, many of these countries were busy drafting new anticorruption legislation, developing anticorruption strategies and plans, and establishing anticorruption institutions (commissions, committees, councils, etc.). To a large degree, these developments were initiated in response to and in compliance with various international instruments, including UNCAC, GRECO, OECD and the Anticorruption Network for Transition Economies. By 2007, many of these countries had already developed their anticorruption legal frameworks (some strong and some weak), developed strategies and plans with various degrees of success in

implementing them, and established different anticorruption institutions, some effective while others not.⁵ International donors that had enthusiastically supported these early initiatives began to shift their approaches to providing support to specific activities and institutions in the hopes of achieving concrete impacts. USAID developed its new approach, outlined in the USAID Anticorruption Strategy in 2005, calling for mainstreaming of anticorruption activities into all sectoral programs and resulting in the reduction of standalone anticorruption programs.

We identified 68 long-term and 4 short-term USAID-sponsored projects implemented in the countries of the E&E region between 2007 and 2013 that had distinctive components or activities directed at reducing corruption and increasing transparency, accountability, and integrity of governmental institutions.⁶ There were many more USAID-sponsored projects in these countries, primarily focused in particular sectors, that may have had an impact on corruption, but these did not articulate or measure this linkage. As well, information about some projects was not publicly available or easily accessible; therefore those projects could not be assessed.

Of the 72 projects selected for this regional analysis, two long-term projects and one short-term activity were supported by the ENGAGE IQC and one by the preceding Governmental Integrity IQC. About 50 percent of the projects were commenced through other IQCs, 40 percent through full and open competition, and the remaining projects through other vehicles. Eight projects were funded within the MCC Threshold Country program, including two in **Albania**, two in **Moldova**, and four in **Ukraine**.

Almost one third of the projects or components that targeted corruption were in the Rule of Law sector, 16 percent in the Local Government & Decentralization sector, 16 percent in the Civil Society sector, 15 percent in the Economic Growth sector, 13 percent in the Public Finance sector, and 6 percent in other sectors. Projects in the Health and Education sectors constituted only two percent each. About 8 percent were primarily focused on corruption topics, working with dedicated anticorruption agencies, assisting anticorruption strategies and plans, or mobilizing civil society around anticorruption agendas. The distribution of program interventions among sectors and countries is shown in charts 1 and table 2.⁷ Average funding per program was approximately US\$8.6 million, totaling about US\$624 million invested in the region for the programs selected for this study.

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⁵ Among successful examples are the Corruption Prevention and Combating Bureau (KNAB) in Latvia (<http://www.knab.gov.lv/en/>) and the Special Investigation Service in Lithuania (<https://www.stt.lt/en/>). On the other end of the spectrum are failed commissions in Ukraine, Russia and other countries.

⁶ A complete listing of the programs can be found in Annex 1.

⁷ Charts 1 & Table 2 count homogeneous programs and components within multi-sectoral programs. Some projects that fit into multiple categories are counted in each.

Chart 1. Project's Principal Sectors

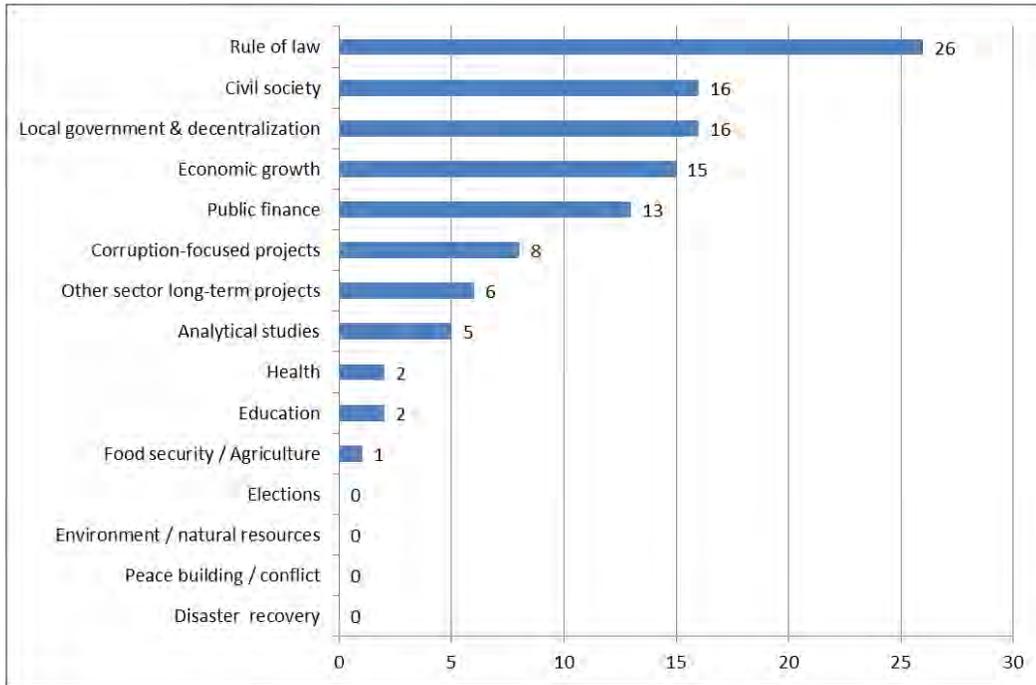


Table 2. Intervention Distribution among Countries and Sectors

Country/sector	Rule of law	Civil society	Local government & decentralization	Economic growth	Public finance	Corruption-focused projects	Analytical studies	Health	Education	Food security / Agriculture	Elections	Environment / natural resources	Peace building / conflict	Disaster recovery	Other sector long-term projects	Total
Albania		4	4	2	2	2	2		1						3	20
Armenia			4	1												5
Azerbaijan			1	1	2	1	1									6
Belarus																0
BiH		2	1	2		1		2								8
Bulgaria			1		1	1	1									4
Georgia		2		1	1	2	1								1	8
Kosovo		2		3	1	1										7
Macedonia		3		3			1									7
Moldova		3	1	1	4	4			1		1					15
Montenegro		2	1		1			1								5
Russia		2	1		1			1								6
Serbia		3		1		1	2								1	8
Ukraine		3	2	1	2			1		2						11
Total	26	16	16	15	13	8	5	2	2	1	0	0	0	0	6	110

Program analysis

For each major program category, we analyzed the common activities that were implemented and basic trends in accomplishments.

Corruption-focused projects/components: Since adoption of its Anticorruption Strategy in 2005, USAID has moved away from sponsoring generic or standalone anticorruption programs that support the development of legal and institutional framework and national anticorruption strategies, programs and plans. However, several programs do address designated anticorruption institutions to strengthen their capacity, build professionalism, and support public outreach/communication activities, such as the Anticorruption Commission, the Ombudsman, the Supreme Audit Agency, the Information Commissioner, and several others in **Serbia**⁸; the Chamber of Control in **Georgia**⁹; the State Commission for Prevention of Corruption in **Macedonia**¹⁰; the National Audit Office in **Bulgaria**¹¹, and the High Inspectorate for the Declaration and Audit of Assets in **Albania**¹². Project reports indicate that these activities resulted in strengthened regulatory frameworks, asset declaration collection and verification systems, public finance auditing practices, political party and election finance monitoring, citizen complaint response systems, and other functions.

Since adoption of its Anticorruption Strategy in 2005, USAID has moved away from sponsoring generic or standalone anticorruption programs that support the development of legal and institutional framework and national anticorruption strategies, programs and plans.

Another approach used to implement standalone programs emerged in the last several years – support to local NGOs to implement anticorruption activities through direct grants from USAID. Activities range from public awareness and education to legal support, anticorruption advocacy and civic oversight. For example, USAID supported local NGOs in **Armenia**, **Azerbaijan**, and **Russia**¹³ to provide legal assistance to victims of alleged corruption, in Macedonia to develop practices for more transparent, accountable and responsible operation of local governments, and in **BiH** to organize a network of CSOs working on anticorruption projects. Such programs typically have contributed to raising public awareness of corruption, improving access to justice for the victims of corruption, increasing government transparency, and strengthening civil society's voice in policy development.

Economic Growth (EG): Projects in the EG sector constitute about 15 percent of the total projects implemented in the region that had substantial focus on corruption. Common activities of these projects include working at the national or/and municipal levels to remove barriers to business by simplifying and streamlining the regulatory framework and procedures. Typically, such activities target reducing the number of days or procedures for business registration or licensing, and reducing the number of business inspections. Regulatory guillotine tools and one-stop shops (OSS) for business registration and licensing that appeared in USAID programs in late 1990s and proved to be effective continued to be used and expanded in later programs. Other EG programs have involved improving public procurement, tax collection and customs functions related to export/import operations. E-government tools also became very

Projects in the EG sector accomplished reductions in corruption in private sector operations, for example:

- in Albania, the percentage of firms stating that bribery is frequent in tax collection dropped from 42% to 19% between 2006 and 2008; and
- in Ukraine – bribery in the construction permitting system using OSSs dropped from 30% in 2007 to 17% in 2009 and in land transactions – from 31% to 13%.

⁸ Judicial Reform and Government Accountability Project (JRGA) (2011-2016). – Quarterly Report, Jan-March 2013:

<https://sites.google.com/a/usaaid.gov/drg/home/about-1/drg-center-teams/governance-and-rule-of-law/anticorruptionmapping>

⁹ Georgia Good Governance (G3) (2011-2014). – Quarterly Report Feb-may 2013: <https://sites.google.com/a/usaaid.gov/drg/home/about-1/drg-center-teams/governance-and-rule-of-law/anticorruptionmapping>

¹⁰ Human and Institutional Development Program in Macedonia (HIDP) (2005-2011). – RFP on Anti-Corruption, Jan 2007:

<https://sites.google.com/a/usaaid.gov/drg/home/about-1/drg-center-teams/governance-and-rule-of-law/anticorruptionmapping>

¹¹ Open Government Initiative in Bulgaria (200-2007). - Final Report, 2007:

http://bulgaria.usaid.gov/cdir/bulgaria.usaid.gov/files/OGI_Final_Report_12_26_07.pdf

¹² Rule of Law Program - Legal Systems that Better Support Democratic Processes and Market Reforms Project in Albania (2004-2007). –

Final Report, September 2007: <https://sites.google.com/a/usaaid.gov/drg/home/about-1/drg-center-teams/governance-and-rule-of-law/anticorruptionmapping>

¹³ Community Participation and Regional Advocacy in the Russian Far East. - Final Report, 2009:

http://pdf.usaid.gov/pdf_docs/PDACQ845.pdf

popular in the EG sector, including e-procurement, e-tax and e-customs. Also, some projects supported harmonizing local legislation and practices with WTO and other international standards based on the assumption that they should lead to reduced corruption. Often, activities in the EG sector were linked to improving country rating in the World Bank's Doing Business report. These EG projects were implemented in **Albania, BiH, Kosovo, Moldova, Montenegro, Ukraine**, and some others.¹⁴

Overall, projects in the EG sector accomplished reductions in corruption in private sector operations. For example, in **Albania**¹⁵, the percentage of firms stating that bribery is frequent in tax collection dropped from 42% to 19% between 2006 and 2008, the value of gifts expected to secure government contracts as a percentage of contract value dropped from 6.5% to 1%, the percentage of firms saying bribery is frequent to obtain government contracts dropped from 35% to 17%, and the percentage of businesses that paid a bribe to register dropped from 19% to 0%. In **Ukraine**¹⁶, independent surveys demonstrated a reduction in bribery in the construction permitting system using OSSs from 30% in 2007 to 17% in 2009 and in land transactions – from 31% to 13%. Several projects also showed improvements in the World Bank Doing Business ratings. For example, in **Georgia**¹⁷, the number of procedures needed to start a business was reduced from 8 in 2006 to 3 in 2010, the number of days – from 21 to 3, and costs – from 13.7% of income per capita to 3.7%. In the construction permitting system in **Georgia**¹⁸, the number of procedures was reduced from 29 to 10, days – from 282 to 98, and costs – from 144.6% to 21.6%. In trade, the number of documents required for export was reduced from 9 to 4, days – from 54 to 10, documents required for import – from 15 to 4, and days – from 52 to 13.

Local Government and Decentralization (LG&D): The most common anticorruption themes of projects in the LG&D sector are improving local government performance, accountability and transparency in policy development and service delivery, and promoting citizen participation in decision making. These types of activities were implemented in **Albania, Azerbaijan, Bulgaria, Georgia, Kosovo, Macedonia, Moldova, Montenegro, and Russia**.¹⁹ Specific initiatives were targeted at supporting the decentralization process included legal drafting and institutional strengthening in implementing reforms (in **Kosovo** and **Macedonia**). Other programs seek to reduce corruption by strengthening local government institutions (including budgeting, financial management, tax collection, etc.) and service delivery (**Albania, Kosovo, Macedonia, Moldova, and Ukraine**), and by involving citizens in decision-making processes (in basically all programs) that lead to improved citizen satisfaction with government and service provision, and increased citizen trust in government.

Citizen trust is often shaped by their perceptions and experience with corruption. For example, in **BiH**²⁰, the number of citizen complaints about municipal service delivery was reduced by about 60% between 2004 and 2007, the percent of complaints resolved increased by 10%, there was a significant increase in the number of services provided by municipalities and reduced time for service delivery, and overall citizen satisfaction increased on average across all municipalities where the project implemented programs.

¹⁴ Examples of the programs: Kosovo Business Enabling Environment Program (BEEP), Georgia Business Climate Reform (GBCR), the Millennium Challenge Corporation Albania Threshold Program (stages I and II), and Streamlining Permits and Inspections Regimes Activity (SPIRA) in Bosnia-Herzegovina, Business and Tax Administration Reform Project (BIZTAR) and Business Regulatory, Investment, and Trade Environment Program (BRITE) in Moldova, Moldova Governance Threshold Country Program, and Good Governance Activity in Montenegro.

¹⁵ Support to Albania's Millennium Challenge Account Threshold Agreement, TT, Final Report, 2008: http://pdf.usaid.gov/pdf_docs/PDACM504.pdf.

¹⁶ Corruption and Business Regulations in Ukraine: Construction and Land Transactions Permits. Comparative Analysis of National Surveys: 2008-2009 for the MCC Threshold Country Program. - Promoting Citizen Engagement in Combating Corruption in Ukraine (ACTION), 2009. – Land Construction Survey Report, 2009: <https://sites.google.com/a/usaaid.gov/drg/home/about-1/drg-center-teams/governance-and-rule-of-law/anticorruptionmapping>

¹⁷ Georgia Business Climate Reform (GBCR), TT, Final Report, 2009: http://pdf.usaid.gov/pdf_docs/PDACN591.pdf

¹⁸ Ibid

¹⁹ Examples of the programs: Planning and Local Governance Project (PLGP) and Local Governance Program (LGPA) in Albania, Governance and Accountability Project (GAP) and Governance Accountability Project, Phase II (GAP2) in BiH, Effective Municipalities Initiative (EMI) and Local Government Initiative (LGI) in Kosovo in Kosovo, Macedonia Local Government Activity (MLGA), and some others.

²⁰ Bosnia and Herzegovina Governance and Accountability Project (GAP), TT. – Final Report, 2007: http://pdf.usaid.gov/pdf_docs/PDACL350.pdf

In **Macedonia**²¹, 23 municipalities improved their financial systems, 21 municipalities improved their accounting, financial reporting and budgeting practices, and 46 municipalities used diversified tools to involve citizens and increase transparency and accountability, including citizen-oriented websites that had a built-in citizen response system called “Report a Problem.” The project also supported implementation of e-government and e-transparency systems and the Transparent Municipality Program, which established standard practices for transparency and openness in local governments. These activities appeared to lead to better corruption prevention.

In **Albania**²², 10 target municipalities computerized their tax collection and management system, 4 municipalities improved their asset registration systems, and several municipalities established information centers and engaged citizens in community development planning, among other activities. As a result, public perception of effectiveness of these target municipalities in several functional areas (administration and property management) increased between 2007 and 2011 from 46.5% to 52.2%, and perceived improvement in service delivery increased from 58.4% to 62.2%.

Rule of Law (RoL): Projects in the RoL sector constitute the largest group of projects that have distinctive activities addressing corruption. Projects activities range from strengthening the independence of the judiciary to legal education, improving professionalism in the justice system, building the legal framework, implementing e-solutions, and implementing modern court administration systems. The justice system is typically perceived by the public as among the most corrupt in most countries of the E&E region. Basically, all activities conducted in this sector can impact corruption both within and outside the justice sector.

In **Albania**²³, four projects were implemented since 2004 that have an anticorruption thrust. Activities have evolved over the years from improving judicial performance evaluations to computerizing trial records in a number of courts, introducing audio recording of session hearings to computerized court records, upgrading court archiving and records management, and working with pilot courts to implement anticorruption strategies. Between 2007 and 2010, the projects detected a small increase (9%) in the percentage of court users satisfied with the pilot courts’ accessibility, transparency and effectiveness in comparison with control courts. Also, bribery in the pilot courts decreased by 40% compared to the control group of courts. At the same time, the program implemented in 2008-2011 had to drop one of the components entirely because the government failed to pass the law that was essential for this component.

Two projects in **BiH**²⁴ advanced the country’s justice system toward integration in the EU. Activities that likely contributed to reducing corruption included new standards for judicial appointments, performance and discipline of judges, codes of ethics for judges and prosecutors, new records management systems and computerized case management systems, remodeled courthouses to make them more accessible to the public, installed audio equipment to record hearings, and improved public relations and customer service. Between 2004 and 2009, court user satisfaction with court services increased by 10% and the same percent of users indicated improved perceptions of the judiciary.

In **Georgia**²⁵, RoL projects evolved from working on judicial reform, and legal professional and legal educational reform to improving court administration and management system under two consecutive projects – one completed and one still under way. Results of the completed project included new courtroom regulations and systems, automation of case management systems in 28 courts, audio recording system in 23 courts, procedural streamlining,

Projects in the RoL sector that constituted the largest group of projects with distinctive activities addressing corruption, contributed to reducing corruption in many countries of the region, for example:

- In Albania - bribery in the pilot courts decreased by 40% compared to the control group of courts between 2007 and 2010; and
- User satisfaction with court services increased by 10% in BiH between 2004 and 2009, by 9% in Albania between 2007 and 2010, by 4% in Georgia between 2007 and 2010.

²¹ Macedonia Local Government Activity (MLGA), TT. – Final Report, 2011: <https://sites.google.com/a/usaid.gov/drg/home/about-1/drg-center-teams/governance-and-rule-of-law/anticorruptionmapping>

²² Local Governance Program in Albania (LGPA). – Final Report, 2011: <https://sites.google.com/a/usaid.gov/drg/home/about-1/drg-center-teams/governance-and-rule-of-law/anticorruptionmapping>

²³ Rule of Law Program in Albania (ROLP). -Final Report, 2011: http://pdf.usaid.gov/pdf_docs/PDACR727.pdf

²⁴ Judicial Sector Development Project in Bosnia and Herzegovina (JSDP). – Final Report, 2009: http://pdf.usaid.gov/pdf_docs/PDACQ989.pdf

²⁵ Georgia Judicial Administration and Management Reform (JAMR). – Final Report, 2011: <https://sites.google.com/a/usaid.gov/drg/home/about-1/drg-center-teams/governance-and-rule-of-law/anticorruptionmapping>

information desk at courts, and greater public awareness that made court operations more accountable and transparent. Slight improvements (4%) in citizen satisfaction with the courts were recorded between 2007 and 2010.

Three consecutive projects in **Macedonia**²⁶ since 2002 have contributed to an improved legal framework for the justice sector, modernized court administration and management, improved staff professionalism, and greater access to justice. The 2010 UNODC survey indicated that courts remain among the institutions with the highest rate of corrupt practices. However, the TI Corruption Barometer showed improvement in corruption perceptions of the judiciary from 2.5 in 2006 to 3.9 in 2010/2011.

In **Moldova**²⁷, three consecutive projects have been implemented since 2007. The completed projects show improvements in justice system professionals through training, and contributions to modernization and management of courts by installing audio recording equipment in courts and improved case management. A survey conducted in 2012 indicated though that bribery in the courts remain high and was on the rise in 2012 compared to 2008.²⁸ The TI Corruption Barometer indicated no change in corruption perceptions of the judiciary between 2006 and 2010.

Ukraine²⁹ also had three RoL projects since 2007. The completed projects expanded a court decisions registry, instituted random case assignment, developed a national court automation strategy, improved judicial testing and discipline, trained administrative court judges, created an operating system for administrative courts, and conducted extensive public education activities. The project's final report indicated a small decrease in citizen trust in the judiciary in 2011 and a small increase in citizen satisfaction with local courts. An independent public poll showed a small decrease in extortion in the courts between 2007 and 2011, and a small increase in citizen trust, but a still growing public perception of corruption in the judiciary. The TI Corruption Barometer also indicated an increase in the perception of corruption in the judiciary between 2006 and 2009.

Health: Although there were many programs sponsored in the healthcare sector in the E&E region, only one was formulated to specifically address corruption – the *Moldova Governance Threshold Country Program*.³⁰ Healthcare was one of the three components of the program with the objective of reducing opportunities for corruption in the health care delivery system by decreasing the discretionary powers of specific health personnel through the establishment of norms and standards and increasing accountability through increased oversight. The RFTOP established specific corruption indicators, among them: an oversight board reporting declining levels of corruption; total volume of bribes paid by households is reduced; and the extent to which the health care sector is affected by corruption is reduced as reported by TI. Other indicators measured reduction in corruption indirectly, such as by monitoring increased levels of client satisfaction with service delivery and an increased percentage of all health sector procurements awarded through transparent and open competition. Unfortunately, it appears that the project did not use any of these indicators. An independent survey conducted in 2012 showed that healthcare is among two out of 39 institutions with the highest levels of bribery, and there was an increase in the percent of people admitting to frequently need to pay bribes or give gifts in the healthcare field, from 60.5% in 2008 to 67.1% in 2012.³¹

²⁶ Corruption in the former Yugoslav Republic of Macedonia: bribery as experienced by the population, - UNODC, 2011 -

http://www.unodc.org/documents/data-and-analysis/statistics/corruption/Corruption_report_fyR_Macedonia_FINAL_web.pdf

²⁷ Moldova Governance Threshold Country Program (2007-2009) – Final Report, 2009:

<https://sites.google.com/a/usaaid.gov/drg/home/about-1/drg-center-teams/governance-and-rule-of-law/anticorruptionmapping>, Moldova Rapid Governance Support Program (2010-2011) – Final Report, 2011: <https://sites.google.com/a/usaaid.gov/drg/home/about-1/drg-center-teams/governance-and-rule-of-law/anticorruptionmapping>, and the Rule of Law Institutional Strengthening Program (ROLISP) in Moldova (2012-2016). – Annual Report, September 2012 - <https://dec.usaid.gov/dec/content/Detail.aspx?ctID=ODVhZjk4NWQzM2YyMj00YjRmLkxNjkiZTcxMjM2NDNmY2Uy&trID=MzI4MTgw&slID=MQ==&bckToL=VHJlZQ==&qcf=&ph=VHJlZQ==>.

²⁸ Corruption in Republic of Moldova: Perceptions vs. Personal Experiences of Households and Business People. – TI Moldova, 2012. - <http://www.rai-see.org/news/south-eastern-europe/3017-corruption-in-moldova-increases-in-2012-survey-finds.html>

²⁹ Combating Corruption and Strengthening Rule of Law in Ukraine under the MCC Threshold Country Program (2007-2009), TI. - Final Report, 2009 - http://pdf.usaid.gov/pdf_docs/PDACN921.pdf; Combating Corruption and Strengthening the Rule of Law in Ukraine Project (2006-2011). Phase I Final Report, 2007: http://pdf.usaid.gov/pdf_docs/PDACK548.pdf, and Fair, Accountable, Independent, and Responsible (FAIR) Judiciary Program in Ukraine (2011-2013). -

³⁰ Moldova Governance Threshold Country Program (2007-2009). – Final Report, 2009.

³¹ Corruption in Republic of Moldova: Perceptions vs. Personal Experiences of Households and Business People. - TI Moldova, 2012: http://www.transparency.md/component/option,com_docman/task,doc_download/gid,135/lang,en/

Education: Two projects in **Ukraine**³² targeted the reduction of corruption in the higher education system by introducing standardized admission tests. Independent surveys conducted in 2007-2009 showed that while the traditional admission system was perceived as highly corrupt, admission using the new standardized testing was very clean and the experience with corruption was negligible.

Civil Society and Mass Media (CS): Civil society projects that addressed corruption constituted about 16 percent of all analyzed programs. The major activities that these programs engaged in included organizing civil society around anticorruption reforms and providing support to CSOs and the media to conduct advocacy, watchdog, legal assistance, and public awareness/education activities. Some projects worked exclusively with the mass media to promote investigative reporting. Half of all CS interventions were standalone programs, while the other half were components within other sectoral projects (RoL, Local Government, Education, etc.). Sectoral projects with CS components most typically used CSOs to conduct public awareness and education activities, although some also supported watchdog activities. Programs that combine public awareness with reform activities, such as creating checks on government or changing governmental incentives, are typically more effective than those focused exclusively on educating citizens about corruption. Overall, CS projects were characterized by a wide variety of activities and approaches.

Four out of eight standalone CS projects were implemented by local NGOs. They included two that provided legal support for victims of corruption and conducted public education. Similar activities were implemented under broad CS programs in **Armenia** and **Ukraine** that were among four complex programs with a large spectrum of activities.

In **Ukraine** and **Moldova**, two CS projects under the MCC Threshold Country Program implemented from 2006-2009 were tasked to monitor change through survey results and to support CSO and the media advocacy and watchdog activities, and journalist investigative reporting. The project in **Ukraine**³³ resulted in 114 proposed reforms initiated by NGOs, 50% of which were enacted by government; media reporting on corruption increased by 14.4%; media reports that were subsequently investigated by government increased by 33.9%; and media reports that led to prosecutions increased by 10.1%. More than 5,500 victims of alleged corruption in **Ukraine** and more than 500 in **Moldova**³⁴ received independent legal consultations and assistance.

The civil society project in Ukraine –ACTION-- resulted in 114 reforms initiated by NGOs, 50% of which were enacted by government; media reporting on corruption increased by 14.4%; media reports that were subsequently investigated by government increased by 33.9%; and media reports that led to prosecutions increased by 10.1%. More than 5,500 victims of alleged corruption in Ukraine and more than 500 in Moldova received independent legal consultations and assistance.

In contrast to this, the project in **Armenia** - Mobilizing Action Against Corruption in Armenia Project (MAAC)³⁵ - experienced many difficulties affiliated with both program design and implementation. The project was perceived antagonistically by the government and resulted in the lack of cooperation from several governmental agencies that were needed for the project's success.³⁶ The mid-term evaluation found that the program "was poorly designed and this has impacted on implementation." The evaluation also pointed out insufficient efforts by the project to engage high level government officials and the very modest achievements of CSO activities relative to the resources expended.

Many programs implemented their civil society anticorruption activities through grants to local CSOs and media who conducted activities while the implementing partners provided skill building and facilitated networking. For example, eight sectoral projects had CS as a separate component under which they supported CSOs to monitor

³² The Ukrainian Standardized External Testing Initiative (USETI) (2007-2009). – Final Report, 2009: http://pdf.usaid.gov/pdf_docs/PDACQ648.pdf; and Ukrainian Standardized External Testing Initiative Legacy Alliance (2010-2013). – Final Report, 2013: <https://sites.google.com/a/usaid.gov/drg/home/about-1/drg-center-teams/governance-and-rule-of-law/anticorruptionmapping>

³³ Promoting Citizen Engagement in Combating Corruption in Ukraine (ACTION) (2006-2009), TT.- Final Report, 2010: http://pdf.usaid.gov/pdf_docs/PDACR665.pdf

³⁴ Strengthening Civil Society Monitoring Capacity in Moldova Program (2007-2009). – Millennium Challenge Corporation Moldova Threshold Country Program: Final Completion Report, February 2010: http://moldova.usaid.gov/sites/default/files/mcc_tcp_moldova_final_report.pdf

³⁵ Evaluation of the Mobilizing Action Against Corruption (MAAC) Project. – May 2010: http://pdf.usaid.gov/pdf_docs/PDACR144.pdf

³⁶ Mobilizing Action Against Corruption in Armenia Project (MAAC) (2007-2011), TT. – Final Report, 2011: http://pdf.usaid.gov/pdf_docs/PDACR143.pdf

implementation of anticorruption legislation, monitor courts and other governmental institutions, and conduct advocacy and public education activities. Some of them also supported the mass media to conduct investigations and increase media publications on corruption.

Other observations

Lack of institutional memory and documentation. There are probably many more projects that have addressed corruption but could not be identified based on incomplete information available on the USAID and procurement (www.fbo.gov and www.grants.gov) websites. Unfortunately, the *Development Experience Clearinghouse* (DEC) and other publicly available sources are missing documents about these programs and their results.

Lost opportunities to measure project impact on corruption. Many projects in various subject areas have had activities that could potentially lead to preventing or reducing corruption. But the majority of these projects did not monitor their activities through an anticorruption lens and did not set targets to document their impact on corruption. Usually, calls for proposal did not require such monitoring. As a result, one can only speculate that these projects contributed to reducing corruption.³⁷ For example, some projects improved the business registration and operations environment substantially as reflected in World Bank Doing Business ratings, while other projects improved court administration and management through built-in safeguards which contribute to reducing corruption. But the projects did not set targets or use indicators to measure their impact on corruption. Moreover, only few RFPs/RFAs/TOs or projects used USG Standard (F) anticorruption indicators.

Unrealistic indicators and targets. There were several projects and calls for proposals that established excessive and unrealistic indicators and targets that were outside of the projects' control. For example, some projects were expected to measure project impact based on changes in the TI CPI, Freedom House Nations in Transit Corruption score, or the World Bank Institute Governance Indicators Control of Corruption percentile. While the projects may contribute to changes in these indicators, it was not realistic to control for their specific contribution among many other factors. Other examples include indicators that were outside of the project's scope of work. For instance, a project working with civil society legal assistance centers was expected to produce an increased number of convictions in corruption cases and officials sanctioned.

Anticorruption as a cross-cutting theme in RFPs. Several calls for proposals included anticorruption as a cross-cutting theme. Some of them were more specific and forceful than others in their requirements to address corruption. Some RFPs suggested illustrative activities, described clear requirements to address corruption and measure impact, and included measures to reduce corruption in the proposal's evaluation criteria. On the other end of the spectrum are the majority of calls for proposal that do not discuss corruption at all or limit their requirements to a brief discussion of corruption as it may affect the project's activities.

RFPs/RFAs/TOs rarely require mainstreaming anticorruption in sectoral programs. A majority of sectoral programs do not incorporate anticorruption in their objectives and do not measure the impact of these activities on corruption.

Multi-sectoral projects. There were several projects that addressed specific anticorruption targets in two or more distinct project components covering entirely different sectors. The multi-sectoral nature of these programs makes them more complex and multi-focused. The most noticeable examples are MCC TCP programs in **Albania** and **Moldova**. In **Albania**, the project included six components in three sectors: economic growth (tax administration reform, business licensing reform, territorial planning), rule of law (administrative courts), and civil society (private-sector and civil society engagement and monitoring). In **Moldova**, the project included components in three sectors: judicial sector reform, health service reform, and tax administration reform. There are several similar examples of such multi-sectoral projects aside from MCC TCP. While other anticorruption projects may focus on particular anticorruption institutions, laws, stakeholders or procedures that need to build their capacity or improve their effectiveness, multi-sectoral projects typically have multiple targets in very different fields – health, justice, education, etc. While the comprehensiveness of such multi-sectoral projects may be effective in the long-run, they

³⁷ In 2004-06, the EGAT Bureau funded a series of case studies under the “Anti-Corruption Interventions in Economic Growth” project that sought, after the fact, to measure the anticorruption impacts of earlier EG programs in several countries that had no explicit anticorruption objectives at the time of their implementation. See: <http://www.nathaninc.com/sites/default/files/Anti-Corruption%20Final%20Report.pdf>

are often difficult to manage in the short-run because of the multiplicity of stakeholders that must be dealt with and the many areas of expertise that are needed. To implement such combinations are challenging for implementers and can jeopardize the quality of results. An implementer is required to have technical expertise in all sectors or create a complex consortium that increases management burden.

PART II – MAINSTREAMING ANTICORRUPTION IN BUSINESS ENABLING ENVIRONMENT PROGRAMS WORLDWIDE

Introduction

Public sector corruption targeting business impedes economic growth and promotes an informal economy. Extortion in business registration and inspections pushes businesses to operate illegally. Kickbacks in public procurement and corruption in export/import operations lead to inflated costs and substandard quality of products and services. A longstanding culture of corruption dissuades domestic and international investors from starting or expanding businesses. On the other hand, reforms that standardize and streamline government-business transactions, reduce face-to-face contacts, embed checks and balances, increase transparency, and deploy e-governance tools can significantly reduce the opportunities for corruption.

In this section, we review USAID-funded programs in the Economic Growth (EG) sector that were implemented between 2007 and 2013 to assess their impact on corruption in the business environment. First, an analytical overview of 43 EG programs identified as targeting corruption problems is presented. The types of program interventions, their distribution across regions and countries, funding levels, and, when possible, their impact on corruption are analyzed. Then, case studies of eight projects implemented in six countries are analyzed in greater detail to learn about interventions, results, impacts on corruption, and lessons learned. Lastly, findings across these programs are summarized and recommendations for future programming offered.

Program overview

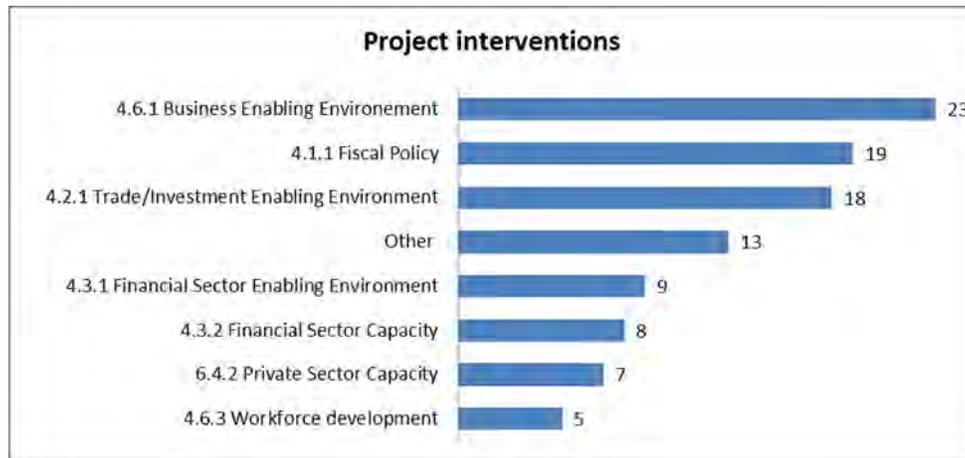
The overall theory of change being tested by this study is that economic growth development programs that seek to reform aspects of the business-enabling environment can also have a significant impact on reducing corruption. They do that by reducing face-to-face contact between businesspeople and government officials, reducing over-regulation, simplifying administrative procedures that provide opportunities for corrupt transactions, creating more transparency, and inserting more checks and balances into the system.

Forty-three USAID-sponsored projects in the EG area, all implemented since 2007 and all containing anticorruption components or activities were identified for this analysis. Of these projects, 12 are in the Europe and Eurasia region, 10 in the Near East region, 7 in the East Asia and Pacific region, 7 in Africa, 4 in the South and Central Asia region, and 2 in Latin America. The total estimate funding of these programs is approximately USD 900 million. Twenty-seven of these programs were completed by the time this report was written.

Forty three USAID-sponsored projects in the EG/business enabling environment sector were identified worldwide that had anticorruption components or activities with total funding about US\$900 million.

In terms of the nature of project interventions, a majority of activities in these programs can be considered supporting the business enabling environment, fiscal policy, and trade and investment (USAID Standard Program Elements, see Chart 2 below).

Chart 2. Project intervention areas (according to the USAID Standard Elements)³⁸



In the business enabling environment sector, the most frequent project activities dealt with regulatory reform and practices in business operations, such as business registration, licensing and permitting, property registration, and access to funding through procurement and credits. Within the trade and investment sector, the most frequent activities involved developing or aligning with international standards, legal and regulatory frameworks and improving customs operations. While some programs focused almost exclusively on legal and regulatory reforms, the majority combined those activities with institutional strengthening, operational reforms, and public awareness and participation initiatives. See [Table 3](#) for a complete list of projects and interventions.

Besides several MCC TCP programs that were explicitly targeted at reducing corruption, none of these programs explicitly mainstreamed corruption into their activities, but rather included discrete interventions that could impact corruption. Out of a total of 25 programs for which project-collected performance indicators were available, only 11 had explicit corruption-related indicators and established targets, 8 of which were MCC TCP programs.

The eight programs analyzed in more detail in this report primarily addressed administrative corruption problems. All eight programs were initiated upon consultation with the recipient country governments that facilitated smoother implementation of the programs. Formal agreements between the US and the host country governments under the MCC TCP programs outlined mutual responsibilities, helping to formalize commitments and build ownership by the recipient country governments. Extensive consultations, although not formalized in any agreement, conducted by USAID prior to commencing programs in the other three countries were also instrumental in securing government buy-in and support of the interventions.³⁹ In some instances, though, commitment at the highest level of the government was not always filtered down to the lower levels and this where the major counterparts for project activities sometimes created difficulties or delays, as described later in this report (in **Kenya, Zambia** and, to some extent, in **Albania**). Another factor that contributed to the success of these programs was the demonstrated commitment of countries to address corruption either as part of the MCC TCP efforts or in domestic anticorruption programs and strategies often supported by foreign donors. This opened the door for more targeted corruption interventions within most of the analyzed programs.

Besides several MCC TCP programs that were explicitly targeted at reducing corruption, few of the programs identified for this study clearly mainstreamed corruption into their activities. Out of a total of 25 programs for which project-collected performance indicators were available, only 11 had explicit corruption-related indicators and established targets, 8 of which were MCC TCP programs.

³⁸ Chart 3 counts business environment related activities or components within programs.

³⁹ For example: Albania Threshold Program Agreement: http://www.mcc.gov/documents/agreements/albania_soag.pdf; Albania Threshold Program Agreement, Stage II: <http://www.mcc.gov/documents/agreements/soag-albania-stageii.pdf>; Kenya Threshold Program Agreement: <http://www.mcc.gov/documents/agreements/daga-kenya.pdf>; Moldova Threshold Program Agreement: <http://www.mcc.gov/documents/agreements/soag-moldova.pdf>; Ukraine Threshold Program Agreement: <http://www.mcc.gov/documents/agreements/soag-ukraine.pdf>

Table 3. List of projects

#	Country	Project Name	Abbreviated Name	Start	End	Amount	Top Tier	MCC TCP	Key Interventions
COMPLETED PROJECTS									
5	Egypt	Egypt Technical Assistance for Policy Reform II	TAPR II	Jun-05	Jun-10	\$ 138,245,857			Customs, trade, fiscal policy, private sector services, human resources
8	Guyana	Guyana Threshold Country Plan/Implementation Program	GTCP/IP	Jan-08	Feb-10	\$ 66,000,000		MCC	Tax, customs, budget, business registration, procurement
1	Afghanistan	Afghanistan economic growth & private sector strengthening	EGPSS	Sep-05	Sep-09	\$ 46,000,000			Trade, investment, private sector development, banking
6	Egypt	Egypt Financial Services	EFS	Nov-04	Jul-10	\$ 33,877,672			Property registration, mortgage system, credit system
27	Zambia	Zambia Threshold Program	ZTP	2006	2009	\$ 22,735,000		MCC	Trade, investment, licensing
22	Regional	ASEAN-U.S. Technical Assistance and Training Facility (TATF) Phase II	TATF	Sep-07	Mar-13	\$ 20,000,000			Trade, investment
2	Albania	Millennium Challenge Corporation Albania Threshold Program Stage II	MCAA 2	Sep-08	Jan-11	\$ 15,731,000	TT	MCC	Tax, licensing/permitting,
17	Moldova	Moldova Governance Threshold Country Program	MGTCP	Sep-09		\$ 14,641,172		MCC	Tax
10	Jordan	Jordan Fiscal Reform Project	JFRP-II	May-06	May-09	\$ 14,000,000			Tax, budget
3	Albania	Support to Albania's Millennium Challenge Account Threshold Agreement	MCAA 1	Sep-06	Nov-08	\$ 13,789,167	TT	MCC	Registration, licensing, procurement
26	Vietnam	Support for Trade Acceleration II Project	USAID STAR II	Sep-06	Oct-10	\$ 13,595,736	TT		Trade, investment, customs, financial sector
7	Georgia	Georgia Business Climate Reform	GBCR	Sep-05	Aug-09	\$ 12,900,000	TT		Tax, customs, property registration, finance, investment, export, permitting
19	Morocco	Improving the Business Climate in Morocco	IBCM	Jul-05	Sep-09	\$ 9,250,000	TT		Tax, budget
9	Jordan	Jordan Customs Administration Modernization Program	JCAMP	Jan-07	Jan-09	\$ 8,500,000		MCC	Customs
16	Moldova	Moldova Business and Tax Administration Reform Project	BIZTAR	Sep-07	Sep-11	\$ 8,275,819			Business registration, tax, licensing
25	Ukraine	Trade, Investment, and Business Acceleration	TIBA	Dec-06	Jun-09	\$ 8,198,039	TT	MCC	Trade, investment
24	Uganda	Uganda: Anti-Corruption Threshold (ACT)	ACT	Aug-07	Dec-09	\$ 7,962,336			Procurement, audit
14	Malawi	Strengthening Government Integrity in Malawi Project	SGIM	Apr-06	Mar-08	\$ 7,893,337		MCC	Procurement, audit, advocacy
23	Russia	Russia Small and Medium-sized Enterprise Advocacy Program	SME	Sep-02	2011	\$ 3,400,000			Business sector support
11	Kenya	Kenya Reforming the Public Procurement System (Phase I)	RPPS-I	Oct-07	Sep-09	\$ 3,302,820		MCC	Procurement
12	Kenya	Kenya Reforming the Public Procurement System (Phase II)	RPPS-II	Oct-09	Mar-11	\$ 2,999,974		MCC	Procurement
15	Moldova	Moldova Rapid Governance Support Program	MRGSP	Feb-10	Nov-11	\$ 2,262,001			Customs, tax
4	CAR region	Business Environment Improvement (BEI)	BEI	Oct-06	Sep-11	No data	TT		Business support, property rights
13	Liberia	The Governance and Economic Management Assistance Program	GEMAP	Apr-06	Sep-10	No data	TT		Budget, procurement, concessions, financial management, audit
18	Mongolia	Economic Policy Reform and Competitiveness	EPRC	Sep-03	Jun-11	No data			Investment, trade, banking, tax
20	Paraguay	Paraguay Threshold Program Focus Area II: Formalization of Economic Activities	FEA	Jan-06	Nov-08	No data		MCC	Business registration, tax, customs
21	Philippines	Economic Modernization through Efficient Reforms and Governance Enhancement	EMERGE	Jun-04	Jun-08	No data			Trade, investment, and fiscal reforms
ONGOING PROJECTS									
28	Afghanistan	Trade and Accession Facilitation for Afghanistan	TAFA	Nov-09	Aug-13	\$ 63,000,000			Customs, trade
38	Morocco	Morocco Economic Competitiveness Project	MECP	Dec-09	Sep-13	\$ 27,019,737			Trade, investment, permitting
30	Egypt	Egypt Competitiveness Project	ECP	Sep-10	Oct-13	\$ 26,582,103			Business registration, licensing, access to funding for SME
32	Jordan	Jordan Fiscal Reform Project II	JFRP-II	Nov-09	Oct-14	\$ 26,519,717			Tax, customs, budget
43	West Bank	West Bank and Gaza Investment Climate Improvement Project	ICI	Sep-10	Aug-13	\$ 24,939,833			Tax, customs, trade, investment
40	Serbia	Sustainable Local Development Project in Serbia	SLDP	Jun-11	Jun-16	\$ 21,690,754			Business environment
36	Mongolia	Mongolia Business Plus Initiative	BPI	Jun-11	Jun-16	\$ 18,163,616			Legal/regulatory reform, investment, access to credit, permitting
41	Serbia	Business Enabling Project	BEP	Jan-11	Dec-15	\$ 15,480,000			Permitting, access to credit, inspections, budget, public finance
42	Vietnam	Vietnam Support for Trade Acceleration	STAR Plus	Oct-10	Aug-13	\$ 11,736,866			Trade, investment
39	Nigeria	Restructured Economic Framework for Openness, Reform and Macroeconomic Stability	REFORMS	Jul-05	Aug-09	\$ 9,771,033			Procurement, budget
37	Montenegro	Good Governance Activity in Montenegro	GG	Oct-10	Sep-13	\$ 8,625,944			Business registration, licensing and permitting
35	Moldova	Business Regulatory, Investment, and Trade Environment Program	BRITE	Jun-12		\$ 6,132,612			Trade, investment, tax
31	Egypt	Egypt Commercial Law Development Program	CLDP	Jul-04	Present	\$ 4,066,560			Tax, financial sector
29	Afghanistan	Economic Growth and Governance initiative	EGGI	2009	2014	No data		TT	Tax, budget
33	Kosovo	Kosovo business enabling environment program	BEEP	Jul-10	Jul-13	No data			Tax, trade, credit access, customs, licensing/permitting
34	Laos	Lao-U.S. International and ASEAN Integration Project	LUNA	Jan-08	Dec-13	No data			Trade

A variety of approaches and techniques were employed across these programs to reduce opportunities for corruption. Three categories of tools were very popular and applied by several projects. Some approaches, such as simplified and streamlined business-government operations through *one-stop shops* and *e-technologies*, are typically attractive to both the governments and businesses as they improve the efficiency and reduce costs. Other frequently used tools are used to *simplify and reduce regulatory burden* on the private sector, such as regulatory impact assessments (to assess draft and current laws and regulations against agreed-upon criteria) and regulatory guillotine (to eliminate unnecessary and overlapping regulations). Examples of how these tools were used by the projects are provided below.

Several handbooks and resource documents that describe best practices in programming for these frequently used anticorruption approaches are identified in the Recommendations section below with web links.

1) One-Stop Shops (OSS)

One-stop shops (OSS), also known as *single-window* facilities, are an effective approach to streamline and simplify government-business sector relations. OSSs not only increase efficiency and reduce costs but also reduce opportunities for corruption by limiting numerous direct interactions between government officials and businesses.⁴⁰ According to World Bank data, currently more than fifty countries employ OSS for business registration,⁴¹ but the effectiveness and impact of each implementation can vary widely.⁴² While OSSs became popular for business registration processes in the early 2000s, they have expanded in recent years to include other operations, such as business licensing and permitting, export/import operations, and investor registration. A study conducted in 2005 of the OSSs in Ukraine highlighted the notable impact of OSSs on reducing corruption.⁴³ Surveys conducted in Ukraine in 2008 and 2009 to explicitly measure corruption in permitting system showed that corruption in OSSs was 2-3 times less frequent than among traditional permitting processing.⁴⁴

Almost a dozen projects in our study implemented or facilitated the implementation of OSSs for different types of government-businesses operations. For example,

- In **Albania**⁴⁵, OSSs (the National Registration Center (NRC) and its branches) were established in 12 municipalities for business registration, reducing processing time to one day at a cost of about one U.S. dollar per registration. NRCs processed nearly 85,000 applications and registered more than 18,000 new businesses in the first year of operation. Also, the National Licensing Center (NLC) and its nine branches created as OSS for obtaining information, submitting applications, obtaining new licenses and renewals, and other actions for business licenses and permits, reducing approval time from 42 days to two.⁴⁶

⁴⁰ Simplification of Business Regulations at the Sub-National Level: A Reform Implementation Toolkit for Project Teams. - IFC, 2006: http://www.gdnet.org/~research_papers/Simplification%20of%20business%20regulations%20at%20the%20sub-national%20level:%20a%20reform%20information%20toolkit%20for%20project%20teams

⁴¹ The World Bank Doing Business: <http://www.doingbusiness.org/data/exploretopics/starting-a-business/reforms>

⁴² How many stops in a one-stop shop? A review of recent developments in business registration. – IFC, 2009: <https://www.wbginvestmentclimate.org/uploads/Howmanystopsinaonestopshop.pdf>

⁴³ Reducing administrative corruption in Ukraine: regulatory reform USAID/BIZPRO. – 2005: http://pdf.usaid.gov/pdf_docs/PDACG850.pdf

⁴⁴ Corruption and Business Regulations in Ukraine: Construction and Land Transactions Permits. Comparative Analysis of National Surveys: 2008-2009 for the MCC Threshold Country Program. – MSI, 2009: <https://sites.google.com/a/usaid.gov/drg/home/about-1/drg-center-teams/governance-and-rule-of-law/anticorruptionmapping>

⁴⁵ Millennium Challenge Corporation Albania Threshold Program Stage I (MCCA1) (2006-2008). – Final Report, 2008: http://pdf.usaid.gov/pdf_docs/PDACM504.pdf

⁴⁶ Millennium Challenge Corporation Albania Threshold Program Stage II (MCCA2) (2009-2011). – Final Report, 2011: <https://sites.google.com/a/usaid.gov/drg/home/about-1/drg-center-teams/governance-and-rule-of-law/anticorruptionmapping>

- In **Egypt**⁴⁷, OSSs were established in two major cities for business registration and license issuance services, increasing the number of businesses that government can serve daily. These OSSs resulted in reduced time for registration from 22 to 7 days and getting construction permits from 263 to 218 days. Also, OSSs for customs were established -- Modern Customs Centers and integrated Logistics Centers – that streamlined customs procedures and resulted in reduced time for export operations from 27 to 12 days and import from 30 to 13 days.
- In **Jordan**⁴⁸, a web-based *single-window facility* was established for customs processing. It facilitates the exchange of data among government agencies to reduce processing times for all import, export and transit procedures and makes customs operations more cost-effective, while reducing delays and costs to importers. Expanded in 2011, the *single-window facility* covers 95% of all imports into the country.⁴⁹
- In **Paraguay**⁵⁰, an OSS (*one-stop service window*) was established for business registration, reducing time for registration from 25 to 15 days and reducing costs from \$750 to approximately \$80.
- In **Zambia**⁵¹, OSSs were established to streamline the process of starting a business and support businesses and investors by reducing the time for registration from 35 to 18 days.

Many of the OSSs established in recent years, including those mentioned above, make extensive use of information technologies, turning *one-stop shops* to *no-stop* facilities, since most or all operations can be conducted online. On the other hand, we found in **Afghanistan** that many traders continued to use agents rather than OSS that streamlined transit for imports and exports because they were more familiar with the old procedures.⁵²

A majority of projects implementing OSSs reported reduced procedural times and reduced costs, linking their results to the WB Doing Business surveys. But there is no hard data available in most cases to assess the impact of these reforms on corruption levels.

2) E-government

E-government is generally defined as the use of communications technology to carry out government transactions electronically.⁵³ It is generally viewed as a technique to mitigating opportunities for corruption by reducing direct contacts between government officials and citizens and increasing transparency in their interactions.⁵⁴ Of the 43 projects examined in this study, 15 had e-government component or activities. These initiatives contributed to improving tax collection services, streamlining access to investment opportunities, reforming public procurement systems, expediting processing of business license applications and property registration, and processing court cases.

Typically, projects used e-government approaches to improve a specific government function or service, such as:

⁴⁷ Egypt Technical Assistance for Policy Reform II (2005-2010). – Final Report, 2010:

http://pdf.usaid.gov/pdf_docs/PDACAQ924.pdf

⁴⁸ Jordan Customs Administration Modernization Program (2007-2009). – Final Report, 2009:

http://pdf.usaid.gov/pdf_docs/PNADT538.pdf

⁴⁹ Jordan Fiscal Reform Project II (2009-2014):

http://www.frp2.org/english/DesktopModules/Orizonti_NukeNews/getLink.aspx?pid=0&tid=66&newsid=62

⁵⁰ Paraguay Threshold Program Focus Area II: Formalization of Economic Activities (2006-2008). – Final Report, 2008:

http://pdf.usaid.gov/pdf_docs/PDACM567.pdf

⁵¹ Zambia Threshold Program (ZTP) (2006-2009). – Final Report, 2009: http://pdf.usaid.gov/pdf_docs/PDACL989.pdf

⁵² Mid-term evaluation : trade and accession facilitation for Afghanistan (TAFA) project. – Evaluation Report, 2012:

http://pdf.usaid.gov/pdf_docs/PDACU292.pdf

⁵³ Jennifer O'Neill, *eGovernment*, http://www.archives.nysed.gov/a/records/mr_pub58.pdf

⁵⁴ Roadmap for E-government in the Developing World: 10 Questions E-Government Leaders Should Ask Themselves. - Pacific Council on International Policy, 2002: http://www.itu.int/wsis/docs/background/themes/egov/pacific_council.pdf

- Tax Administration – The **West Bank Gaza Investment Climate Improvement (ICI) Project** installed IT systems to facilitate tax collection that is expected to increase tax collection by 15% and compliance by 75%.⁵⁵
- Investment – *Improving the Business Climate in Morocco Project* piloted *e-invest* software to streamline processing of investment applications in Moroccan government offices.⁵⁶
- Procurement Systems – *Support to Albania's Millennium Challenge Account Threshold Agreement (MCCA-I)* program implemented e-procurement systems through which government agencies have procured more than US\$29 million worth of goods and services just in the first nine months.⁵⁷ *Reforming the Public Procurement System Phase II* project in **Kenya** facilitated the development of an internal web site (Intranet) for the Public Procurement Oversight Authority to allow information sharing between various departments.⁵⁸
- Customs Administration – **Jordan Customs Administration Modernization Program** established a single window enhanced by the Automated System for Customs Data that allows exchange of data among government agencies and reduces the customs clearance time by 90%.⁵⁹
- Public Financial Management – **Jordan Fiscal Reform Project I and Jordan Fiscal Reform Project II** implemented the integrated Government Financial Management Information System to monitor and control government revenue and spending.⁶⁰
- Business Registration and Property Registration – **Georgia Business Climate Reform Project** contributed to the transformation of the National Agency for Public Registry (NAPR) into an IT-based agency with capability to provide services such as electronic centralized registration of property and access to property registration records.⁶¹

Among these 15 projects, 2 supported development and design of the country-wide e-government strategy as an essential part of the overall public administration reform. **Georgia Business Climate Reform Project** collaborated with the Government of Georgia to create the E-Governance Commission for coordination of e-development and cooperation between the public and private sectors to implement e-solutions. The **Moldova Rapid Governance Support Program** assisted in the implementation and design of the e-Transformation strategy of the Government of Moldova.⁶²

Other programs employed e-government approaches across multiple government entities and government functions with the stated goal of reducing corruption through information technologies. Specifically, in **Albania**, the *Millennium Challenge Corporation Albania Threshold Program Stage I* developed e-government systems to streamline and reform tax administration, business registration and public procurement.⁶³ The *Millennium*

⁵⁵ West Bank Gaza Investment Climate Improvement Project (2010-2013). – Annual Report, 2012:

<https://dec.usaid.gov/dec/content/GetDoc.axd?ctID=ODVhZjk4NWQtM2YyMi00YjRmLTkxNjktZTcxMjM2NDNmY2Uy&rID=MzMzNjIw&pID=NjYw&attachmnt=VHJlZQ==&rdp=ZmFsc2U=>.

⁵⁶ *Improving the Business Climate in Morocco* (2005-2009). – Summary of Final Report, 2009:

http://pdf.usaid.gov/pdf_docs/PNADY510.pdf

⁵⁷ *Support to Albania's Millennium Challenge Account Threshold Agreement (MCCA-I)*. – Final Report, 2008:

http://pdf.usaid.gov/pdf_docs/PDACM504.pdf.

⁵⁸ *Support for Reforming the Public Procurement System Phase II* (2009-2011). – Final Report, 2011:

<https://sites.google.com/a/usaid.gov/drg/home/about-1/drg-center-teams/governance-and-rule-of-law/anticorruptionmapping>

⁵⁹ *Jordan Customs Administration Modernization Program* (2007-2009). – Final Report, 2009:

http://pdf.usaid.gov/pdf_docs/PNADT538.pdf

⁶⁰ *Jordan Fiscal Reform Project II* (2009-2014). – Quarterly Report, November 2012-January 2013:

<http://www.frp2.org/english/Portals/0/PDFs/Reports/13th%20Quarterly%20Report%20for%20Website%20and%20Counterparts%20-%20English.pdf>

⁶¹ *Georgia Business Climate Reform Project* (2005-2009). – Final Report, 2009: http://pdf.usaid.gov/pdf_docs/PDACN591.pdf

⁶² *Moldova Rapid Governance Support Program* (2010-2011) – Final Report, 2011:

<https://sites.google.com/a/usaid.gov/drg/home/about-1/drg-center-teams/governance-and-rule-of-law/anticorruptionmapping>

⁶³ *Millennium Challenge Corporation Albania Threshold Program Stage I (MCCA1)* (2006-2008). – Final Report, 2008:

http://pdf.usaid.gov/pdf_docs/PDACM504.pdf.

Challenge Corporation Albania Threshold Program Stage II built upon activities of the Stage I Program and added e-government systems to display urban development and construction permits, and process court cases.⁶⁴

In **Macedonia**, the *e-Gov project* of 2004-2011 assisted the Macedonian government in implementing its bold and ambitious National e-Government Strategy. The project supported developing and implementing e-government applications for electronic public procurement, single portal for export/import licensing, online registration of employment, automated system for management of international cargo transport licenses, e-tax services, e-Budgeting, and automated system for applications and testing of civil servants.⁶⁵ By introducing transparency and efficiency in important government-to-business services, the administrative burden of companies has been significantly reduced. The e-procurement system has enabled electronic auctions through which the government seeks the lowest price for goods and services.

In addition to addressing specific government services, several projects made an effort to provide public access to information through websites, to increase transparency and accountability in government operations. Among successful examples of such government websites are the Georgian Ministry of Finance website, which was upgraded with the support of the **Georgia Business Climate Reform Project**. The website operates as a “one-stop web portal for the public that enables easy access to information on tax and customs legislation, procedures, forms, and other revenue-related issues; and offers electronic services such as taxpayer/trader cards, property tax calculator, and e-filing of all tax returns.”⁶⁶

Overall, e-government tools and approaches likely contributed to reducing opportunities for corruption by increasing transparency and reducing direct interactions between governmental officials and businesses. However, it appears that most programs, besides MCC TCP projects, that employed e-government approaches did not attempt to measure the anti-corruption impact of their e-government activities (although, it should be noted that limited information was available on performance indicators in several cases).

3) Regulatory Simplification and Streamlining

Excessive regulations are subject to discretion and a frequent cause for rent-seeking and bribery. By reducing regulatory burden on the private sector, simplifying laws and regulations, and eliminating unnecessary and duplicative regulations, the opportunities for corruption can be reduced. Several projects in our study conducted regulatory reform activities targeted at making the legal and regulatory environment friendlier for business. To reach this objective, some projects used such tools as *regulatory impact assessments* (RIA) and *regulatory guillotine*.⁶⁷ For example:

- In **Egypt**⁶⁸, with the assistance of the web-based Regulatory e-Guillotine software, more than 250,000 general regulations were assessed including over 35,000 business-related regulations in about 170 subordinate agencies and authorities. Tens of thousands of regulations across several ministries were assessed through RIA and eliminated improving Egypt’s competitiveness and reducing opportunities for corruption.
- In **Kosovo**⁶⁹, a cross-sectoral working group inventoried and reviewed all regulations that resulted to elimination of over 440 unnecessary and obsolete regulations accounting for nearly 30 percent of all

⁶⁴ Millennium Challenge Corporation Albania Threshold Program Stage II (MCCA2) (2008-2011).

⁶⁵ Fundamentals and Development of e-Government. – 2011:

<http://www.mio.gov.mk/files/pdf/Osnovi%20i%20razvoj%20na%20e-Vlada%202010%20-%20eng.pdf>

⁶⁶ Georgia Business Climate Reform Project, op. cit.

⁶⁷ The guillotine concept involves each ministry listing business regulations / licenses and then those that cannot be justified for retention within a certain timeframe are automatically rescinded.

⁶⁸ Egypt Technical Assistance for Policy Reform II (TAPR II) project (2005-2010). - Final Report, 2010:

http://pdf.usaid.gov/pdf_docs/PDACQ924.pdf

⁶⁹ Kosovo business enabling environment program (BEEP) (2010-2013). - Annual Report #2 July 2011 – July 2012:

<https://dec.usaid.gov/dec/content/Detail.aspx?ctID=ODVhZjk4NWQzM2YyMi00YjRmLTkxNjktZTcxMjM2NDhmY2Uy&rID=MzI1NzMy>

regulations then in force. Although RIA is required in Kosovo for all draft legislation, it does not examine the impact on corruption.

- In **Moldova**⁷⁰, the government has been applying RIA to all draft laws and acts bearing on business activity since 2007 when the Law on Basic Principles Regulating Entrepreneurial Activity was passed. The government vetted 100 laws with the goal of reducing payments to regulatory and control bodies and streamlining business-licensing procedures and economic-financial controls. With the support of the USAID-backed *Guillotine 2+* initiative, 275 business laws and regulations were redrafted or deleted, increasing transparency and reducing the number of inspections and filing requirements imposed on businesses.
- In **Montenegro**, a sweeping *regulatory guillotine* exercise applied to all primary and secondary legislation is expected to eliminate about a hundred redundant primary and secondary regulations; and RIA has been instituted for all new legislation.
- In **Vietnam**⁷¹, in support of the country's ambitious national simplification program, a *regulatory guillotine* and *regulatory impact assessment* were applied across 24 ministries, 63 provinces, and thousands of district and commune administrations. By June 2010, more than 50,000 administrative procedures were inventoried and the first package of more than 250 simplified priority administrative procedures was developed.

Similar reforms were implemented in other countries, often sponsored by central governments, including in **Armenia, Croatia, Macedonia, Moldova, Serbia, Tunisia, Ukraine**, and others. While these efforts were designed with the objective of enhancing a business-friendly environment and reducing opportunities for corruption, their impact on corruption is rarely measured.

Conclusions

Besides several MCC TCP programs that were explicitly targeted at reducing corruption, few of the programs of this study mainstreamed corruption into their activities, but rather, they included some discrete interventions or used approaches that could impact corruption.

Several selected approaches described above are among the most frequently used and effective techniques to mitigate corruption over the past decade. There are many other effective tools, some that were used by the projects in our study, such as involving the private sector in policy decisions, providing businesses with access to information, providing effective complaint redress mechanisms, implementing checks and balances, and codes for conflicts of interest and ethics within government, among others. Also, involving the business community and civil society in policy decision-making processes and watchdog activities have become increasingly popular approaches to strengthen government accountability. Each of these projects may have impacted corruption, but only few furnished data to actually measure it.

The Table 4 below presents changes in some of the major global corruption and business environment indices within the timeframe of each project's implementation. It should be kept in mind that these changes may not be credited exclusively to the listed projects, as many other contextual factors could have had important influences on the indices as well.

⁷⁰ Moldova Business and Tax Administration Reform Project (BIZTAR) (2007-2011). - <http://dai.com/our-work/projects/moldova%E2%80%94business-and-tax-administration-reform-project-biztar>

⁷¹ Vietnam Competitiveness Initiative (VNCI) (2007-2013). - Audit of USAID/Vietnam's competitiveness initiative phase II, 2011: http://pdf.usaid.gov/pdf_docs/PDACS092.pdf

Table 4. Global Indices Changes (before and after program implementation)*

Key Codes	#	Country	Project Name	WB Governance Indicators						TI CPI			The Heritage Foundation									WB Doing Business			
				Control of Corruption			Regulatory Quality			Start	End	Change	Overall Score			Business Freedom			Trade Freedom			Ease of Doing Business (rank)			
				Start	End	Change	Start	End	Change				Start	End	Change	Start	End	Change	Start	End	Change	Start	End	Change	
COMPLETED PROJECTS																									
CI137	1	Jordan	Jordan Customs Administration Modernization Program	0.31	0.04	-0.27	0.31	0.24	-0.07	47	47	0	64.5	66.1	1.6	54.9	65.6	10.7	74.2	78.8	4.6	78	100	-22	
CI143	2	Jordan	Jordan Fiscal Reform Project	0.29	0.04	-0.25	0.34	0.24	-0.1	53	47	-6	63.7	66.1	2.4	56	65.6	9.6	62.2	78.8	16.6	74	100	-26	
MSI52	3	Georgia	Georgia Business Climate Reform	-0.13	-0.37	-0.24	-0.59	-0.51	0.08	23	38	15	57.1	70.4	13.3	55	87.9	32.9	65.2	89.1	23.9	100	11	89	
DAI33	5	Mongolia	Economic Policy Reform and Competitiveness	-0.17	-0.67	-0.5	-0.46	-0.22	0.24	30	27	-3	57.7	59.5	1.8	55	57.7	2.7	75.0	79.8	4.8	61	82	-21	
CI147	6	Morocco	Improving the Business Climate in Morocco	-0.30	-0.17	0.13	-0.40	-0.07	0.33	32	34	2	52.2	59.2	7	70	76.1	6.1	28.6	71.2	42.6	102	128	-26	
MSI37	7	Albania	Millennium Challenge Corporation Albania Threshold Program Stage II	-0.49	-0.61	-0.12	0.25	0.28	0.03	34	33	-1	63.7	65.1	1.4	67	78.2	11.2	75.8	79.8	4.0	82	85	-3	
CI148	8	Egypt	Egypt Technical Assistance for Policy Reform II	-0.52	-0.68	-0.16	-0.41	-0.33	0.08	34	29	-5	55.8	59.1	3.3	55	64.5	9.5	58.2	74.0	15.8	141	110	31	
CI152	9	Egypt	Egypt Financial Services	-0.52	-0.68	-0.16	-0.41	-0.33	0.08	34	29	-5	55.8	59.1	3.3	55	64.5	9.5	57.4	74.0	16.6	141	110	31	
CAS21	10	Guyana	Guyana Threshold Country Plan/Implementation Program	-0.53	-0.60	-0.07	-0.50	0.66	1.16	26	25	-1	48.8	49.4	0.6	56.6	66.8	10.2	65.8	71.3	5.5	104	114	-10	
SSA1	11	Malawi	Strengthening Government Integrity in Malawi Project	-0.54	-0.39	0.15	-0.52	-0.44	0.08	27	33	6	55.4	53.7	-1.7	53.9	45.2	-8.7	64.6	68.8	4.2	96	131	-35	
DAI65	12	Philippines	Economic Modernization through Efficient Reforms and Governance Enhancement	-0.60	-0.83	-0.23	-0.26	-0.25	0.01	26	24	-2	59.1	56.3	-2.8	55	48.1	-6.9	77.0	78.6	1.6	113	140.0	-27	
MSI29	13	Moldova	Moldova Business and Tax Administration Reform Project	-0.61	-0.62	-0.01	-0.28	-0.83	-0.55	28	36	8	58.7	54.4	-4.3	68.1	70	1.9	79.4	79.0	-0.4	103	83	20	
MSI50	14	Moldova	Moldova Governance Threshold Country Program	-0.61	-0.67	-0.06	-0.28	-0.13	0.15	28	33	5	58.7	54.9	-3.8	68.1	70.1	2.0	79.4	79.9	0.5	103	103	0	
MSI53	15	Ukraine	Trade, Investment, and Business Acceleration	-0.68	-0.99	-0.31	-0.50	-0.53	-0.03	28	24	-4	54.4	46.4	-8	43.1	38.7	-4.4	77.2	82.6	5.4	124	142	-18	
MSI27	16	Moldova	Moldova Rapid Governance Support Program	-0.69	-0.62	0.07	-0.10	-0.83	-0.73	29	36	7	53.7	54.4	0.7	70.2	70	-0.2	79.9	79.0	-0.9	94	83	11	
SSA4	17	Zambia	Zambia Threshold Program	-0.73	-0.58	0.15	-0.62	-0.49	0.13	26	30	4	56.8	58	1.2	64.4	66.4	2.0	66.2	79.9	13.7	67	90	-23	
DAI68	18	Vietnam	Support for Trade Acceleration II Project	-0.74	-0.59	0.15	-0.56	-0.61	-0.05	26	29	3	50.5	51.6	1.1	60	61.6	1.6	57.6	68.9	11.3	99	78	21	
MSI59	19	Albania	Support to Albania's Millennium Challenge Account Threshold Agreement	-0.80	-0.49	0.31	-0.97	0.23	1.2	26	33	7	60.3	66	5.7	54.3	68	13.7	60.2	75.8	15.6	117	82	35	
SSA24	20	Uganda	Uganda: Anti-Corruption Threshold (ACT)	-0.80	-0.90	-0.1	-0.19	-0.15	0.04	28	25	-3	63.1	62.2	-0.9	57.5	57	-0.5	68.8	72.1	3.3	107	112	-5	
QED7	21	Kazakhstan	Business Environment Improvement (BEI) - Kazakhstan	-0.90	-1.01	-0.11	-0.38	-0.28	0.09	2.6	2.7	0.1	60.2	63.6	3.4	55.9	72.9	17.0	69.2	79.6	10.4	86	49	37	
SSA21	22	Kenya	Kenya Reforming the Public Procurement System (Phase I)	-0.91	-0.93	-0.02	-0.24	-0.90	-0.66	21	21	0	59.6	57.5	-2.1	64.5	63.4	-1.1	75.0	67.9	-7.1	83	95	-12	
QED7	23	Tajikistan	Business Environment Improvement (BEI) - Tajikistan	-0.92	-1.13	-0.22	-1.09	-0.97	0.12	2.2	2.2	0	52.6	53.4	0.8	39.2	61.6	22.4	70.8	82.5	11.7	133	147	-14	
MSI38	24	Russia	Russia Small and Medium-sized Enterprise Advocacy Program	-0.92	-1.09	-0.17	-0.26	-0.35	-0.09	27	28	1	48.7	50.5	1.8	55	65.1	10.1	57.4	68.2	10.8	79	112	-33	
SSA15	25	Liberia	The Governance and Economic Management Assistance Program	-1.03	-0.54	0.49	-1.55	-1.19	0.36	21	32	11	48.1	46.5	-1.6	40.2	51.8	11.6	N/A	53.8			157	154	3
SSA22	26	Kenya	Kenya Reforming the Public Procurement System (Phase II)	-1.07	-0.90	0.17	-0.15	-0.16	-0.01	22	22	0	58.7	57.5	-1.2	66.9	61.7	-5.2	71.8	66.7	-5.1	82	121	-39	
CAS36	27	Paraguay	Paraguay Threshold Program Focus Area II: Formalization of Economic Activities	-1.19	-0.85	0.34	-0.68	-0.42	0.26	26	21	-5	55.6	61	5.4	50	61.7	11.7	74.6	83.6	9.0	88	115	-27	
QED7	28	Kyrgyzstan	Business Environment Improvement (BEI) - Kyrgyzstan	-1.26	-1.13	0.13	-0.63	-0.21	0.42	2.2	2.4	0.2	61	60.2	-0.8	60.7	74.1	13.4	76.4	63.2	-13.2	84	70	14	
QED87	29	Afghanistan	Afghanistan economic growth & private sector strengthening	-1.46	-1.63	-0.17	-1.65	-1.53	0.12	25	14	-11	NA	NA		NA	NA		NA	NA		122	160	-38	

* Notes:

- (1) Only completed projects are listed in the table.
- (2) Changes in indicator values may not be attributed to a specific program although the program could contribute to the changes.
- (3) Indicator values are shown for the start and the end points for each program.
- (4) Positive numbers in the *Change* columns indicate positive changes.

Case studies

Introduction

In this section, we offer detailed analyses of eight USAID-funded business environment improvement programs implemented in six countries. These programs were selected for analysis because their stated objectives were to improve the business environment and to address corruption, and their program activities and results were sufficiently documented. Also, in selecting these programs, we sought a variety of intervention types implemented in a variety of geographic regions. As a result, we have selected programs in four regions (Africa, East Asia and Pacific, E&E, and MENA). The programs conducted anticorruption initiatives to reform business registration and operations, business licensing, property registration, taxation, procurement, and trade and investment. Each case study is analyzed using the same structure: country context, major activities, key goals of the interventions, overall results, impediments, program impact, and lessons learned.

The case study analyses are limited to the publicly available information about the programs. Primary sources are program performance reports and evaluation reports when available. In several cases, we were also able to identify and analyze information from other related reports and studies.

The eight projects examined include the following:

Program name	Country	Implementer	Dates	Amount	Links	Focus of program
Support to Albania's Millennium Challenge Account Threshold Agreement (MCCA1)	Albania	Chemonics International	Sep 06 – Nov 08	\$13,789,167	http://pdf.usaid.gov/pdf_docs/PDADM504.pdf	Registration, licensing, procurement
Millennium Challenge Corporation Albania Threshold Program Stage II (MCCA2)	Albania	Chemonics International	Sep 08 – Jan 11	\$15,731,000	https://sites.google.com/a/usaid.gov/drg/home/about-1/drg-center-teams/governance-and-rule-of-law/anticorruptionmapping	Tax, licensing/permitting
Georgia Business Climate Reform (GBCR)	Georgia	Chemonics International	Sep 05 – Aug 09	\$12,900,000	http://pdf.usaid.gov/pdf_docs/PDADN591.pdf	Tax, customs, property registration, finance, investment, export, permitting
Kenya Reforming the Public Procurement System I (RPPS-I)	Kenya	ARD	Oct 07 – Sep 09	\$3,302,820	http://www.mcc.gov/documents/agreements/dagakenya.pdf	Procurement
Kenya Reforming the Public Procurement System II (RPPS-II)	Kenya	ARD	Oct 09 – Mar 11	\$2,999,974	https://sites.google.com/a/usaid.gov/drg/home/about-1/drg-center-teams/governance-and-rule-of-law/anticorruptionmapping	Procurement
Improving the Business Climate in Morocco (IBCM)	Morocco	DAI	Jul 05 – Sep 09	\$9,250,000	http://pdf.usaid.gov/pdf_docs/PNADY510.pdf	Tax, budget
Support for Trade Acceleration II (STAR II)	Vietnam	DAI	Sep 06 – Oct 10	\$13,595,736	https://sites.google.com/a/usaid.gov/drg/home/about-1/drg-center-teams/governance-and-rule-of-law/anticorruptionmapping	Trade, investment, customs, financial sector
Zambia Threshold Program (ZTP)	Zambia	Chemonics International	May 06 – Feb 09	\$22,735,000	http://pdf.usaid.gov/pdf_docs/PDACL989.pdf	Trade, investment, licensing

Five of these programs—two in **Albania**, two in **Kenya** and one in **Zambia**—were funded by MCC TCP, but administered through USAID missions in the field. All programs were implemented as task orders (TO) under different IQCs. MCC TCP programs were particularly designed to focus on reducing corruption so that the beneficiary countries could be elevated to MCC Compact eligibility.⁷²

Project-specific indicators are offered, when available, to assess the success of these programs in reforming the business environment and/or mitigating corruption, but additional indices from several global studies are also referenced: the World Bank (WB) Doing Business indicators⁷³, Governance indicators⁷⁴, and Business Entrepreneurs Survey⁷⁵ and the Heritage Foundation (THF) Economic Freedom indicators.⁷⁶ When referring to these global indicators, we recognize that many other factors influence their variation from year to year beyond the cases under examination in this report. Nevertheless, our case programs did contribute to relevant activities and reforms that would result in indicator fluctuation and, in some cases, these global indicators are the best approximations we have to measuring program impact.

The table below summarizes changes of the country’s ranks and scores measured by the WB Doing Business and Governance surveys and the Heritage Foundation Economic Freedom study within the specific timeframes our case projects were implemented. Positive numbers in the *change* columns indicate positive changes. Again, while the case programs cannot take complete credit for these changes in indicator values over time, they likely contributed to their fluctuation.

Table 5. Global indices before and after project implementation

Country	Project/s	Period of performance	Cost \$US	Global Indices - Business Environment Ranks and Scores												Anticorruption		
				WB - Ease of Doing Business (rank)			WB - Regulatory Quality (score)			THF - Economic Freedom (score)			THF - Business Freedom (score)			WB - Control of Corruption (score)		
				Start	End	Change	Start	End	Change	Start	End	Change	Start	End	Change	Start	End	Change
Albania	MACCI & II	2006-2011	\$ 23,971,000	117	82	35	-0.10	0.28	0.38	60.3	65.1	4.8	54.3	78.2	23.9	-0.80	-0.61	0.19
Georgia	GBCR	2005-2009	\$ 12,900,000	100	11	89	-0.51	0.59	1.10	55	87.9	32.9	52.2	59.2	7	-0.13	-0.37	-0.24
Kenya	RPPS-I & II	2007-2011	\$ 6,302,794	83	109	-26	-0.24	-0.16	0.08	59.6	57.4	-2.2	64.5	62.2	-2.3	-0.91	-0.87	0.04
Morocco	IBCM	2005-2009	\$ 9,250,000	102	128	-26	-0.40	-0.07	0.34	52.2	59.20	7	70	76.1	6.1	-0.30	-0.17	0.13
Vietnam	STAR II	2006-2010	\$ 13,595,736	99	99	0	-0.56	-0.61	-0.05	26.0	27.0	1	60	61.6	1.6	-0.74	-0.59	0.15
Zambia	ZTR	2006-2008	\$ 22,735,000	126	100	26	-0.62	-0.51	0.11	56.80	56.60	-0.2	64.4	68.8	4.4	-0.73	-0.54	0.19

Albania - MCC TCP Programs

CONTEXT

Albania has pursued a national anticorruption agenda since the early 2000s with various levels of success. The country has continued to be rated at very low levels by the TI CPI index (2.5 for several years). Although the WB Control of Corruption index showed some improvement from -1.09 in 1996 to -0.75 in 2005, it still places **Albania** among the most corrupt countries. Similarly, **Albania**’s WB Regulatory Quality and THF Economic Freedom scores remained rather low.

Elected in 2005 government has promoted a strong anticorruption platform, recognizing that both the reality and public perception of corruption continue to be major impediments to the country’s development and integration in global political systems and economic markets. Strongly motivated by the prospects of joining the EU, the country embraced many opportunities for advancing its reforms with the support of various international donors in many sectors. With the prospect of getting support from MCC, **Albania** prioritized its TCP to advance tax, public procurement, and business registration reforms. The resulting projects were planned to build upon the results of

⁷² For example: Task Order No.2 under Building Recovery and Reform through Democratic Governance (BRDG) IQC DFD-I-00-05-00219-00: Support to Albania’s Millennium Challenge Account Threshold Country Plan (MCATCP):

<https://sites.google.com/a/usa.gov/drg/home/about-1/drg-center-teams/governance-and-rule-of-law/anticorruptionmapping>.

⁷³ <http://databank.worldbank.org/data/views/variableselection/selectvariables.aspx?source=doing-business>

⁷⁴ <http://databank.worldbank.org/data/views/variableselection/selectvariables.aspx?source=worldwide-governance-indicators>

⁷⁵ <http://www.enterprisesurveys.org/Data>

⁷⁶ <http://www.heritage.org/index/explore?view=by-region-country-year#>

previous programs funded by various donors. For example, EU through its Assistance for Customs and Taxation in **Albania** (CAM-A) assisted the tax administration with improving internal audits, developing integrated tax systems, and aligning VAT taxation with EU standards. DFID through its Support on Tax Administration Reform (STAR) assisted in organizational development, strategic planning and computerization. In the procurement area, Albania was getting extensive assistance from the EU to align its legal framework and practices with EU standards, improve internal operations, implement IT systems, and explore the feasibility for introducing a Procurement Ombudsman. However, at the time the MCC TCP programs began, no other donor support was being provided to reform business registration processes.

MAJOR ACTIVITIES

Two consecutive MCC TCP/USAID projects (MCCA-1 and MCCA-2)⁷⁷ implemented in **Albania** between 2006 and 2011 addressed the issues of improving the business environment by reforming business registration and licensing, construction permitting, public procurement, and tax administration. These consecutive projects were designed to support implementation of the national Threshold Country Plans (*Stage I* and *Stage II*) and secure high level commitment of the government of **Albania**. The government was actively involved in the design and the implementation of both projects as required by MCC TCP. During the implementation stage, it created a management board to coordinate activities with domestic agencies and implemented and co-funded complementary initiatives. US\$23.9 million were allocated for economic sector activities, constituting 81% of the total USG funding of these projects.⁷⁸

The projects were focused on introducing e-government technologies to reduce opportunities for corruption in government-business sector transactions. Particularly, they developed e-government systems to streamline tax declaration and payment, register businesses and receive business license applications, and conduct public procurement. In addition, the project assisted in developing a publicly available GIS-based urban development system to facilitate transparent construction permit issuing system.

Under the tax administration reform activities, the projects facilitated drafting of new tax regulations, created manuals for key tax administration functions, and trained tax administration staff. They also introduced an e-filing system for declarations of various taxes and withdrawing funds from the taxpayer's account for deposit with the Treasury. The projects also introduced a risk-analysis based VAT audit selection system that replaced a system that was prone to corruption due to excessive face-to-face interactions. MCCA-2 supported the tax system reorganization, developed an automated case management information system for the newly established Collections Directorate, developed a web-based dashboard for the General Directorate of Taxation (GDT) to view and analyze e-filings and e-payments, designed an automated audit case selection formula for selecting audit cases with the highest risk of concealed tax liability, improved field verification systems with built-in internal control mechanisms to reduce opportunities for corruption, established a hotline for corruption and tax evasion complaints, introduced taxpayer services, strengthened the institutional capacity of a newly appointed Taxpayer Advocate office, and facilitated establishment of a Tax Consultative Council.

In the public procurement area, the projects helped to draft the secondary legislation and standard bidding documents, provided institutional support to the newly established Public Procurement Advocate's Office (PPAO), and developed an electronic procurement system (EPS) that provides a set of controls to ensure fairness and accountability in the conduct of government tender issuance, submission and evaluation.

⁷⁷ The Albania's Millennium Challenge Account Threshold Agreement project (MCCA-1) (2006-2008) and The Millennium Challenge Corporation Albania Threshold Program Stage II (MCCA-2) (2009-2011). MCCA-1 was implemented as the TO of the Building Recovery and Reform through Democratic Governance (BRDG) IQC, MCCA-2 - as a TO of the Encouraging Global Anticorruption and Good Governance (ENGAGE) IQC.

MCCA-1 Final Report, 2008: http://pdf.usaid.gov/pdf_docs/PDACM504.pdf.

MCCA-2 Final Report, 2010: <https://sites.google.com/a/usaid.gov/drg/home/about-1/drg-center-teams/governance-and-rule-of-law/anticorruptionmapping>

Video films about some of the project results: <http://www.mcc.gov/pages/press/video/video-082011-albania-e-government>;

⁷⁸ Albania Threshold Program Agreements – Stage I and Stage II

To improve business registration and licensing, the MCCA-1 project drafted legislation for the National Registration Center (NRC) framework⁷⁹, constructed and equipped the NRC headquarters, and developed integrated electronic systems for business registration networked with the electronic record systems in other registration agencies. This new registration system -- a one-stop shop -- was established in a central Tirana-based NRC with 11 regional offices. The one-stop shops enabled businesses to complete company, tax, social insurance, health insurance, and labor directorate registrations using a single application procedure.

The follow-on MCCA-2 project assisted the Government of **Albania** in establishing the National Licensing Center (NLC) as a one-stop shop for obtaining information, submitting applications, obtaining new licenses and renewals, and other actions for business licenses and permits administered at the national level.

The projects also assisted in developing a regulatory framework for spatial planning and applied e-government technology to territorial land use planning and development control to support the processing of construction permit applications.

The MCCA-1 project limited its activities on the demand side to conducting an information campaign about the reforms, while the MCCA-2 project expanded it to building capacity and engaging several NGOs to monitor and assess effectiveness of the project-supported reforms.

KEY TARGETS OF THE INTERVENTIONS

Both projects targeted goals of reducing corruption and instituting needed reforms in each of the project areas-- public procurement, tax administration, business registration and licensing, and construction permitting. To measure their impact, the projects adopted several indicators and baseline data from several international studies, such as the WB Doing Business, Business Environment and Enterprise Performance Survey (BEEPS), and the WB Enterprise Survey, among others. Specifically, for reducing corruption, the projects were targeted at reducing bribery in tax collection, government contracts and business registration; reducing the value of gifts expected to secure government contracts; and reducing firms' perception of corruption as a big obstacle to business operations, among others. Also, guided by the TCP targets, the projects were expected to produce improvements in the MCC Control of Corruption score, making **Albania** eligible for the MCC Compact status. Finally, by reducing corruption in key business operation areas, the projects also were intended to reduce the shadow economy.

SUCSESSES, FAILURES OR NEUTRAL RESULTS

The projects resulted in a marked and measurable improvement in the business environment in the key business operation areas: taxation, procurement, business registration and licensing and territorial planning. The projects introduced a wide range of government services using information and communication technology (ICT) solutions: e-procurement, one-stop shop business registration and licensing, e-filing of business taxes, etc. All of these measures had the intended effect of enhancing the transparency of procedures that had been opaque and unpredictable, and subject to corrupt influences. The projects contributed to improvements in the country's international ranking by the TI CPI, the WB Doing Business survey, and the Heritage Foundations' Economic Freedom Index.

All new institutions created under the projects, including the National Business Registration Center, the National Licensing Center, the Procurement Advocate, the National Agency for an Information Society, appeared sustainable for the next several years because they had state budget commitments, as well as trained personnel. The Government of **Albania** has thus assumed responsibility for the maintenance and expansion of the new institutions and services that the projects created.

KEY IMPEDIMENTS

Although the projects worked extensively with many governmental agencies, a strong commitment at the top levels of government did not always translate into effective action by lower levels at which collaboration was essential to success. In addition, the controversial election that led to a six-month parliamentary boycott by the opposition party

⁷⁹ Albanian National Registration Center Law, 2007:
http://www.minfin.gov.al/minfin/pub/9_law_no_9723_date_3_may_2007_on_the_national_registration_center_1259_1.pdf

and an ensuing period of gridlock presented a major challenge for the project. The political impasse prevented the passage of key legislation, including some necessary for project activities. In addition, **Albania** learned in summer 2010 that it would not be eligible for an MCC Compact because it had graduated to an Upper Middle Income status, per the MCC's country criteria. These issues, in combination with the financial crisis, distracted top government leaders over the 28 months of the project. As a result, high-level government support for the project diminished during Stage II and the project team had to find alternate approaches to move the project forward.

The final report also pointed out that it was rather challenging to implement such an ambitious project within such a short period of time, especially with the combination of interventions involving legislative, institutional and infrastructural improvements.

PROGRAM IMPACT

The projects reported significant reduction in business perception of the level of corruption in tax collection and procurement and in corrupt practices in business registration processes.⁸⁰ Both projects reported reaching or exceeding most of their targets. Among the most substantial results concerning the corruption impacts reported are the decrease in perception of frequent corruption in tax collection (from 42% to 19%) and procurement (from 42% to 17%), decrease in the value of gifts expected to secure government contracts (from 6.15% to 1% of contract value), and decrease in bribery during business registration in the centers supported by the project (from 19% to 0%). Although the projects did not achieve the goal of elevating the MCC Control of Corruption score to above the median level, they resulted in some improvement from -0.8 in 2005-2006 to -0.5 in 2008-2010. The projects also contributed to a steady improvement in the TI Corruption perception index from 26 in 2006 to 33 in 2010.

Aside from direct and measurable impacts on corruption, there were tangible increases in the efficiency of government services that were heretofore burdened by red tape, hidden costs and long delays. The projects resulted in streamlining business registration procedures, reducing the number of days for processing applications from 47 to 1 in the established NRC and its 11 branches. By the end of the program, the NRC and its branches processed 94,762 applications.⁸¹ NLC established by the projects reduced the number of days for issuing business licenses from 42.5 to 14.5, and the simplified and automated tax collection system reduced the average time to prepare, file and pay three major types of taxes from 240 hours to 190 hours.⁸² These reforms resulted in a significant rise in new legally registered businesses that produced a notable increase in revenue collection, as well as a decline in the ranks of informal businesses. Vast improvements to the business registration and licensing processes substantially contributed to **Albania's** aggregate ranking on the WB 2011 Doing Business Survey *ease of doing business* scale to jump from 136 to 82. The WB's *Regulatory Quality* index also showed significant improvement from -0.30 in 2005 to +0.25 in 2009 and +0.28 in 2011. The Heritage Foundation's Economic Freedom index improved from 57.8 in 2005 to 63.7 in 2009 and to 65.1 in 2012. Improvements were achieved in six out of ten indicators, including the most significant increase in *business freedom* (from 55 in 2006 to 67 in 2009 and to 78.2 in 2012).

Albania/MCC Threshold Programs (MCCA-1 & MCCA-2) impact on corruption:

- decrease in perception of frequent corruption in tax collection (from 42% to 19%) and procurement (from 42% to 17%)
- decrease in the value of gifts expected to secure government contracts (from 6.15% to 1% of contract value), and
- decrease in bribery during business registration in the centers supported by the project (from 19% to 0%).

At the same time, the project was not able to achieve targeted improvements in the construction permitting system due to the lengthy process for enacting necessary legislation. **Albania** remained as the worst ranked by the WB Doing Business Survey "Dealing with construction permits" - 185 among all studied countries.

The projects also brought a notable change in the expectations of the business community of greater governmental service efficiency (e.g., in the filing of tax declarations, the payment of taxes and the receipt of registration

The projects also brought a notable change in the expectations of the business community of greater governmental service efficiency (e.g., in the filing of tax declarations, the payment of taxes and the receipt of registration

⁸⁰ Note: the project established its baseline using different global indicators but measured results on its own. In some cases, while the baseline was established across the whole country, the project measured results of its interventions only. Therefore, results provided by the project are different from the results officially provided by those global indicators.

⁸¹ The project also reported the reduction in registration costs from 31% (as percentage of income per capita) to 6% although the Doing Business study showed increase to 45.1%.

⁸² The World Bank Doing Business report showed an increase to 368 hours.

certificates, licenses, etc.) which has made it impossible for government to return to the status quo without facing a strong business community scrutiny and paying a political price. In addition, the growing involvement of the business community in reform advocacy as a result of the projects has led to increased consultations between business and government on economic policy issues as a common practice.

LESSONS LEARNED

As the final report of the **Albania** MCC project implemented in 2006-2008 indicated, a key factor in achieving project results was the strategic cooperation from Albanian government counterparts. The government showed strong persistence and commitment to achieving project goals by putting in place new policies, creating new institutions, and reorienting other institutions toward the efficient delivery of public services. Another factor that contributed to success was the involvement of business associations as participants in, advocates for and beneficiaries of reforms, since most of the reforms (in tax administration, business registration and licensing, urban planning, and administrative courts) directly affected them. Involving civil society groups in monitoring activities of anticorruption policies also helped to keep government accountable for implementing its commitments.

Key factors of success for the Albania/MCC Threshold Programs (MCCA-1 & MCCA-2):

- strategic cooperation from Albanian government counterparts;
- involvement of business associations as participants in, advocates for and beneficiaries of reforms; and
- involving civil society groups in monitoring activities related to anticorruption policies.

Like some other MCC TCP programs, **Albania's** had too many components and activities with goals that were too hard or unrealistic to achieve within such a short time frame. This was particularly true when taking into account the need for adoption of new legislation, which typically takes a long time; the program assumed quick passage of this legislation. The MCCA-1 project was designed assuming that the required business registration reform legislation would be in place at the start of the program. It was not and it became the program's responsibility to take the lead in assisting the government to finalize drafting the law and getting it passed (which happened seven months into the program's work plan). To mitigate the loss of time, the project started work on secondary regulations while the draft

law was still with parliament. A similar situation occurred with legislation required for the construction permitting system reform, which was postponed until after the program was completed. The project had to be reprogrammed to focus on creating a GIS-based Territorial Planning Register as an essential component of the construction permitting system. Although not related to the subject of this report, the Administrative Court Reform Component was also not implemented as planned and had to be cancelled due to the parliament's failure to pass the draft Administrative Courts Law.

Key challenges to the Albania/MCC Threshold Programs (MCCA-1 & MCCA-2):

- too many components and activities with goals that were too hard or unrealistic to achieve within such a short time frame; and
- key legislation was not passed in time resulting in need to reconfigure the project and delay or cancel some activities.

Georgia - Business Climate Reform (GBCR)

CONTEXT

The **Georgia** Business Climate Reform (GBCR) project started in the midst of unprecedented sweeping government reforms and economic liberalization. Seizing the moment of highest public popularity, the government rapidly implemented drastic reforms across key government institutions and functions including the justice system, traffic police, higher education, tax collection, public registries, business regulations, customs, and municipal and local government. Restructuring governmental agencies, changing personnel, implementing new management and operations systems, and applying IT technologies were the key targets of the reforms. The overall objectives of the reforms were to eradicate corruption and improve government efficiency.

The project was an important element in a massive chain of assistance programs provided to the country by the USG and other donors to support ambitious reforms. By 2006, the country had already achieved notable results in improving the business environment and reducing corruption. For example, the cost of business start-up procedures had already dropped from 22.9% of income per capita in 2002 to 10.9% in 2005, the number of registered

businesses almost doubled, and property registration was radically simplified and the cost reduced. The Heritage Foundation's *economic freedom* score also improved from 58.9 in 2003 to 73.9 in 2005 and *business freedom* score went up from 55.0 to 73.9. Just within two years since reforms started, the country improved its TI CPI score from 20 in 2004 to 28 in 2006 and the WB Corruption Control index improved from (-0.6) to 0 during the same two years.

MAJOR ACTIVITIES

The four-year US\$12.9M GBCR project implemented in 2005-2009⁸³ supported the Government of **Georgia**'s business climate reform priorities, which included tax and customs administration, property registration, secured finance, company law, investment and export promotion, and construction. It assisted the government in drafting several laws and by-laws including legislation to improve the public registry, promote investments, ease tax burdens, introduce electronic signatures, regulate the construction sector and streamline the construction permitting system, among other reforms.

For the National Agency for Public Registry (NAPR), the project helped to transform its paper-based registration system (known for its excessive administrative burden on both the private and public sectors) into an IT-based approach with the capability to complete centralized registration electronically and provide online access to property registration records. A web-based registry for movable property was developed by the project that went beyond the one-stop shop principle that allows completing registration on-line. Created with project support, the IT system also linked NAPR, tax authorities and the Civil Registry, thereby reducing duplication in information and work and improving the accuracy of all data in the linked systems.

The project contributed to building the staff capacity of the construction permitting agency, promoting stakeholder dialogues and making information available to the public, thereby reducing discrepancies in the permitting system and increasing its transparency.

The project assisted the newly established State Revenue Service (SRS) under the Ministry of Finance (MoF) to develop effective and streamlined IT-based business registration systems that simplified registration procedures, merging business and tax registration and reducing registration time to 1-3 days. The project also developed and piloted an automated risk-based audit selection system for auditing taxpayers.

For MoF and SRS, the project helped to develop and implement an electronic filing of tax returns and an electronic data exchange that enabled communication and information sharing between tax administration and other governmental agencies, financial institutions and the public. It also developed an enhanced website with information on tax legislation and procedures, as well as tax forms and web applications, and an automated appeals case management system that improved the efficiency, effectiveness and transparency of the appeals process.

For the customs department, the project provided assistance in developing simplified regulations, standards and procedures for obtaining customs permits, establishing a one-stop shop for customs permitting, implementing risk management systems and procedures, and improving the appeals process.

Developing and implementing IT solutions—particularly e-government—across several agencies was a cross-cutting and essential part of GBCR and government reform efforts. The project helped to develop the nationwide Government of **Georgia** Network (GGN), which offered a reliable e-network to connect remote agencies. GGN provides an exchange of information between citizens and government organizations linking all regions and hundreds of governmental offices.

The project also supported the **Georgian** National Investment Agency (GNIA) by building staff skills and capacity and developing and implementing an investment promotion strategy. Clear and comprehensive information provided by the agency makes investment opportunities more transparent.

KEY TARGETS OF THE INTERVENTIONS

The project's goals targeted improving the country's business environment through increased capacity and professionalism of governmental agencies that manage business regulation, streamlined business and property

⁸³ The project was implemented as a TO of the Commercial Legal and Institutional Reform (CLIR). It started on September 20, 2005 and ended on August, 31, 2009. Georgia Business Climate Reform (GBCR). Final Report, 2009: http://pdf.usaid.gov/pdf_docs/PDACN591.pdf

registration systems, simplified regulations for licenses, permits and inspections procedures, rationalized and user-friendly tax and customs procedures, and improved commercial laws. The project planned to strengthen the county's Heritage Foundation and WB Doing Business indicators, such as: starting a business, dealing with licenses/construction permits, registering property, paying taxes, export and import operations, and closing a business. In addition, the project set targets to measure a number of project-specific output indicators, including: increasing numbers of jobs in privately-owned businesses, private enterprises registered, value of exports and imports, the number of people trained, and others. However, the project did not set any specific targets to measure its impact on corruption.

SUCSESSES, FAILURES OR NEUTRAL RESULTS

The project's success was greatly facilitated by the dedication of the host government to rapid and bold reforms. In just four years, the **Georgian** government was able to pass the types of reforms that typically take eight to twelve years. Entrusted with great power, the executive branch moved aggressively to reform institutions while the parliament passed legislation promptly. For example, the customs and tax legislation promptly passed by the government gave revenue officials a transparent basis for revenue administration and provided the private sector with much clearer guidance about what is required for compliance. Amendments to the tax code provided a legal basis for electronic information sharing between the SRS, taxpayers, banks, and other authorities, and aggressive pursuit of improved IT implementation significantly increased the revenue administration's accuracy in implementation of tax and customs processes, such as e-filing and tax liens. SRS information is merged into the Ministry of Finance website, providing a one-stop web portal for the public that enables easy access to information on tax and customs legislation, procedures, forms, and other revenue-related issues; and offers electronic services such as taxpayer/trader cards, property tax calculator, and e-filing of all tax returns. Legal and regulatory streamlining and simplification of the business registration process enabled the SRS to develop its institutional abilities within a short period of time to handle business registrations and an increase in businesses registered by 67% within four years of the project. These and other examples of the efficient legal and regulatory reforms that facilitated project success is provided in the final project report.

Open to innovations and best practices, the government was eager to cooperate with the project. The project resulted in strengthened governmental agencies—MoF, SRS, NAPB, GNIA, among others. It contributed to drafting several essential national laws and many regulations. It pioneered implementation of e-government tools in several government functions, including property registration and taxation, linked hundreds of governmental and private sector agencies in a network, and streamlined and enhanced the efficiency of many governmental services.

KEY IMPEDIMENTS

The final performance report did not indicate any particular obstacles or setbacks. But certainly, a major challenge for the project was to keep up the fast pace of interventions within the context of many other changes occurring simultaneously. Also, with the **Georgian** government's strong vision and strategy, the project had to be able to respond effectively to critical and specific needs on a timely basis and with high professionalism.

PROGRAM IMPACT

GBCR's impact reached many areas of business and governance, and the project influenced the procedures and regulations of many governmental agencies. In one example, government efforts supported by the project unified and streamlined the business and tax registration process. By the end of the project, businesses could be registered in just two hours with only one document, requirements for notarization, minimum payment, and official company seals having been eliminated. In another example, the SRS now has an up-to-date electronic business registry that generates e-abstracts possessing the same legal force as paper documents. As a result, between January 2005 and May 2009, the number of registered businesses increased by 67 percent. The project also led to an increase of the number of registered taxpayers by 121%, total tax revenues by 97%, foreign trade by 92%, and foreign direct investment from 7% of gross domestic product in 2005 to 12% in 2008. External project audits have estimated that these reforms can be translated into US\$743.7 million in annual monetized benefits to the public and private sectors — a return of \$57 for every dollar spent on the project.

With regard to improving the business environment, the project made significant impacts as reflected in the WB Doing Business ratings. Scores and ranks showed improvements in all but one indicator. The table below compares results of some of the key indicators in 2006 and 2010.

Indicators	2006	2010	Change ⁸⁴	Indicators	2006	2010	Change
Starting a business (rank)	59	5	↑	Paying taxes (rank)	160	64	↑
Procedures (number)	8	3	↑	Procedures (number)	49	18	↑
Time (days)	21	3	↑	Time (hours per year)	448	387	↑
Cost (% of income per capita)	13.7	3.7	↑	Total tax payable (% of gross profit)	49.7	15.3	↑
Minimum capital (% of income per capita)	46.8	0	↑	Closing a business (rank)	98	95	↑
Dealing with construction permits (rank)	152	7	↑	Time (years)	3	3.3	↓
Procedures (number)	29	10	↑	Cost (% of estate)	4	4	=
Time (days)	282	98	↑	Recovery rate (cent on the dollar)	20.8	27.9	↑
Cost (% of income per capita)	144.6	21.6	↑	Trading across borders (rank)	149	30	↑
Registering property (rank)	18	2	↑	Documents for export (number)	9	4	↑
Procedures (number)	6	2	↑	Time for export (days)	54	10	↑
Time (days)	9	3	↑	Documents for import (number)	15	4	↑
Cost (% of income per capita)	0.6	0	↑	Time for import (days)	52	13	↑

Other studies have shown additional changes in the sectors that the project was working in that can be partially attributed to the project's activities. For example, customs revenue increased between 2003 and 2010 from US\$202 million to US\$958 million, the annual number of declarations – from 75,252 to 183,862, and trade volume – from 1,603 to 6,602 million.⁸⁵

Unfortunately, the project did not measure the impact of its interventions on corruption explicitly, although it did refer to the improvement in the *freedom from corruption* score of the Economic Freedom Index from 20 in 2006 to 34 in 2009. Some independent studies conducted during the time the project was implemented reflect changes that can be attributed to the project activities. For example, the EBRD survey showed increases in the percent of people who think that citizens never had to make unofficial payments or gifts when requesting official documents (e.g. passport, visa, birth or marriage certificate, land register, etc.) from authorities (from 73% in 2006 to 79% in 2010).⁸⁶ Other opinion polls showed that although only 2% paid bribes in 2006, no one paid bribes in 2010.⁸⁷ Contradicting these results, though, the WB Enterprise Survey conducted in 2005 and 2008 showed that informal payments to public officials to "get things done" increased from 11.5% in 2005 to 14.7% in 2008.

The Georgia Business Climate Reform (GBCR) project likely contributed to the:

- improvement in the HF *freedom from corruption* score of the Economic Freedom Index from 20 in 2006 to 34 in 2009; and
- increase in the percent of people who think that citizens never have to make unofficial payments or gifts when requesting official documents (e.g. passport, visa, birth or marriage certificate, land register, etc.) from authorities (from 73% in 2006 to 79% in 2010).

The project likely contributed to the country's improvement in the WB Control of Corruption Index and the TI CPI ratings and other international ratings, although these improvements cannot be attributed to the project explicitly, since so many other initiatives and reforms were implemented in the country during those years.

LESSONS LEARNED

The project was implemented in an unprecedented environment, with the government aggressively and rapidly pursuing a massive reform agenda. Not without controversies and pitfalls, **Georgia** achieved remarkable results not only politically and economically but also in eradicating corruption. International assistance and financial support

⁸⁴ Improvement in score or rank is shown by arrow facing up

⁸⁵ Fighting Corruption in Public Services: *Chronicling Georgia's Reforms*. - WB, 2012: http://www-wds.worldbank.org/external/default/WDSContentServer/WDSP/IB/2012/01/20/000356161_20120120010932/Rendered/PDF/664490PUB0EPI0065774B09780821394755.pdf;

⁸⁶ Life in Transition Survey: 2006, 2010. - European Bank for Reconstruction and Development: <http://www.ebrd.com/pages/research/economics/data/lits.shtml>

⁸⁷ Opinion Polls in Georgia: 2003 – 2010. - International Republican Institute: <http://www.iri.org/Eurasia/PublicOpinionPolls>

were a significant factor making these reforms happen. GBCR was a very timely project as it was designed and launched to support specific reforms at the right entry points—when the government was ready and needed assistance. For example, the government passed several laws in 2005 including the tax code, deregulation legislation, national registry laws and others, and needed assistance with their implementation. It was critical that the project was ready to address these issues to secure government commitment.

The project made significant contributions to improving the business environment with measurable results. The project also likely had some impact on reducing corruption in sectors and institutions in which the activities were implemented. Unfortunately, the project did not monitor or document it. Therefore, significant information about the corruption impact of the project was lost.

Key factors contributing to the success of the Georgia Business Climate Reform (GBCR) project:

- Right timing for launch of the project - the government was ready and requested and needed assistance; and
- strong support from and cooperation with the government across all levels .

The final report provides some recommendations for future programming but does not elaborate on lessons learned. No evaluation of the project was found. Without this information any further conclusions about lessons learned would be speculative.

Kenya - Reforming the Public Procurement System (Phase I & II)

CONTEXT

Two consecutive programs funded by MCC/USAID implemented in **Kenya** between 2007 and 2011 focused on improving public procurement systems and practices—the Reforming the Public Procurement System I & II (RPPS I and RPPS II). Since 2003, the **Kenya** Government has pursued an anticorruption agenda to advance economic growth and development. Within just a few years, it enacted a series of laws, established several dedicated institutions, and developed anticorruption strategies to facilitate the fight against corruption. Corruption had been widespread for years placing the country among the worst in the TI CPI rating, with a very low score of 2.0. The 2007 WB *Control of Corruption* index was also very low, at -0.91; and the Heritage Foundation scored the *Freedom of Corruption* index as the worst among other induces (21). The Kenyan procurement system was considered a high risk area for investors, as reflected by the World Bank 2007 Enterprise Survey which indicated that 71% of the companies surveyed expected to give gifts to secure a government contract, with the value of the gift representing 8% of the contract amount. To address corruption in procurement, the government developed the Public Financial Management Reform strategy with the support of donor organizations, and passed a new Public Procurement and Disposal Act that became operational in 2007. With the Act, new institutions in the public procurement system of Kenya were established, such as the Public Procurement Oversight Authority and the Public Procurement Advisory Board, in addition to continuing the Public Procurement Administrative Review Board.

MAJOR ACTIVITIES

The overall objective of RPPS I & II⁸⁸ was to support Kenya’s Public Procurement Oversight Authority (PPOA) to carry forward implementation of reforms in the public procurement process and achieve greater transparency and accountability in the procurement system.

RPPS I trained personnel involved in procurement activities from about 80 key procuring entities on the requirements of the procurement legislation and regulations, developed manuals and guidelines on difficult areas of procurement practice, published a *User’s Guide*⁸⁹ and developed standard bidding documents, supported the development of an internal web site as a principal means of communication and information-sharing between the

⁸⁸ RPPS-I and RPPS-II were implemented as TOs under the Building Recovery and Reform through Democratic Governance (BRDG) IQC. RPPS I was implemented during October 2007 - September 2009; RPPS II was implemented during October 2009 -March 2011. RPPS II Final Report: <https://sites.google.com/a/usaaid.gov/drg/home/about-1/drg-center-teams/governance-and-rule-of-law/anticorruptionmapping>

⁸⁹ User Guide – Public Procurement Oversight Authority, August 2009: <https://sites.google.com/a/usaaid.gov/drg/home/about-1/drg-center-teams/governance-and-rule-of-law/anticorruptionmapping>

various departments of the PPOA, prepared and disseminated a booklet on *Guidelines for Potential Bidders*⁹⁰ to increase bidders' awareness of their rights, launched a public awareness campaign to increase awareness among the general public about the work of the PPOA and the benefits of the procurement reform program, conducted procurement reviews of 10 key procuring agencies and developed recommendations for improvement, prepared a *Procurement Review Manual*⁹¹ to provide a standard format for reviews carried out by different consultants, prepared a *Procurement Records Management Procedures Manual*⁹² as a guide to good practice, and trained and mentored procurement personnel.

RPPS II built upon the results achieved under RPPS I. It completed reviews of eight procuring entities, followed up on the 10 reviews under RPPS I, revised the *Procurement Review Manual and Procurement Records Management Procedure Manual*⁹³, prepared *Public Procurement Guidelines for Framework Contracting*⁹⁴, *Public Procurement Code of Ethics*⁹⁵, *Manual for Procurement by Co-Operative Societies*⁹⁶, and *Standard Tender Document for Concessioning*⁹⁷, trained PPOA staff and consultants on review procedures, devised a standardized reporting format for procuring entities to enable the PPOA to monitor effectively the procurement system, and developed approaches for civil society procurement monitoring. The project designed and conducted training of various stakeholders building their procurement knowledge and skills, and developed and installed an interactive training program on the PPOA website. RPPS II extended the assessment of records management practices to 10 additional procuring entities, and prepared a standard format for procuring entities to report unsatisfactory performance on the part of suppliers or contractors that warrants debarment. RPPS II also assisted in improving functionality of the PPOA's procurement website and intranet, prepared a *Standard Tender Document on Concessions*, and drafted recommendations for amendments to procurement legislation and regulations.

KEY TARGETS OF THE INTERVENTIONS

The programs targeted building the capacity of PPOA to comprehensively monitor and evaluate procurement practices of governmental procuring entities and effectively using enforcement powers, increasing procurement efficiency and transparency, and building capacity of the procuring entities staff. The project also targeted strengthening the capacity of procuring entities and implementing effective standardized procurement systems.

To measure the results and the impact of the project interventions, the program targeted reducing the time to complete the procurement process, conducting procurement audits and publishing results on the PPOA website; and for procuring agencies, to implement proper procurement record keeping procedures, implement framework contracts, and report large procurements to PPOA.

RPPS II also used two Foreign Assistance Coordinating and Tracking System (also known as FACT or F) indicators targeted at training 200 governmental officials in anticorruption issues and implementing ten anticorruption measures.

In addition, the project targeted improving the *transparency, accountability, and corruption in the public sector* score of the WB Country Policy and Institutional Assessment (CPIA) from 3.0 to 3.5 in 2008.

⁹⁰ Guidelines for Potential Bidders – Public Procurement Oversight Authority, January 2009:

<https://sites.google.com/a/usa.gov/drg/home/about-1/drg-center-teams/governance-and-rule-of-law/anticorruptionmapping>

⁹¹ Procurement Review Manual – Public Procurement Oversight Authority, December 2008:

<https://sites.google.com/a/usa.gov/drg/home/about-1/drg-center-teams/governance-and-rule-of-law/anticorruptionmapping>

⁹² Procurement Records Management Procedures Manual - Public Oversight Authority, December 2008:

<https://sites.google.com/a/usa.gov/drg/home/about-1/drg-center-teams/governance-and-rule-of-law/anticorruptionmapping>

⁹³ Procurement Records Management Procedures Manual - Public Oversight Authority, October 2010:

<https://sites.google.com/a/usa.gov/drg/home/about-1/drg-center-teams/governance-and-rule-of-law/anticorruptionmapping>

⁹⁴ Public Procurement Guidelines for Framework Contracting - Public Oversight Authority, 2010:

<https://sites.google.com/a/usa.gov/drg/home/about-1/drg-center-teams/governance-and-rule-of-law/anticorruptionmapping>

⁹⁵ Public Procurement Code of Ethics - Public Oversight Authority, January 2011: <https://sites.google.com/a/usa.gov/drg/home/about-1/drg-center-teams/governance-and-rule-of-law/anticorruptionmapping>

⁹⁶ Manual for Procurement by Co-Operative Societies – Public Procurement Oversight Authority, August 2013:

<https://sites.google.com/a/usa.gov/drg/home/about-1/drg-center-teams/governance-and-rule-of-law/anticorruptionmapping>

⁹⁷ Standard Tender Document for Concessioning – Public Procurement Oversight Authority, August 2013:

<https://sites.google.com/a/usa.gov/drg/home/about-1/drg-center-teams/governance-and-rule-of-law/anticorruptionmapping>

SUCSESSES, FAILURES OR NEUTRAL RESULTS

The program had mixed results due to primarily the lack of cooperation from its primary counterpart, PPOA, between 2008 and 2010. Among its successes are establishment by the program of procurement reviews as a key mechanism for monitoring and enforcement of procurements, a new reporting format that enabled a broader and more effective procurement monitoring system, a set of guidance and manuals to standardize procurement procedures, record keeping and reporting, and improved internal operational systems and the PPOA procurement website. The program also contributed to enabling civil society to monitor public procurements.

While the program was able to achieve some results, lack of cooperation and commitment of PPOA led to delay or cancellation of some activities. With PPOA refusing to participate in procurement reviews and capacity building training, the institutional building of PPOA and knowledge transfer objectives were jeopardized. The majority of activities were implemented by the program with no PPOA staff involvement.

KEY IMPEDIMENTS

According to the project report, the RPPS II experienced significant setbacks and difficulties due to lack of cooperation from the primary counterpart, PPOA. The Interim Director General left the country in August 2008 and it was not until November 2010 that the post of Director General was filled. Moreover, staff had been seconded from the Ministry of Finance since the time the PPOA was established in 2007, and it was only in January 2011 when permanent staff was recruited. Lack of leadership and uncertainty among staff resulted in a poor response to project activities. PPOA staff refused to participate in the procurement reviews and most of the training workshops. Some planned workshops had to be deferred or cancelled and several activities were delayed until the final months of the project. Also, the project activities were not incorporated in the PPOA staff's performance measurement criteria and therefore were not among the priorities of the staff. Due to lack of cooperation of the primary counterpart, most activities were performed directly by USAID implementing partners undermining a key objective of building the PPOA's capacity.

PROGRAM IMPACT

Despite the difficulties, the program contributed to building the capacity and skills of procurement personnel -- RPPS II trained more than 900 officials from procuring entities and PPOA. It also improved awareness about procurement process of about 700 bidders. With RPPS I support, the time to complete procurement was reduced from 120-160 to 90-120 days. By conducting procurement audits and developing recommendations, the program facilitated improvement in the procurement practices of 16 procuring agencies. It increased transparency in procurement by publishing audit results on the PPOA website. By developing and implementing procurement manuals and guidance, the program standardized procurement processes, record keeping and reporting. The program also resulted in better accountability of large procurements by having procuring agencies report 48 such procurements to PPOA.

While the project observed improvements, the WB Doing Business survey showed increases in the cost of enforcing contracts (from 34.2% of claim in 2006 to 47.2% in 2009 onward) while procedures and time to enforce a contract remained unchanged.

With regards to the impact on corruption, the only indicator the program used was the *transparency, accountability, and corruption in the public sector* score of the WB Country Policy and Institutional Assessment (CPIA). Although the program targeted improvement from 3.0 to 3.5, the score remained at the 3.0 level.⁹⁸

Mixed impacts of the Reforming the Public Procurement System (Phase I & II) projects on corruption:

- Positive: improvement in business perceptions of unofficial payments within the procurement process, including both in frequency and value.
- Negative or neutral:
 - increase in perception of the importance of 'personal connections' as a factor for winning bids.
 - no improvement in the transparency, accountability, and corruption in the public sector score of the WB Country Policy and Institutional Assessment (CPIA) – indicator used by the program.
 - The WB Control of Corruption index improved somewhat between 2007 and 2010, but regressed in 2011, returning to its 2006 level of -0.87.

⁹⁸ <http://www1.worldbank.org/operations/IRAI11/KEN.pdf>

At the same time, the enterprise survey conducted in 2007 and 2009 by the Kenya Anti-Corruption Commission (KACC) showed improvement in business perceptions of unofficial payments within the procurement process were on the rise, including both in frequency and value. Also, there was an increase in perception of the importance of ‘personal connections’ as a factor for winning bids.⁹⁹

The WB *Control of Corruption* index that was a critical criterion for awarding MCC Compacts improved somewhat between 2007 and 2010, but regressed in 2011, returning to its 2006 level of -0.87.

LESSONS LEARNED

It is important for program success to secure the commitment of host counterparts. While there was a declared commitment to TCP at the highest levels of government, it was not filtered down to the level of governmental agencies that were the project’s primary counterparts. Also, the primary counterpart was still being established when the project started. Due to a lack of counterpart cooperation, the impact of the program on building the primary partner’s capacity was diminished.

Indicators and targets should be established to assess and measure procurement reform impact on corruption. While the program was tasked to improve procurement systems to make them more efficient and less prone to corruption, the program did not specifically measure program interventions impact on corruption.

Coordination with other parties and agencies to maximize impact could benefit and better guide such programs. It appeared that the **Kenya** Anti-Corruption Commission in partnership with PPOA had issued a Corruption Prevention Guidance in Public Procurement in May 2009.¹⁰⁰ The Guidance referred to the Examination and Corruption Risk Assessment carried out by the Commission and the Compliance Assessment by PPOA preceding the Guidance. RPPS I & II do not mention this guidance. The assessment and guidance could have assisted the program to address corruption issues in policies and procedures.

Challenges faced by the Public Procurement System (Phase I & II) projects:

- lack of commitment by the project’s key governmental counterpart agencies that resulted in activity delays or cancellations; and
- lack of cooperation among governmental agencies.

Morocco - Improving the Business Climate in Morocco (IBCM)

CONTEXT

The Improving the Business Climate in **Morocco** (IBCM) project commenced in an environment in which the government was making significant progress in economic development and was actively pursuing the development of a business-friendly regulatory context motivated by membership in the World Trade Organization (WTO) and several international free trade agreements. These efforts translated into macroeconomic stability and overall economic growth. But the country still ranked low on major international indices. For example, the WB Doing Business ranked **Morocco** at 102 on *ease of doing business* in 2005, falling behind the majority of countries in the Middle East and North Africa (MENA) region, although it reflected an improvement in starting businesses. The Heritage Foundation placed Morocco among the bottom four countries in the region on its overall *economic freedom* score. The WB *Regulatory Quality* index scored **Morocco** very low level (-0.4). Corruption and lack of transparency remained among the significant constraining factors for further economic development and foreign investments. 60% of people were paying bribes, which placed **Morocco** among the worst two countries in the list of 60 studied. 77% of people believed that the government was either ineffective in fighting corruption or encouraged corrupt

⁹⁹ National Enterprise Survey on Corruption 2006

(<http://www.eacc.go.ke/docs/Surveys/National%20Enterprise%20Survey%20on%20Corruption%202006.pdf>) and National Enterprise Survey on Corruption 2009 (<http://www.eacc.go.ke/docs/Enterprise-survey-2009.pdf>)

¹⁰⁰ Corruption Prevention Guidance in Public Procurement. - Kenya Anti-Corruption Commission and Public Procurement Oversight Authority, May 2009: <http://www.eacc.go.ke/docs/CORRUPTION-PREVENTIONGUIDELINES-PUBLIC-PROCUREMENT.pdf>

behaviors.¹⁰¹ The country was scored very low by the WB *Control of Corruption* indicator (score -0.3) and the TI CPI (32).

MAJOR ACTIVITIES

The four-year US\$9.25M IBCM project which began in late 2005¹⁰² had an ambitious and broad scope of work with activities in four areas: improve the business legal and regulatory environment, improve effectiveness and efficiency of the commercial court, promote the expansion of financial markets, and improve the tax system to encourage economic growth and job creation. Within six months of the start of the project, the scope of work was narrowed down to two components, focusing on (1) supporting regulatory reform and investment and (2) promoting legal reform and commercial dispute resolution. The ultimate goal was to make it easier to do business through simplifying the administrative/procedural processes regarding starting and operating a business, and creating a business-enabling environment that allowed for free and fair competition and protected investors.

To improve business registration procedures, the project facilitated a public-private dialogue that resulted in a set of recommendations for on-line business registration. Working with local government agencies in Tangiers, the project re-engineered the process to obtain a construction permit that was later rolled out to other locations. The project also worked with counterparts on developing recommendations and options on how to simplify the process for obtaining a tax clearance to improve property registration system. IBCM also developed recommendations for the recently reformed labor code to reconcile interests of various stakeholders. The project facilitated establishing, in its last year, a National Business Climate Reform Committee to advance regulatory reform. Using the WB Doing Business methodology, the project conducted a nationwide study to depict regional differences and generate stakeholder discussions.

Through discussions with many agencies, the project assisted the government in establishing a common business identifier (CBI), a unique number shared by all agencies that interact with business. Prototype software was developed to simulate the generation of the CBI and the storage of associated information in a web database.

To streamline investment applications, IBCM implemented *e-invest* web-based software that performs back-office functions related to handling investment applications. The software, after piloted in three regions, was rolled out nationally to all sixteen regional investment centers.

IBCM assisted the Moroccan Industrial Standards Service (SNIMA) to increase the transparency of technical norms' formulation and promulgation by launching a new portal that allowed businesses to access the country's standards and norms. In addition, IBCM assisted regions in identifying opportunities and constraints to private investment.

Under the legal reform component, IBCM strengthened the government's capacity for implementing the newly adopted intellectual property law, facilitated discussion around the bankruptcy law and the new law governing arbitration and mediation, conducted training of judges and clerks in a number of commercial law areas, and explored options for the modernization of the commercial registry.

KEY TARGETS OF THE INTERVENTIONS

The project targeted improving the business environment through streamlining and promoting a more efficient and business-friendly business operations context. Following the Task Order requirements, the project adopted several WB Doing Business indicators to measure project impact with the activity outcome indicators and *policy index*, an indicator to measure progress in implementing policy reforms. No indicators and targets were established to measure the program's impact on corruption, in particular. Using the WB Doing Business indicators, the project targeted improving business and licensing registration, property registration, and employing workers. Unfortunately, documents such as performance reports, work plans and evaluation reports do not provide information about the particular targets that IBCM established for reaching project objectives.¹⁰³

¹⁰¹ Global Corruption Barometer. – TI, 2006: http://www.transparency.org/research/gcb/gcb_2006

¹⁰² The program was implemented between July 25, 2005 and September 30, 2009 as a TO under the SEGIR Macroeconomic Policy II Indefinite Quantity Contract (IQC). Improving the Business Climate in Morocco (IBCM). Final Report, 2009: http://pdf.usaid.gov/pdf_docs/PNADY510.pdf

¹⁰³ The implementer could not furnish further information in response to our request.

SUCSESSES, FAILURES OR NEUTRAL RESULTS

The program evaluation report conducted in 2011¹⁰⁴ concluded that the project overall made significant contributions to advancing reforms that improved the business environment, although it pointed out a disconnect between intended actions and how their achievement was measured.

Among successes listed in the report are: increased discussion among stakeholders and policy recommendations that emerged through these discussions on how to improve business registration, tax clearance to improve property registration system, and the labor code; a pilot construction permitting system; standardizing business entry and tax registration; initiating e-governance technologies to open information to businesses and investors; expediting investment applications; and strengthening better communications and tracking of business activities. The project also contributed to improvements in the commercial courts in **Morocco** through its training and outreach activities, made significant inroads in promoting and institutionalizing alternative dispute resolution (ADR), and built institutional capacity to deliver continuing education for commercial court judges and clerks.

KEY IMPEDIMENTS

The project encountered some challenges due to budget cuts and subsequent project realignments that resulted in a reduced number of tasks and changes in focus within 6 months of project commencement. According to the evaluation report, the project was able to address these challenges adequately. At the same time, the evaluation report pointed out the lack of correlation between the annual work plans and performance monitoring plans. The evaluation report found it “difficult to follow any logical path throughout the years between intended actions and how their achievement (or otherwise) would be measured. Activities and tasks were subject to being re-defined, replaced or renamed with no discernible tracking mechanism in the PMP reporting mechanism. From 2007 onwards, a matrix format for reporting on quantitative results was introduced including a Policy Index,¹⁰⁵ which tracked progress of actions along a designed path towards a final goal and this was more understandable as it dealt with policy issues. While it is acknowledged that a reduction in IBCM’s budget and replacement of the original COP required some realignment of the direction and strategy for the Program, it was felt that the entire reporting and monitoring system could have been more effectively managed.”

PROGRAM IMPACT

Although the project reported some successes the outcomes were mixed. Out of four WB Doing Business indicators used by the project to measure its impact the country showed improvement in the *dealing with construction permits* reducing time, procedures and costs of issuing construction permits. At the same time, it regressed in the *starting a business* indicators and showed mixed results in the *employing workers* and *registering property* indicators. The table below provides more specific information on indicators relevant to project interventions.

Indicators	2006	2010	Change	Indicators	2006	2010	Change
Starting a business				Employing workers			
Procedures (number)	5	6	↓	Difficulty of hiring index (1-100)	100	89	↑
Time (days)	11	12	↓	Rigidity of hours index (1-100)	40	40	=
Cost (% of income per capita)	12	16.1	↓	Difficulty of redundancy index (1-100)	60	50	↑
Minimum capital (% of income per capita)	700.3	11.8	↑	Rigidity of employment index (1-100)	18	60	↓
				Redundancy cost (weeks of salary)	83	85	↓
Dealing with construction permits				Registering property			
Procedures (number)	21	19	↑	Procedures (number)	3	8	↓
Time (days)	217	163	↑	Time (days)	82	47	↑
Cost (% of income per capita)	1302.8	263.7	↑	Cost (% of income per capita)	6.1	4.9	↑

¹⁰⁴ Evaluation of the improving business climate in Morocco (IBCM) program and assessment of the business-enabling environment in Morocco, 2012: http://pdf.usaid.gov/pdf_docs/PDACU482.pdf

¹⁰⁵ Description of the Policy Index can be found in the Summary of the project Final Report at: http://pdf.usaid.gov/pdf_docs/PNADY510.pdf

Results of the nationwide study conducted by the project in partnership with the WB using methodology similar to the WB Doing Business study showed significant differences in the ease of doing business among the 8 regions studied and concluded that even the best performing regions had a long way to go to reach the best global ranks.

The project may have contributed to the improvement of some other global indicators. For example, the Economic Freedom indicated small improvement in the overall score from 52.2 in 2005 to 59.2 in 2010. This was attributed to the improvement in 7 out of 10 indicators; three indicators—labor, monetary and investment freedoms--showed regression. Significant improvements were in trade and financial freedoms. Similarly, the WB *Regulatory Quality* indicator showed some improvement between 2005 and 2010 from -0.4 to -0.07.

Corruption was perceived among the major impediments for economic growth and foreign investments in the country. Between 2005 and 2010, small improvements were reflected in several global rankings: the WB *Control of Corruption* indicator improved from -0.3 to -0.17, the Heritage Foundation's *Freedom from Corruption* index - from 33 to 35, and the TI CPI - from 32 to 34.

IBCM did not establish any targets to monitor the project's impact on corruption and, as a result, there are no empirical data to specifically measure if and how the project's interventions contributed to changes in the level and spread of corruption.

LESSONS LEARNED

Unlike the projects implemented in **Albania** and **Georgia**, described earlier, that worked on the level of institutional and operational reforms, IBCM primarily worked on legal drafting that typically has less tangible impact on the business environment and corruption. At the same time, legal drafting is very important in setting a solid foundation for future implementation. Therefore, conducting an anti-corruption review of the draft legislation could be very beneficial in ensuring that the new laws have sufficient instruments to prevent and reduce corruption and do not create new opportunities for corruption. There is no indication that IBCM conducted such review. Also, a few institutional reforms implemented or tested by the project that could have great potential to address corruption, including e-invest and construction permitting re-engineering, were not assessed and their impact was not measured. Such assessment could be done during the process design stage and the impact measured by, for example, customer surveys.

Mixed impact of the Improving the Business Climate in Morocco (IBCM) on corruption:

- while there was improvement in the construction permitting system, starting business indicators regressed and property registration and employing workers indicators showed mixed results; and
- project likely contributed to the improvement of some of the global indices: the WB *Control of Corruption* indicator improved from -0.3 to -0.17, the Heritage Foundation's *Freedom from Corruption* index - from 33 to 35, and the TI CPI - from 32 to 34.

Vietnam – Support for Trade Acceleration II Project (STAR-II)

CONTEXT

Motivated by the prospects of joining the WTO and incentivized by the US-Vietnam bilateral trade agreement (BTA) signed in 2000, the Government of **Vietnam** closely cooperated with the Support for Trade Acceleration I (STAR I) Project implemented between 2001-2006 and embraced the follow-on STAR II project started in September 2006. STAR II began at a time when Vietnam was progressing impressively on its political and economic reforms (started in 1986 and called “Doi Moi”), which were transforming the country from one of the poorest in the world to a lower middle income country. The STAR I project was credited with overhauling **Vietnam's** centrally-controlled legal, administrative and governance systems to achieve modern systems consistent with international best practices.¹⁰⁶ Other donors were active in supporting the country's agenda towards advancing international trade, including the EU-funded Multilateral Trade Assistance Project (MUTRAP). **Vietnam's** commitment to reform and responsiveness to/cooperation with foreign assistance programs led to its accession to the WTO in 2007

¹⁰⁶ Aid-for-Trade Case Story: United States. – OECD, 2011: <http://www.oecd.org/dac/aft/aidfortradeataglance2011showingresults.htm>

and an increase in exports to the US from US\$1.1 billion in 2001 to US\$8.6 billion in 2006, and in US exports to **Vietnam** from US\$460 million to US\$1.1 billion over this same period.

The country progressed in many international ratings by 2006. It moved up in the Economic Freedom score from 43.7 in 2000 to 50.5 in 2006, thanks to improvements in *fiscal freedom* (from 53.9 to 74.3), *monetary freedom* (from 69.3 to 74.2), and *trade freedom* (from 51 to 57.6) indicators. The country also improved its score on the WB *Regulatory Quality* indicators, moving from -0.72 in 2000 to -0.56 in 2006.

Levels of corruption, however, remained alarming. The *freedom from corruption* indicator of the Economic Freedom Index remained at almost the same low level since 2000 (between 24 and 26), the WB *Control of Corruption* score regressed from -0.6 to -0.74; and the TI CPI score remained unchanged between 2001 and 2006 at the low level of 2.6. Surveys conducted among businesses in 2006 showed that 70% of businesses were subject to bribes from provincial authorities and 40% believed that government uses compliance with local regulations to extract rents.¹⁰⁷ Land management, construction projects, licensing, taxation and customs were perceived as the most corrupt areas.¹⁰⁸

MAJOR ACTIVITIES

The objectives of the four-year US\$13.6M STAR II project¹⁰⁹ that started in September 2006 were to support the full implementation of the U.S.-Vietnam BTA, the U.S.-Vietnam elements of the WTO accession protocol, and other related bilateral agreements, support overall WTO implementation through modernization of the legal, judicial and administrative systems, develop **Vietnam's** institutional and human resource capacity to implement the BTA/WTO, and develop recommendations to mitigate the adverse effects of globalization on vulnerable sectors of the population.

STAR II continued the legal and regulatory reforms that were begun under STAR, but also focused on building the capacity needed in selected institutions to enable Vietnam to compete effectively in a post-WTO accession environment. Initially focused on the BTA and WTO, STAR II later broadened its activities to include the Trade Investment Framework Agreement (TIFA) and any regional trade agreement involving **Vietnam** and the United States. Also the project, when feasible, provided on the request of the Government of **Vietnam**, technical assistance to address a wide range of policy challenges related to Vietnam's integration into the global economy. The project provided a blend of legal analysis and comments, support for policy seminars, technical training workshops, research reports, publication and distribution of reference materials, development of websites and e-governance tools, and local and international study tours.

STAR II played an instrumental role in the development of 75 laws and regulations related to trade liberalization, including legislation related to chemical production, telecommunications, food safety, plant protection, the operation of the State Bank of **Vietnam**, credit institutions, labor, radio frequencies, consumer protection, competition, retail distribution, environmental protection, city planning, taxes, arbitration, judgment enforcement, access to information, and public investment equitization.

The project also built the capacity of **Vietnam's** Technical Barriers to Trade Network and the Sanitary and Phytosanitary Committee—two critically important organizations for ensuring trade facilitation with WTO member countries; provided training on trade remedies, anti-dumping measures, and countervailing duties to government officials and members of the business community to reduce the possibility that trade disputes would arise; developed an online tariff database for the Customs Department and trained Customs officials; and conducted training programs for members of the business community and local government officials in the use of analytical trade tools

¹⁰⁷ The Vietnam Provincial Competitiveness Index. – USAID/ Vietnam Chamber of Commerce and Industry, 2011: <http://vietnam.usaid.gov/vietnams-provincial-competitiveness-index-reports>

¹⁰⁸ Anti-Corruption in Vietnam: The Situation after Two Years of Implementation of the Law. – CECODES, 2008: <http://www.finland.org.vn/public/download.aspx?ID=38961&GUID=%7B96721A6B-F87E-4B53-9342-5FDACC26B097%7D>

¹⁰⁹ The Support for Trade Acceleration II (STAR II) program was implemented as a TO under the SEGIR Macroeconomic Policy II IQC between September 29, 2006 and October 31, 2010. – Final Report, 2010; <https://sites.google.com/a/usaid.gov/drg/home/about-1/drg-center-teams/governance-and-rule-of-law/anticorruptionmapping>

(ProductMap, TradeMap, and StandardsMap).¹¹⁰ The project developed an interactive Technical Barriers to Trade (TBT) Handbook¹¹¹ -- a desktop reference for anyone wishing to know more about TBT issues.

Some of the project activities, while pursuing their primary objectives of promoting international trade, went beyond those objectives to address issues of governance in general. For example, to meet the requirements of the BTA and the WTO for transparency in the law-making process, STAR II assisted the government with drafting and, after it had passed, implementing the 2008 Law on the Promulgation of Legal Normative Documents that made newly adopted law publicly available in the Official Gazette within 15 days both in hard and electronic form. According to the project report, this also stopped rent-seeking behavior of officials taking advantage of uninformed businesses and citizens. It also assisted with implementation of legislation requiring citizen participation in legal drafting through soliciting public comments. Finally, the project worked with various legislative committees building their capacity in legal drafting and promoting legislation, including the Law on Public Investment, among others.

In pursuing the objective of implementing WTO requirements through modernization of Vietnam's judicial system, STAR II supported capacity building of justice system institutions and exposing counterparts to previously unknown concepts, including plea bargaining, electronic caseload management systems, face-to-face court-provided mediation services, tele-mediation in remote areas, and an adversarial trial system.

The project also developed and implemented an innovative tool to measure the performance of ministries whose responsibilities have a major influence on private businesses in terms of development of new laws and enforcement of existing laws—the Ministerial Transparency Index--also known as Legal Development and Enforcement Assessment (LDEA). In collaboration with other USAID-sponsored projects, STAR II developed another tool-- the Provincial Competitiveness Index (PCI)¹¹² – which became a motivating factor for improvements in performance of provincial governments.

KEY TARGETS OF THE INTERVENTIONS

The project pursued the goal of promoting Vietnam's international trade by improving its legal and regulatory regime, harmonizing tariff systems and streamlining customs procedures to meet BTA/WTO commitments, reducing barriers to trade and moving the Vietnamese regulatory system to international standards, and introducing rules and building capacity related to legislative transparency and dispute resolution.

Neither the final performance report nor any other publicly available documents provide information about indicators and targets that the project used to measure its results and impact.

SUCSESSES, FAILURES OR NEUTRAL RESULTS

The project evaluation report produced in 2011¹¹³ concluded that the STAR programs accomplished their core objectives of assisting the Government of **Vietnam** to meet the requirements the government accepted under the BTA and for WTO accession. It also indicated that with the project support the “expansion of bilateral trade far exceeded expectations. The United States became **Vietnam**'s largest market for exports and one of **Vietnam**'s largest sources of imports.”¹¹⁴

The project evaluation report also concluded that STAR I and STAR II “improved the business and investment climate by increasing the rule of law and liberalized economic laws and regulations including those on foreign investment. The systemic change in the legal system increased transparency and government accountability in the legal process improved the Vietnamese business environment. The rapid growth in exports, foreign direct investment and diversification of exports are tangible evidence that private sector actors responded to and benefited from the new business and investment opportunities opened up by the BTA and WTO accession. Technical assistance from STAR facilitated the process. The effects of the reforms are still in their infancy and, barring

¹¹⁰ Training modules are not available online. The implementer DAI will forward them to USAID directly.

¹¹¹ Technical Barriers to Trade (TBT) Handbook. – The document is not available online. The implementer will forward it to USAID directly.

¹¹² Provincial Competitiveness Index (PCI): http://www.pcivietnam.org/about_pci.php

¹¹³ Performance evaluation of the support for trade acceleration (STAR) project in Vietnam : final report, 2011:

http://pdf.usaid.gov/pdf_docs/PDAGR987.pdf

¹¹⁴ Performance evaluation of the support for trade acceleration (STAR) project in Vietnam. - Weidemann Associates, Inc. 2011:

http://pdf.usaid.gov/pdf_docs/PDACS486.pdf

retrogression, the beneficial effects of the reforms will compound over time.”¹¹⁵ The project also facilitated implementation of policies that provided the business community with new opportunities to participate in policy decisions and making government more transparent to public.

KEY IMPEDIMENTS

The project was heavily controlled by the Government of **Vietnam**. It could not work with any agency or implement any activity without approval of the government. As a result, the project had very limited opportunity for flexibility and had to respond to a great number of requests from the government, thereby diverting its focus.

PROGRAM IMPACT

STAR II assisted the Government of **Vietnam** efforts in drafting or revising 75 laws and regulations, 46 of which were adopted, supported 265 workshops and training for thousands of government officials and business sector representatives, sponsored 28 study tours for 247 public officials, published approximately 44,000 copies of 41 reference materials, supported the development of websites for governmental agencies, and launched eight web-based e-government programs.

Neither the final report nor any other publicly available project documents or documents provided by the implementer list indicators used by the project and the results measured against established targets. Therefore, there is no possibility to assess explicit program impact against intended targets.

It can be assumed that the project likely contributed to **Vietnam**'s growing trade and investment. **Vietnam**'s export to the US grew by 74% between 2006 and 2010, while US exports grew by 237%. Similarly, **Vietnam**'s trade with other countries in Asia and globally was growing. Exports to Asian countries increased by 7%, and globally – by 3%, imports from Asian countries increased by 31% and globally – by 23%. Foreign direct investment increased by 233% but still remains small by international standards, while US investment grew ten times.

Reforms implemented in the country were reflected in some of the global rating and indicators. The country improved its Economic Freedom rating from 50.5 in 2006 to 51.6 in 2011. This improvement was attributed to progress in the *property rights* indicator (from 10 to 15), *trade freedom* (from 57.6 to 68.9), *monetary freedom* (from 74.2 to 79.1), and small improvements in several others indicators (*fiscal freedom*, *business freedom*, *labor freedom*, and *freedom from corruption*). At the same time, *investment freedom* dropped from 30 in 2006 to 20 in 2010 and to 12 in 2011. Also, the WB *Regulatory Quality* score regressed from -0.56 in 2006 to -0.61 in 2011, while the *Control of Corruption* score improved notably from -0.74 to -0.59, and the TI CPI score slightly improved from 2.6 to 2.9 but still remained below average.

However, the 2011 survey¹¹⁶ indicated that both foreign and domestic businesses became far more pessimistic about their prospects than in previous years: in 2011, only 47% of respondents intended to expand their businesses versus 70% in 2006. The survey showed improvement in the business operations environment, including reduced time for business registration, licenses and permits, and the time businesses have to spend dealing with bureaucracy. At the same time, corruption remained widespread, hindered the business environment and constrained foreign investments. The survey showed that while petty corruption in business was declining (70% of respondents in 2006 and 52% in 2011 indicated that operations were subject to bribe requests from provincial officials) the *pay-back* from bribery increased from 48% to 61%, making it more attractive. Grand corruption by top officials (such as kickbacks on procurement contracts or sweetheart land deals) was alarmingly on the rise, growing from 41% in 2010 to 56% in 2011.

The Support for Trade Acceleration II Project (STAR-II) did not measure its impact on corruption. Independent surveys showed mixed dynamics concerning corruption:

- while petty corruption in business declined from 70% in 2006 to 52% in 2011, the payback from bribery increased from 48% to 61%, making it more attractive;
- grand corruption increased from 41% in 2010 to 56% in 2011; and
- the global corruption indices showed improvement: the WB *Control of Corruption* score improved notably from -0.74 to -0.59 and the TI CPI score slightly improved from 2.6 to 2.9

¹¹⁵ Ibid.

¹¹⁶ The Vietnam Provincial Competitiveness Index. – USAID/ Vietnam Chamber of Commerce and Industry, 2011: <http://www.pcvietnam.org/index.php?lang=en>

LESSONS LEARNED

Based on the information available for this analysis, STAR II did not look the project's impact on corruption at all. Neither targets nor indicators were set to measure such impact. The project was heavily engaged in legal and regulatory drafting (75 laws and regulations, 46 of which were adopted) but no analysis of the impact on corruption was completed. Conducting such analysis during the drafting process and also during the implementation of newly adopted legislation would be highly beneficial to ensure that it prevents corruption. Also, the project could have had greater impact if it embedded anticorruption themes in its institutional capacity building efforts. For example, the project could have been more proactive in introducing conflict of interest and ethics policies, promoting policies and procedures for private sector participation in policy development, and increasing government transparency and accountability in its decision making. Taking into account that the country was also pursuing an anticorruption agenda, these initiatives would likely have been welcomed by the government.

Challenges and impediments of the Support for Trade Acceleration II Project (STAR-II):

Challenges:

- strong control of the project by the Government of Vietnam in each activity.

Impediments:

- lack of mainstreaming anticorruption while the government was pursuing an anticorruption agenda.

In such a highly centralized government-controlled country, cooperation and commitment of the government was a decisive factor, not only for success but, in general, for the implementation of the programs. The government was involved in all aspects of program planning and implementation. The inter-ministerial Steering Committee, chaired by a Vice Minister in the Office of the Government (Prime Minister's Office) not only reviewed and approved all activities prior to their implementation but also identified and assigned counterparts for the project to work with.

Zambia – Threshold Program

CONTEXT

The Government of **Zambia** implemented significant economic reforms in the early 2000s to improve its investment climate and attract foreign investors. The country's economy was steadily growing annually at an impressive 6% of GDP. The impact of these progressive policies and economic growth, however, was undermined by widespread corruption, despite a proclaimed anticorruption agenda by the highest levels in **Zambia's** leadership. The country remained at low levels in the TI CPI ranking, scoring at 2.6 for years. It also scored very low on the WB Control of Corruption index (from -0.85 in 2000 to -0.79 in 2005) and was sliding down on the *Regulatory Quality* index (from -0.26 in 2000 to -0.7 in 2005). Corruption was cited as one of the major obstacles in conducting business in the country. Almost 30% of companies expected to give gifts to secure government contracts and 15% expected to make unofficial payments 'to get things done.'¹¹⁷ People had very low confidence in the government: 54% of people were skeptical about government efforts in fighting corruption and, on average, 30-40% of citizens believed that governmental institutions are fully or mostly corrupt.¹¹⁸ The country's MCC TCP program, designed with extensive involvement of the state and non-state stakeholders, was focused on reducing corruption and improving government effectiveness by increasing control of corruption within the public sector, improving public service delivery to the private sector, and strengthening border management for trade.

MAJOR ACTIVITIES

The two-year US\$22.7M **Zambia** Threshold Program (ZTP) implemented in 2006-2008¹¹⁹ was structured into two components, Ruling Justly and Economic Freedom, corresponding to the two eligibility criteria that **Zambia** failed on in FY2005 when the MCC Board announced its eligibility for threshold assistance. The ZTP project pursued

¹¹⁷ Enterprise Surveys. – WB & IFC, 2007 - <http://www.enterprisesurveys.org/>

¹¹⁸ Afrobarometer 2006 - http://www.afrobarometer.org/files/documents/summary_results/zam_r3_sor.pdf

¹¹⁹ Zambia Threshold Program (ZTP) was implemented as a TO under the Commercial Legal and Institutional Reform (CLIR) IQC in 2006-2008. Zambia Threshold Program (ZTP). Final Report, 2008: http://pdf.usaid.gov/pdf_docs/PDACL989.pdf

three objectives: (1) reduce corruption by strengthening the Anti-Corruption Commission¹²⁰ and improving transparency and efficiency in three pilot government entities: the Ministry of Lands, **Zambia** Revenue Authority, and the Immigration Department of the Ministry of Home Affairs; (2) remove administrative barriers to investment by reducing the complexity of business licensing and creating a one-stop investor shop; and (3) improve border management of trade by piloting a unified management system at two border stations to improve border management transparency and efficiency.

ZTP worked with the Ministry of Lands (MOL) to improve efficiency in the sale-transfer process of commercial property by streamlining registration transparency. To achieve this, the program redesigned business processes, reorganized the Lands and Deeds Registry, the Lands Registry, and the Survey Registry to improve security and management of paper records, and assisted the MOL in computerizing cadastral index. ZTP also incorporated the streamlined processes into a new automated workflow-based case management system - **Zambia** Lands Administration System – that allowed documents to be electronically routed to appropriate staff for notification, review and approval, and provide an integrated document.

ZTP worked with the Patents & Companies Registration Office to streamline the process of starting a business by establishing a one-stop customer service center. Similarly it worked with the **Zambia** Revenue Authority (ZRA) to simplify registering for value added tax (VAT) and obtaining a taxpayer number by consolidating steps and eliminating redundant authorizations. In addition, in order to increase institutional transparency of ZRA, ZTP assisted ZRA to develop Code of Ethics¹²¹ and Taxpayer Charter¹²². ZTP also assisted a newly established **Zambia** Development Agency to implement a one-stop shop to support businesses. The program built the capacity of the Agency and helped launch a website.

To improve border import/export processes, the program facilitated the creation of a Border Management Task Force of key governmental agencies involved in border transactions, built the capacity of these institutions, helped to improve operations to reduce processing time and operating costs, and eliminate integrity breaches. ZTP assisted in creating a Comprehensive Integrated Tariff System that provides all tax and customs rates and information on regulations and procedures of other border agencies in a single database, accessible through the web. It also introduced a risk management approach for shipment inspection practices and created an automated system - Automated System for Customs Data (ASYCUDA) - for border agencies to share information systematically and efficiently. The program worked with other agencies involved in border crossing, among them the **Zambia** Bureau of Standards and the Plant Quarantine and Phytosanitary Service, streamlining their operations to be more efficient.

KEY TARGETS OF THE INTERVENTIONS

The program objectives were to reduce administrative corruption and barriers to trade, investment and business operations by improving the effectiveness of key governmental institutions and increasing the capacity to design, introduce and monitor corruption prevention practices. In pursuing these goals, the program set targets to expedite property registration process, business registration and export-import operations. A baseline was established and the results were measured by the WB Doing Business survey. The program also targeted reducing bribery at Customs and improving customer satisfaction with business registration services. The baselines for these indicators were established according to the 2004 **Zambia** National Governance Baseline Survey; the results were to be measured by a similar survey. As the overall objective of the program was to reduce corruption and improve government effectiveness to elevate the country to MCC Compact status eligibility, the program also targeted improvements in the *Control of Corruption* score to the median level.

SUCSESSES, FAILURES OR NEUTRAL RESULTS

Performance evaluation conducted upon completion of the program¹²³ concluded that the primary successes and impacts of the program were in improvements to the efficiency and transparency of business registration and some

¹²⁰ Zambia Threshold Program (ZTP). Corruption Prevention Toolkit: Is not available online, the implementer will forward it to USAID directly.

¹²¹ Code of Ethics – Zambia Revenue Authority: <http://www.zra.org.zm/commonHomePage.htm?viewName=CodeOfEthics>

¹²² Taxpayer Charter – Zambia Revenue Authority: <http://mx-in-two.zra.org.zm/commonHomePage.htm?viewName=TaxpayerCharter>

¹²³ Zambia Threshold Program: End-Term Evaluation. Final Report. - Erin Weiser and Rema N. Balasundaram: http://www.mcc.gov/pages/countries/threshold_evaluation/zambia-threshold-program

aspects of Customs administration. The program succeeded in significantly reduced processing time for business registration and VAT registration, improved access to business registration services for companies outside of Lusaka (specifically in the Copper Belt and Southern Province), increased efficiency of bond repayment for trans-shipment of goods through the centralization of ASYCUDA, piloting of a risk-based Accredited Customs Client Program per World Customs Organization guidelines that reduced processing time at the border for enrolled clients, and slightly faster processing time and improved perceptions on corruption at Immigration.

At the same time, the program's evaluation found that the majority of interventions did not produce the intended outcomes. This included the following: the land customer service center did not produce improvements in the incidence of informal payments or service delivery times as evidenced by staff interviews and customer surveys; IT inputs were not being used in half of the participating governmental institutions; IT interventions at PACRO and Immigration suffered from incomplete automation of processes and connectivity problems although both institutions were using their systems; intended reforms at the **Zambia** Development Agency were not undertaken due to institutional constraints beyond the control of the implementers (including lack of funds to cover redundancies in the merged institutions and the absence of a CEO until the end of the program); and the integrated border management system was not operational at any site.

KEY IMPEDIMENTS

The major challenge of the program, according to the final report, was the project's short timeframe and the extensive number of planned activities. The program's speed often outpaced the partners' capacity to commit to and mobilize reforms. Also, commitments at the highest level of government were not always transmitted to lower administrations with whom the project was working directly. Finally, the lack of capacity and expertise of local partners were slowing down implementation.

PROGRAM IMPACT

The project had a positive impact on improving the enabling environment for business and in the prevention of corruption. With the support of the program, a number of changes in business processes and service delivery were made. Through reforming business processes in six pilot agencies, the government reduced complicated administrative barriers by eliminating unnecessary steps and automating some processes. By widely publicizing changes, transparency of agency operations increased. Specific impacts in improving the business environment included a streamlined business registration process and VAT, development of an accredited client program by the **Zambia** Revenue Authority to facilitate customs processing, improved systems for processing export permits, and an operational **Zambia** Development Agency.

The project reported reaching and exceeding its major targets: the number of days to start a business dropped from 35 to 8 days, to register property - from 70 to 34 days, to export - from 53 to 13, and to import - from 64 to 30.¹²⁴ At the same time, official data of the WB Doing Business survey differs from the data provided in the report (see table below) which is consistent with the report provided by USAID.¹²⁵ These data do not show any

Mixed impact of the Zambia Threshold Program (ZTP) on corruption:

Positive:

- reduction in bribery at customs from 15% to 7%;
- improvement in the WB *Regulatory Quality* score from -0.62 to -0.51; and
- improvement in the HF *trade freedom and business freedom* scores.

Negative:

- increase in percent of people who frequently had to pay bribe to get permits from 2% in 2006 to 6% in 2009 (Afrobarometer); and
- significant drop in the HF *property right* score from 50 to 30.

¹²⁴ There is a discrepancy between the data in the WB Doing Business published report and the WB database at <http://databank.worldbank.org/data/views/variableselection/selectvariables.aspx?source=doing-business>: the published report indicates 60 days required for export and 62 days for import, while the database has 53 days for export and 64 for import.

¹²⁵ The program's reported results may reflect more localized measurement in the affected agencies, while the World Bank Doing Business measurement is more widespread across the country and across many agencies, some of whom may not have been touched by this project.

changes in the time for export and import, and the business registration time – 18 days, although improved, takes longer than in the project report by 10 days.¹²⁶

Indicators	WBDB 2006	WBDB 2010	Change ¹²⁷	ZTP reported	Indicators	WBDB 2006	WBDB 2010	Change	ZTP reported				
Starting a business					Trading across borders								
Procedures (number)	6	6	=		Documents for export (number)	6	6	=					
Time (days)	35	18	↑	8	Time for export (days)	53	53	=	13				
Cost (% of income per capita)	29.9	28.4	↑		Documents for import (number)	9	9	=					
Minimum capital (% of income per capita)	1.9	1.3	↑		Time for import (days)	64	64	=	30				
Registering property					Cost for export (US\$ per container)	2,098	2,664	↓					
					Cost for import (US\$ per container)	2,840	3,335	↓					
Paying taxes					Procedures (number)	37	37	=					
					Time (days)	70	39	↑	34	Time (hours per year)	132	132	=
					Cost (% of income per capita)	9.6	6.6	↑		Total tax payable (% of gross profit)	16.5	16.1	↑

The USAID report also indicated reductions in bribery at customs from 15% to 7% and increases in satisfaction with business registration of service delivery from 41% to planned 60%.

The project might have contributed to a slight improvement in the country's Control of Corruption scores from -0.73 in 2006 to -0.54 in 2009 and the TI CPI, that inched up from many years at 2.6 to 3.0 in 2009.

At the same time, the Afrobarometer conducted in 2009 showed a high percentage of citizens believing that corruption increased significantly compared to a year before and the percent of people who frequently (or a few times) had to pay bribe to get permits increased from 2% in 2006 to 6% in 2009. On a positive note, the percent of people who were skeptical about the government's effectiveness in fighting corruption was slightly reduced from 54% in 2006 to 48% in 2009.¹²⁸

On the business side, the WB *Regulatory Quality* score improved from -0.62 to -0.51. Although the *Economic Freedom* score of the Heritage Foundation remained almost the same, notable improvement was achieved in the *trade freedom* and *business freedom* scores, while the *property right* score dropped significantly from 50 to 30. These last three indicators could have been directly affected by the program's initiatives.

LESSONS LEARNED

The evaluation report found that activities under the two components complemented each other. "For example, by aiming to reach a numerical target through centralizing business delivery (Economic Freedom) and reducing opportunities for corruption (Ruling Justly), the project found that open plan customer service centers were an effective way to achieve efficiency and accountability goals as well as to increase transparency. Component activities also worked together to reduce opportunities for corruption, improve the business enabling environment, and bring a customer-service orientation to government."¹²⁹

Challenges of the Zambia Threshold Program (ZTP):

- lack of commitment of some of the governmental counterparts;
- constrained capacity of the local counterparts; and
- extensive number of planned activities to be implemented in very short time frame.

¹²⁶ MCC TCP Final Report for Zambia. – USAID, 2009: <http://www.mcc.gov/documents/reports/content-report-121510-zambia-threshold-final-implementation-report.pdf>

¹²⁷ Improvement in score is shown by arrow facing up.

¹²⁸ Afrobarometer 2006 - http://www.afrobarometer.org/files/documents/summary_results/zam_r3_sor.pdf

¹²⁹ MCC TCP Final Report for Zambia. – USAID, 2009: <http://www.mcc.gov/documents/reports/content-report-121510-zambia-threshold-final-implementation-report.pdf>

The same report indicated that some of the shortcomings of the project “may be attributable in part to over-ambitious program design and overly optimistic assumptions about the willingness of leaders, managers and staff within institutions to implement reforms. The sheer number of planned activities and participating MDAs [ministries, departments and agencies], and the fact that some of the planned reforms required substantial bureaucratic integration, would have been challenging to accomplish in two years in a conducive environment. In the actual context of conflicting objectives (with some target institutions having different priorities for activities than those included in program design), low levels of buy-in among some institutional leaders, and constrained capacity, these challenges proved difficult to surmount. Nonetheless, the ZTP created a new model for increasing efficiency and generating a customer service mentality through customer service centers that may prove to be the foundation for future reforms.”¹³⁰ These customer service centers were viewed as a foundation for future OSSs.

¹³⁰ Ibid

Analysis: The Evolution of Common Themes among the Studied Programs

We found some similarities and trends among the business environment program cases described in the previous section.

- **Mainstreaming anticorruption into sectoral programs.** USAID Anticorruption Strategy requires mainstreaming anticorruption in individual programs across all sectors to incorporate “strategies to control corruption, promote transparent and accountable governance, and target specific vulnerabilities as they are identified.” Analysis has shown that few of the EG programs examined in this study, except for several MCC TCP programs that were explicitly targeted at reducing corruption, actually mainstreamed corruption into their activities by clearly identifying anticorruption objectives or monitoring anticorruption impacts. Rather, they included some interventions that could impact corruption; but without adequate measurement, there is no evidence that these interventions indeed impacted corruption. For example, while drafting legislation and regulations, programs did not assess them from the point of view of their impact on corruption and its prevention. Similarly, when implementing administrative and procedural reforms, the programs, in most cases, just assumed that they would reduce corruption but did not specifically craft the tools to address corruption vulnerabilities. Moreover, in most cases, the programs did not measure the impact of the reforms on corruption. As a result, it is difficult to systematically assess the value of specific initiatives on corruption outcomes. Programs that commenced under the MCC TCP initiative most clearly mainstreamed anticorruption and measured program activity impact on reducing corruption because it was specifically required by MCC TCP (see [Table 3](#) for the complete list of MCC TCP projects).
- **Securing host country counterpart commitment.** The commitment of host governments to reforms, particularly anticorruption reforms, is one of the decisive factors for success of programs. In all cases analyzed in this report, such commitment and support was secured early on and at the highest levels of government. This was particularly true for MCC TCP programs, for which the governments and other domestic stakeholders were involved in the program design and obligated themselves to support and contribute to implementation as well. Nevertheless, in most cases, such commitments did not filter down to the levels of government or the counterpart agencies that the projects were working with directly. This created some difficulties and delays in implementing activities including programs in **Zambia** (ZTP), **Kenya** (RPPS I&II projects) and **Albania** (MCCA 1&2 projects) as described earlier in this report. On a positive side, in the **Georgia** (GBCR project) case, the government served as a *pushing* force to move reforms further and more aggressively.
- **Incorporating requirements for mainstreaming anticorruption in RFPs/TOs.** Analysis of the documents available to this study showed that calls for proposals and task orders varied in their requirements to incorporate corruption in project interventions and monitoring impacts. TOs for the programs funded under MCC TCP (**Albania** MCCA-1&2, **Kenya** RPPS-II, and **Zambia** ZTP) built their objectives around reducing corruption in particular sectors and refer to the country Threshold Plan with specific indicators to measure activity impact on corruption. For example:
 - TO for **Albania** MCCA-1 anticipated, besides business environment improvement indicators, reduction in bribery in tax collection, procurement, and business registration and licensing. In addition, the TO called for the improvement in the WB Control of Corruption index. The TO for MCCA-2 though did not require indicators specifically related to corruption besides the improvement in the WB Control of Corruption index.
 - TO for **Kenya** RPPS-II set a goal of ensuring accountability, transparency and efficiency in the public procurement process. To measure the impact the TO referred to the country Threshold Country Plan that had a set of indicators to be monitored internally by the program and called for establishing additional indicators to monitor program impact on corruption externally. In addition, the TO targeted improvement in the WB Control of Corruption index.

Analysis of the RFPs/TOs for the E&E region conducted in the Part 1 of this report showed that few calls even outside of MCC TCP programs suggested illustrative activities, described clear requirements to address

corruption and measure impact or included measures to reduce corruption in the proposal's evaluation criteria. Among such TOs is TO No. 182-07-021 under RoL IQC: **Albania** Rule of Law Program and the TO under the IQC AID-117-I-12-00001: Business Regulatory, Investment, and Trade Environment Program (BRITE) in **Moldova**. In some cases though indicators required by RFPs/TOs were excessive and outside of the project's control, for example: RFP No. 111-07-001, USAID/**Armenia** Mobilizing Action Against Corruption Program. On the other end of the spectrum are the majority of calls that do not discuss corruption at all or limit their requirements to a brief discussion of corruption as it may affect the project's activities.

- **Targeting corruption and measuring impact.** All eight programs analyzed in this study were launched in similar environments when countries were in the midst of or had already started their anticorruption reforms. This created a favorable ground for mainstreaming corruption into economic growth/business environment programs. For example:
 - **Albania** had pursued a national anticorruption agenda since the early 2000s with various levels of success and was reenergized with the newly elected government in 2005.
 - The **Georgia** Business Climate Reform (GBCR) project started in the midst of unprecedented sweeping government reforms and economic liberalization with the fight against corruption as a centerpiece of the reforms.
 - **Kenya** was pursuing an anticorruption agenda since 2003 to advance economic growth and development. Motivated by membership in the World Trade Organization (WTO) and several international free trade agreements, Morocco was progressing on many economic and anticorruption reforms.
 - Similarly, **Vietnam**, incentivized by the prospects of joining the WTO and by the US-Vietnam bilateral trade agreement (BTA), was actively pursuing an economic development and anticorruption agenda.
 - **Zambia** was implementing significant economic reforms in the early 2000s to improve its investment climate, attract foreign investors and reduce corruption.

While each program acknowledged the importance of tackling corruption in pursuing economic growth, only those implemented within MCC TCP framework specifically set targets for reducing corruption. In particular:

- Both projects in **Albania** targeted goals of reducing corruption and implementing needed reforms in each of the project areas--public procurement, tax administration, business registration and licensing, and construction permitting. Specifically, the projects were targeted at reducing bribery in tax collection, government contracts and business registration; reducing the value of gifts expected to secure government contracts; and reducing firms' perception of corruption as a big obstacle to business operations, among others. Also, guided by the TCP targets, the projects were expected to produce improvements in the MCC Control of Corruption score, making Albania eligible for the MCC Compact status. Finally, by reducing corruption in key business operation areas, the projects also were intended to reduce the shadow economy.
- The **Kenya** RPPS projects targeted improving the country's procurement systems by reducing the time to complete the procurement process, conducting procurement audits and publishing them, and implementing procurement recordkeeping procedures, among other targets. The project also targeted improving transparency and accountability in the public sector score of the WB Country Policy and Institutional Assessment (CPIA). RPPS II was the only project among eight analyzed in the study that used two Foreign Assistance Coordinating and Tracking System (also known as FACT or F) indicators targeted at training 200 governmental officials in anticorruption issues and implementing ten anticorruption measures.
- Zambia Threshold Program pursued objectives to reduce administrative corruption and barriers to trade, investment and business operations. It set targets to expedite property registration process, business registration and export-import operations. To measure its impact, ZTP established baselines and targets to be measured by the WB Doing Business survey. To measure the impact on reducing corruption in customs, the program used the 2004 Zambia National Governance Baseline

Survey to set up baselines and intended to measure the results using a similar survey. Also, the program targeted improvements in the MCC Control of Corruption score to the median level.

The other three program analyzed in this study that were not affiliated with MCC TCP did not set specific objectives and measure program impact on reducing corruption. In particular:

- The **Georgia** GBCR project, while it targeted improving the country's business environment and adopted various indicators to measure its impact on the business environment, including the WB Doing Business and THF indicators, did not set any specific targets for reducing corruption.¹³¹
 - The **Morocco** IBCM project targeted improving the business environment through streamlining and promoting a more efficient and business-friendly business operations context. The project adopted several WB Doing Business indicators to measure project impact on improving business and licensing registration, property registration, and employing workers. No indicators and targets were established to measure the program's impact on corruption, in particular.
 - The **Vietnam** STAR-II project pursued the goal of promoting Vietnam's international trade by improving its legal and regulatory regime, harmonizing tariff systems and streamlining customs procedures. Unfortunately, neither the final performance report nor any other publicly available documents provide information about indicators and targets that the project used to measure its results and impact.
- **Applying global indicators.** Projects sponsored by MCC TCP required using both global and project-specific indicators to measure their impact on corruption or business environment. The most common global indices were the WB Doing Business survey, although others were used in some instances (WB Enterprise Survey, BEEPS, and Economic Freedom Index of the Heritage Foundation). With regards to measuring the impact on corruption, programs often adopted the WB Control of Corruption index, as required by MCC TCP. Although this index was mandatory for measuring country eligibility for Compact status, this index often measured the phenomenon way beyond what any specific program could influence. Therefore, the index's fluctuation was beyond the program's control. Similarly, the programs may have contributed to, but could not take complete credit for variation in the TI CPI or any other global index. Establishing project-specific indicators and targets would have helped to more accurately and realistically measure project impact. The same could be said about measuring impacts on business environment. Finally, mixing baseline data and results measured by the global indices with the results measured by the project (such as in the **Albania** program) led to confusion about program impact.
 - **Applying tools and approaches to address corruption.** All programs implemented various activities and tools that likely contributed to reducing opportunities for corruption. Among them: simplifying, standardizing and streamlining processes of business registration, property registration, licensing and permitting, tax payments, export/import customs procedures, and procurement. In some instances, projects used a *one-stop shop* tool to reduce multiple interactions between businesses and government. Depending on implementation, the *one-stop shop* is known as an effective approach in preventing corruption. *E-technologies* were also used in some countries as a next step in advancing *one-stop shops* and as an independent approach to reduce the "human factor" prone to bureaucratic discretion and abuse. While some countries were ready technologically and in terms of their regulatory status for *one-stop shops* and even e-technologies (**Albania** MCCA 1&2 and **Georgia** GBCR), others were not ready for implementation of these tools and infrastructure improvements (**Kenya** RPPS I&II, **Morocco** IBCM, and **Vietnam** STAR-II). Another commonly used approach is *increasing transparency* by making information publicly available on websites, in information centers, and through the mass media and non-governmental agents in dialogues. Finally, some programs implemented *checks and balance tools* within and across agencies to build government accountability (for example, the Ministerial Transparency Index and the Provincial Competitiveness Index (PCI) implemented under **Vietnam** STAR-II¹³²), engaging business/citizen participation in government decision

¹³¹ CLARITY – Business Environment Improvement Components, Statement of Work: <http://egateg.usaid.gov/sites/default/files/Georgia%20Business%20Climate%20Reform%20Project%20SOW.pdf>

¹³² Provincial Competitiveness Index (PCI): http://www.pcivietnam.org/about_pci.php

making process within **Georgia** GBCR and **Morocco** IBCM projects and watchdog/advocacy activities within **Albania** MCCA 2 project.

- **Combining supply and demand approaches.** To various degrees, the programs combined supply and demand approaches. For MCC TCP projects, the combination of government activities with civil society/business sector watchdog and advocacy activities was a requirement. Nevertheless, engagement of the demand side was rather limited. For example:
 - In **Albania**, the MCCA-1 project limited its activities to conducting an information campaign about the reforms, while the MCCA-2 project expanded it to building capacity and engaging several NGOs to monitor and assess effectiveness of the project-supported reforms.
 - In **Kenya**, activities on the demand side included conducting workshops among bidders to educate them about new procurement systems and to building awareness of citizens about Kenya's Public Procurement Oversight Authority.
 - The **Zambia** Threshold Program did not report on any activities proactively engaging the demand side besides collecting feedback from customers.

In non-MCC programs, combining supply and demand techniques was used to the extent that it was required by the Task Orders:

- In **Georgia**, the GBCR project facilitated public-private dialogue on various topics including tax and customs, new construction permitting, business registration, public registries, and other systems developed by the project.
- In **Morocco**, the project organized discussions around the results of the Doing Business Survey conducted by the project in several regions energizing the government and the private sector in pursuing the creation of better business and investment enabling environment in the regions.
- The restrictive environment for project implementation in **Vietnam** limited its activities with the demand side to assisting with implementation of legislation requiring citizen participation in legal drafting through soliciting public comments.

Typically, involving non-governmental agents in the activities facilitates greater accountability and transparency of government and therefore reduces the possibilities for corruption and builds citizen trust in government.

- **Program impediments and delays.** In several cases, the programs experienced setbacks and delays because they were designed on the assumption that certain key laws or institutions would be in place before or right after program commencement. When the required legislation was not passed, as in the case of **Albania**, the programs had to intervene and initiate unplanned efforts to assist the government with finalizing the legislation, and then wait until it is adopted. In the **Kenya** case, the key institution was not formed until almost the end of the program, and interim leadership and staff showed a lack of interest and involvement in the program.

Recommendations and Guidance for Future Programming

The analysis of business environment reform programs and their ability to address corruption has led us to the following recommendations for future programming.

- **Include mainstreaming requirements in the call for proposals and ensure compliance during implementation.** Include more specific and obligatory requirements for mainstreaming anticorruption in calls for proposals/applications and task orders. Include mainstreaming anticorruption measures in the evaluation criteria. Provide illustrative examples of

Key tips in mainstreaming anticorruption in sectoral programs:

- Include clear mainstreaming requirements in the call for proposals and ensure compliance during implementation
- Develop approaches and tools for mainstreaming anticorruption in sectoral programs
- Establish indicators and targets to measure activity impact on corruption
- Secure commitment of the key counterparts and identify 'champions'
- Use supply/demand approach.

mainstreaming anticorruption in project activities. Require monitoring and measuring of corruption impacts through tailored intervention indicators and justifiable targets. In support of future programming, here are some examples of good RFPs/TOs:

- (1) Examples of RFPs/TOs with sufficient requirements for mainstreaming anti-corruption efforts through a cross-sectoral approach:
 - Task Order No.2 under Building Recovery and Reform through Democratic Governance (BRDG) IQC DFD-I-00-05-00219-00: Support to Albania's Millennium Challenge Account Threshold Country Plan (MCATCP): <https://sites.google.com/a/usaaid.gov/drg/home/about-1/drg-center-teams/governance-and-rule-of-law/anticorruptionmapping>
 - RFTOP under the IQC AID-117-I-12-00001: Business Regulatory, Investment, and Trade Environment Program (BRITE) in Moldova: <https://sites.google.com/a/usaaid.gov/drg/home/about-1/drg-center-teams/governance-and-rule-of-law/anticorruptionmapping>
- (2) TO that strongly incorporated both supply and demand side anti-corruption programming into the design:
 - RFTOP No. 182-08-023 under ENGAGE IQC DFD-I-00-000XX-00: Millennium Challenge Corporation Albania Threshold Program Stage II (MCCA2): <https://sites.google.com/a/usaaid.gov/drg/home/about-1/drg-center-teams/governance-and-rule-of-law/anticorruptionmapping>

Alternatively, there is an example of RFPs/TOs with excessive anticorruption indicators that should be avoided:

- Request for Proposal (RFP) No. 111-07-001, USAID/Armenia Mobilizing Action Against Corruption Program: <https://sites.google.com/a/usaaid.gov/drg/home/about-1/drg-center-teams/governance-and-rule-of-law/anticorruptionmapping>.

- **Develop approaches for mainstreaming anticorruption into business environment reform programs.** Most programs did not mainstream anticorruption, but rather assumed that their activities would eventually lead to corruption reduction. Examples of mainstreaming tools include one-stop shops, regulatory simplification, e-government, participatory decision making, and some others. A Legal/Regulatory Corruption Impact Review, such as one developed and institutionalized in South Korea and other countries to examine existing law processes before drafting new laws, is a useful tool as well. Another example is a Vulnerability to Corruption Assessment (VCA), several variations of which have been used in countries to identify opportunities for corruption within institutional policies and procedures, targeting them for redesign. Below are some examples of mainstreaming tools and reference documents:

(1) Reference documents and examples of the **Legal/Regulatory Corruption Impact Review**:

- Republic of Korea:
 - Corruption Impact Assessment Methodology: http://www.unodc.org/documents/treaties/UNCAC/WorkingGroups/workinggroup4/2011-August-22-24/Replies_to_CU_2011_45/20110901_South_Korea_5_English.pdf;
 - <http://www.acrc.go.kr/eng/board.do?command=searchDetail&method=searchList&menuId=020302>.
- Examples of the legislation requiring regulatory corruption impact assessment:
 - Moldova: <http://cna.md/ro/cadrul-normativ>;
 - Czech Republic: <http://www.vlada.cz/cz/ppov/lrv/dokumenty/legislativni-pravidla-vlady-91209/>.
- Example of a regulatory corruption impact assessment report: Regulatory Impact Analysis on the Law on Authorization of Construction Works. – USAID/Moldova, 2010: http://moldova.usaid.gov/sites/default/files/ria_law_construction_vfinal_to_usaid.pdf.

- OECD Regulatory Impact Analysis: <http://www.oecd.org/gov/regulatory-policy/ria.htm>.
 - Integrating anti-corruption measures in the design of public law enforcement/regulatory agencies (from U4, 2010): <http://www.u4.no/publications/integrating-anti-corruption-measures-in-the-design-of-public-law-enforcement-regulatory-agencies/>.
- (2) **Vulnerability to Corruption Assessment (VCA) and other institutional assessment tools:**
- Overview of integrity assessment tools. – U4: <http://www.u4.no/publications/overview-of-integrity-assessment-tools/>.
 - Tools for Assessing Corruption & Integrity in Institutions: A Handbook, 2005: http://searchfortruth.info/sites/default/files/IRIS_Assessment_Handbook.pdf.
 - OECD Public Sector Integrity Reviews: <http://www.oecd.org/gov/ethics/publicsectorintegrityreviews.htm>
- (3) **Specialized Anticorruption Techniques:** In the EG projects, several tools and interventions were applied frequently and proved effective in preventing opportunity for corruption, among them: OSSs, regulatory system simplification and regulatory guillotine, and e-government. The impact of these interventions on corruption was measured through tailored intervention indicators. Examples of these tools and references documents follow:
- a. **One-stop shops:**
 - How many stops in a one-stop shop? A review of recent developments in business registration. – IFC, 2009: <https://www.wbginvestmentclimate.org/uploads/Howmanystopsinaonestopshop.pdf>
 - Reducing administrative corruption in Ukraine: regulatory reform USAID/BIZPRO. – 2005: http://pdf.usaid.gov/pdf_docs/PDACG850.pdf
 - b. **Regulatory system simplification:**
 - Simplification of Business Regulations at the Sub-National Level: A Reform Implementation Toolkit for Project Teams. - IFC, 2006: http://www-wds.worldbank.org/external/default/WDSContentServer/WDSP/IB/2006/04/10/000160016_20060410163531/Rendered/PDF/357120Business1tions0Toolkit051full.pdf
 - c. **E-Government:**
 - Roadmap for E-government in the Developing World: 10 Questions E-Government Leaders Should Ask Themselves. - Pacific Council on International Policy, 2002: http://www.itu.int/wsis/docs/background/themes/egov/pacific_council.pdf
 - Fundamentals and Development of e-Government. – 2011: <http://www.mio.gov.mk/files/pdf/Osnovi%20i%20razvoj%20na%20e-Vlada%202010%20-%20eng.pdf>
 - E-Government: A Critical Anti-Corruption Tool. - Judy Payne, e-Business Advisor, EGAT/I&E/ICT, 2006: http://pdf.usaid.gov/pdf_docs/PNADM957.pdf
 - d. **Other tools and approaches** to address corruption in the economic growth area can be found online in many sources, including, among others:

The Organization for Economic Co-operation and Development (OECD):

- CleanGovBiz Integrity in Practice Toolkit: <http://www.oecd.org/cleangovbiz/toolkit/>
- Draft Toolkit for Integrity, OECD, 2012: <http://www.oecd.org/cleangovbiz/49891354.pdf>

The U4 Anti-Corruption Resources:

- Publications that address corruption in the private sector: http://www.u4.no/publications/PublicationSphinxSearchForm?PublicationSearch=&locale=en_US&ThemeID=26&ExcludeCategory=3

- Publications that address corruption in public financial management and procurement: http://www.u4.no/publications/PublicationSphinxSearchForm?PublicationSearch=&Category=&ThemeID=27&Year=&Country=&SearchLocale=en_US&locale=en_US

Transparency International:

- Corruption by Topic section of the website: <http://www.transparency.org/topic>

USAID Development Clearing House:

- Corruption and Public Finance. – MSI, 2002: http://pdf.usaid.gov/pdf_docs/PNACT881.pdf
- Cross-sector analysis of corruption: summary report. – MSI, 2002: http://pdf.usaid.gov/pdf_docs/PNACX009.pdf
- Corruption and the private sector. – MSI, 2002: http://pdf.usaid.gov/pdf_docs/PNACT880.pdf

- **Establish indicators and targets to measure activity impact on corruption and follow through.**

Identify effective project-specific output and outcome indicators and targets to monitor and measure program impact on corruption. For example, for business registration reforms, establish baseline data for the particular processes that the project is addressing among businesses subjected to corruption before implementing reforms and then measure it afterwards. Some of the examples can be found at the following documents:

- USG Standard Foreign Assistance Master Indicator List (MIL): <http://www.state.gov/documents/organization/207793.pdf>
- A Practical Guide: Measuring Corruption and the Impact of Anti-Corruption Interventions. - MSI, 2002 (p.26): <https://sites.google.com/a/usaid.gov/drg/home/about-1/drg-center-teams/governance-and-rule-of-law/anticorruptionmapping>
- The Users' Guide to Measuring Corruption. – UNDP & Global Integrity, 2008: http://www.academia.edu/630686/A_Users_Guide_to_Measuring_Corruption

- **When feasible, consider using appropriate global indices.** If there are other programs and activities that can contribute to fluctuation in this indicator within a given time period, consider identifying the fraction of the overall target that should be attributed to the program's initiatives. Some of the global indicators relevant to EG sector:

- The Economic Freedom of the Heritage Foundation:
 - <http://www.heritage.org/index/explore?view=by-region-country-year>
- The WB Doing Business:
 - <http://www.doingbusiness.org/reports> also <http://databank.worldbank.org/data/views/variableselection/selectvariables.aspx?source=doing-business>
- The WB Enterprise survey:
 - <http://databank.worldbank.org/data/views/variableselection/selectvariables.aspx?source=enterprise-surveys>
- The WB Governance Indicators:
 - <http://databank.worldbank.org/data/views/variableselection/selectvariables.aspx?source=worldwide-governance-indicators> also http://info.worldbank.org/governance/wgi/sc_chart.asp
- TI Global Corruption Barometer:
 - <http://www.transparency.org/research/gcb/overview>
- TI Corruption Perception Index (CPI):
 - <http://www.transparency.org/research/cpi/overview>

- **Secure commitment of key counterparts and tie initiatives to 'champions.'** Political will of the key counterparts to participate is a critical factor for implementing programs in such sensitive areas as anticorruption. Aligning programs with local priorities and strategies and using sound incentives can facilitate such commitment. Also, to the extent possible, stakeholders from government and non-governmental sectors

should be involved or consulted on program design and should assume specific obligations and responsibilities for cooperating and contributing to the programs once launched. To ensure sustainability, tie the initiatives to a local “champion of reform” or to an institution interested in reform, either within or outside the government, such as business associations that can carry out reforms over time

The MCC Threshold Country Plans were among the most effective approaches in securing the commitment of key counterparts. They were developed cooperatively by the recipient country and the US government and followed by the signing of the MCC Program Agreements by both parties. For example:

- Albania MCC Threshold Program Agreement:
http://www.mcc.gov/documents/agreements/albania_soag.pdf
- Jordan MCC Threshold Program Agreement : <http://www.mcc.gov/documents/agreements/soag-jordan.pdf>
- Moldova MCC Threshold Program Agreement:
<http://www.mcc.gov/pages/countries/program/moldova-threshold-program>

Other examples of secured commitments (outside of MCC) can be found in some RFTOPs, including the following:

- Task Order CLARITY issued on September 20, 2005 under the Commercial Legal and Institutional Reform (CLIR) IQC that described an extensive consultation process with the government and non-governmental organizations in **Georgia** prior to commencing the project.¹³³
- **Use supply/demand approaches** for programming to engage both government and non-governmental sectors. Experience shows that a combination of top-down and bottom-up approaches in anticorruption programs is very effective in ensuring that the government is kept accountable to its commitment and the reforms address society’s priorities in a meaningful way.

¹³³ CLARITY – Business Environment Improvement Components, Statement of Work:
<http://egateg.usaid.gov/sites/default/files/Georgia%20Business%20Climate%20Reform%20Project%20SOW.pdf>

ANNEXES

ANNEX 1 – List of programs in the E&E region

#	Country	Project Name	Start Date	End Date	Award Amount	Top Tier	Key Code
1	Albania	Planning and Local Governance Project (PLGP) in Albania	Jan-12	Jan-17	\$ 9,279,232.00		MSI1
2	Albania	The Albanian Justice Sector Strengthening Project (JuST)	Sep-10	Sep-15	\$ 9,012,613.00		MSI6
3	Albania	Enabling Equitable Health Reforms in Albania (EEHR)	Sep-10	Sep-15	\$ 8,605,712.00		MSI7
4	Albania	Local Governance Program in Albania (LGPA)	Sep-07	Jun-11	\$ 7,359,627.00		MSI34
5	Albania	Millennium Challenge Corporation Albania Threshold Program Stage II (MCCA2)	Sep-08	Jan-11	\$ 15,731,000.00	Top Tier	MSI37
6	Albania	Rule of Law Program in Albania (ROLP)	Sep-07	Jul-10	\$ 5,100,000.00		MSI41
7	Albania	Support to Albania's Millennium Challenge Account Threshold Agreement	Sep-06	Nov-08	\$ 13,789,167.00	Top Tier	MSI59
8	Albania	Rule of Law Program - Legal Systems that Better Support Democratic Processes and	Jul-04	Sep-07	\$ 6,298,298.00		MSI63
9	Armenia	Assistance to the Network of Advocacy and Assistance Centers in Armenia	Aug-11	Jul-15			MSI8
10	Armenia	Civil Society and Local Governance Support Program (CSLGP) in Armenia	Sep-10	Sep-14	\$ 15,500,000.00		MSI13
11	Armenia	Access to Information for Community Involvement Program in Armenia	Apr-08	Apr-13	\$ 548,000.00		MSI17
12	Armenia	Mobilizing Action Against Corruption in Armenia Project (MAAC)	Jun-07	Sep-11	\$ 9,810,789.00	Top Tier	MSI30
13	Azerbaijan	Anti-corruption Advocacy and Legal Advice Centers (ALACs)-Azerbaijan	Jul-08	Jun-12			MSI26
14	Azerbaijan	Parliamentary Program in Azerbaijan (PPA)	Apr-07	Sep-11	\$ 5,590,000.00		MSI31
15	Azerbaijan	Azerbaijan Trade and Investment Reform Support Program (TIRSP)	Aug-07	Sep-10	\$ 12,029,205.00		MSI39
16	Azerbaijan	Support to Anti-corruption Strategy in Azerbaijan	Sep-07	Sep-09	\$ 800,000.00		MSI49
17	Azerbaijan	Public Expenditure Reform Support Program in Azerbaijan	Jun-08	Jun-09	\$ 4,911,056.00		MSI55
18	BiH	Anti-Corruption Civic Organizations' Unified Network (ACCOUNT)-BiH	Jun-12	Jun-15	\$ 1,050,000.00		MSI9
19	BiH	Justice Sector Development Project II in Bosnia and Herzegovina	Jul-09	Jul-14	\$ 7,992,091.00		MSI14
20	BiH	Bosnia and Herzegovina Governance Accountability Project, Phase II (GAP2)	Dec-07	Dec-12	\$ 17,798,883.00	Top Tier	MSI24
21	BiH	Judicial Sector Development Project in Bosnia and Herzegovina (JSDP)	Mar-04	May-09	\$ 14,337,346.00		MSI56
22	BiH	Bosnia Herzegovina Tolerance Assessment	Feb-09	Mar-09	\$ 119,708.00		REPMSI58
23	BiH	Bosnia and Herzegovina Governance and Accountability Project (GAP)	Jun-04	Nov-07	\$ 10,698,123.00	Top Tier	MSI61
24	BiH	Assessment of the Administrative Legal System in Bosnia and Herzegovina	Sep-07	Nov-07	\$ 148,986.00		REPMSI62
25	Bulgaria	Open Government Initiative in Bulgaria	Apr-02	May-07	\$ 11,304,177.00	Top Tier	MSI67
26	Georgia	Judicial Independence and Legal Empowerment Project in Georgia (JILER)	Oct-10	Oct-14	\$ 19,552,000.00		MSI12
27	Georgia	Georgia Good Governance (G3)	Feb-11	Mar-14	\$ 16,193,008.00		MSI15
28	Georgia	Georgia Judicial Administration and Management Reform (JAMR)	Sep-07	Sep-11	\$ 3,702,997.00		MSI32
29	Georgia	Georgia Business Climate Reform (GBCR)	Sep-05	Aug-09	\$ 12,900,000.00	Top Tier	MSI52
30	Kosovo	Kosovo Effective Rule of Law Project EROL	Mar-11	Mar-15	\$ 21,132,711.00		MSI10
31	Kosovo	Democratic and Effective Municipalities Initiative (DEMI) in Kosovo	Aug-10	Sep-13	\$ 19,900,000.00		MSI19
32	Kosovo	Kosovo business enabling environment program (BEEP)	Jul-10	Jul-13			MSI22
33	Kosovo	Effective Municipalities Initiative (EMI) in Kosovo	Jul-07	Jul-10			MSI42
34	Kosovo	Kosovo Justice Support Program (KJSP)	Jun-07	Jun-10	\$ 19,500,000.00		MSI43
35	Kosovo	Local Government Initiative (LGI) in Kosovo	May-04	May-07			MSI66
36	Macedonia	Judicial Strengthening Project (JSP) in Macedonia	Dec-11	Dec-14	\$ 4,486,125.00		MSI11
37	Macedonia	Project for Transparent Governance in Macedonia	Sep-09	Feb-13	\$ 350,000.00		MSI16
38	Macedonia	Macedonia Local Government Activity (MLGA)	Jul-07	Jul-11	\$ 5,986,978.00	Top Tier	MSI33
39	Macedonia	Judicial Reform Implementation Project in Macedonia (JRIP)	Sep-07	Jun-11	\$ 6,200,000.00		MSI35
40	Macedonia	Human and Institutional Development Program in Macedonia (HIDP)	Sep-05	May-11	\$ 2,766,902.00		MSI36
41	Macedonia	Decentralization Project in Macedonia	Jul-04	Jul-07	\$ 9,478,829.00		MSI65
42	Macedonia	Court System Strengthening and Modernization Project in Macedonia	2002	2007			MSI69
43	Moldova	The Rule of Law Institutional Strengthening Program (ROUISP) in Moldova	Apr-12	Mar-16	\$ 8,168,542.00		MSI4
44	Moldova	Local Government Support Project (LGSP) in Moldova	Jun-12	Jan-16	\$ 9,332,437.00		MSI5
45	Moldova	Moldova Rapid Governance Support Program (MRGSP)	Feb-10	Nov-11	\$ 2,262,001.00		MSI27
46	Moldova	Moldova Business and Tax Administration Reform Project (BIZTAR)	Sep-07	Sep-11	\$ 8,275,818.60		MSI29
47	Moldova	Moldova Governance Threshold Country Program	May-07	Sep-09	\$ 14,641,172.00	Top Tier	MSI50
48	Moldova	Strengthening Civil Society Monitoring Capacity in Moldova Program	Jul-07	May-09	\$ 4,000,000.00		MSI57
49	Moldova	Business Regulatory, Investment, and Trade Environment Program (BRITE) in Moldova	Jun-12		\$ 6,132,612.00		MSI72
50	Montenegro	Good Governance Activity in Montenegro	Oct-10	Sep-13	\$ 8,625,944.00		MSI21
51	Montenegro	Corruption Assessment: Montenegro	May-09	Jun-09	\$ 128,005.00		REPMSI54
52	Montenegro	Justice System Reform Project in Montenegro	Jul-03	Mar-07	\$ 6,699,246.00		MSI68
53	Russia	Russia Small and Medium-sized Enterprise (SME) Advocacy Program	Sep-02	2011	\$ 3,400,000.00		MSI38
54	Russia	Russia Democracy and Governance Assessment	Oct-09	Jan-10	\$ 307,459.00		REPMSI44
55	Russia	Community Participation and Regional Advocacy Project in the Russian Far East	Sep-06	Nov-09	\$ 4,448,847.00		MSI47
56	Russia	Democratic Institutions Strengthening in Russia	Sep-05	Sep-09			MSI51
57	Russia	Russia Judicial Reform and Partnership Program (JRP)	Jul-05	Jun-08			MSI60
58	Russia	The Rule of Law Partnership Project in Russia	Oct-08				MSI71
59	Serbia	Sustainable Local Development Project in Serbia	Jun-11	Jun-16	\$ 21,690,754.00		MSI2
60	Serbia	Judicial Reform and Government Accountability Project - Serbia	May-11	Mar-16	\$ 21,885,396.00		MSI3
61	Serbia	Separation of Powers Program in Serbia	Aug-08	Aug-13	\$ 10,493,230.00		MSI18
62	Serbia	OSCE Good Governance Program in Serbia	Oct-10	Jul-12	\$ 600,000.00		MSI25
63	Serbia	Commercial Court Strengthening Activity in Serbia	Mar-04	Sep-07			MSI64
64	Ukraine	Fair, Accountable, Independent, and Responsible (FAIR) Judiciary Program in Ukraine	Sep-11	Sep-13	\$ 16,991,610.00		MSI20
65	Ukraine	Ukrainian Standardized External Testing Initiative Legacy Alliance	Jan-10	Jan-13	\$ 3,470,000.00		MSI23
66	Ukraine	Combating Corruption and Strengthening the Rule of Law in Ukraine Project	Apr-06	Sep-11	\$ 14,736,753.00		MSI28
67	Ukraine	Ukraine Democracy and Governance Assessment	Jun-10	Sep-10	\$ 197,434.00		REPMSI40
68	Ukraine	Promoting Citizen Engagement in Combating Corruption in Ukraine (ACTION)	Dec-06	Dec-09	\$ 9,887,473.28	Top Tier	MSI45
69	Ukraine	The Ukrainian Standardized External Testing Initiative (USETI)	Apr-07	Dec-09			MSI46
70	Ukraine	Combating Corruption and Strengthening Rule of Law in Ukraine under the MCC	May-07	Sep-09	\$ 5,398,936.00	Top Tier	MSI48
71	Ukraine	Trade, Investment, and Business Acceleration (TIBA) Project in Ukraine	Dec-06	Jun-09	\$ 8,198,039.00	Top Tier	MSI53
72	Ukraine	Municipal Finance Strengthening Initiative (MFSI-II) Roll-Out - Ukraine	Oct-11				MSI70

ANNEX 2 – List of studies in the E&E region

1. Assessment of the Administrative Legal System in Bosnia and Herzegovina, Bosnia, 2007, http://pdf.usaid.gov/pdf_docs/PNADL004.pdf
2. Bosnia Herzegovina Tolerance Assessment, Bosnia, 2009
3. Corruption Assessment: Montenegro, Montenegro, 2009, <http://montenegro.usaid.gov/upload/documents/Corruption%20Assessment%20-%20Montenegro.pdf>
4. Russia Democracy and Governance Assessment, Russia, 2010
5. Ukraine Democracy and Governance Assessment, Ukraine, 2010

2. Anti-Corruption and Cross-Sectoral Program Mapping: the Latin America & Caribbean Region and Crime and Youth Programs Worldwide



USAID
FROM THE AMERICAN PEOPLE

ANTICORRUPTION AND CROSS-
SECTORAL PROGRAM MAPPING
THE LATIN AMERICA & CARIBBEAN
REGION AND CRIME AND YOUTH
PROGRAMS WORLDWIDE
FINAL REPORT

SEPTEMBER 23 , 2013

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ANTICORRUPTION AND CROSS-SECTORAL PROGRAM MAPPING

THE LATIN AMERICA & CARIBBEAN REGION AND CRIME AND YOUTH PROGRAMS WORLDWIDE FINAL REPORT



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Part I – Anticorruption Programming in the Latin America and Caribbean (LAC) Region

Introduction

The ENGAGE Indefinite Quantity Contract (IQC) Implementing Partners were tasked to assist the Center of Excellence on Democracy, Human Rights and Governance (DRG Center) through research, data entry and program mapping to identify and create a user-friendly reference for USAID on recent anticorruption activities from which lessons could be drawn for use in future programming decisions. Casals' review of several hundred documents led to the identification of forty-seven (47) distinct anticorruption programs in fifteen (15) countries within the Latin America and Caribbean Region (LAC), some of which displayed multiple anticorruption components and target populations, bringing the number of identified activities to more than two hundred forty (240).

Regional Anticorruption Programming

The vast majority of the anticorruption programs identified in the LAC region were funded under USAID's Democracy, Human Rights and Governance sector. The exceptions found were: first, **Guyana's** MCC Threshold Program under Economic Growth and Trade; and second, funded under Science, Technology and Innovation, **Ecuador's** innovative project to create an e-government information system through the use of mobile phones.

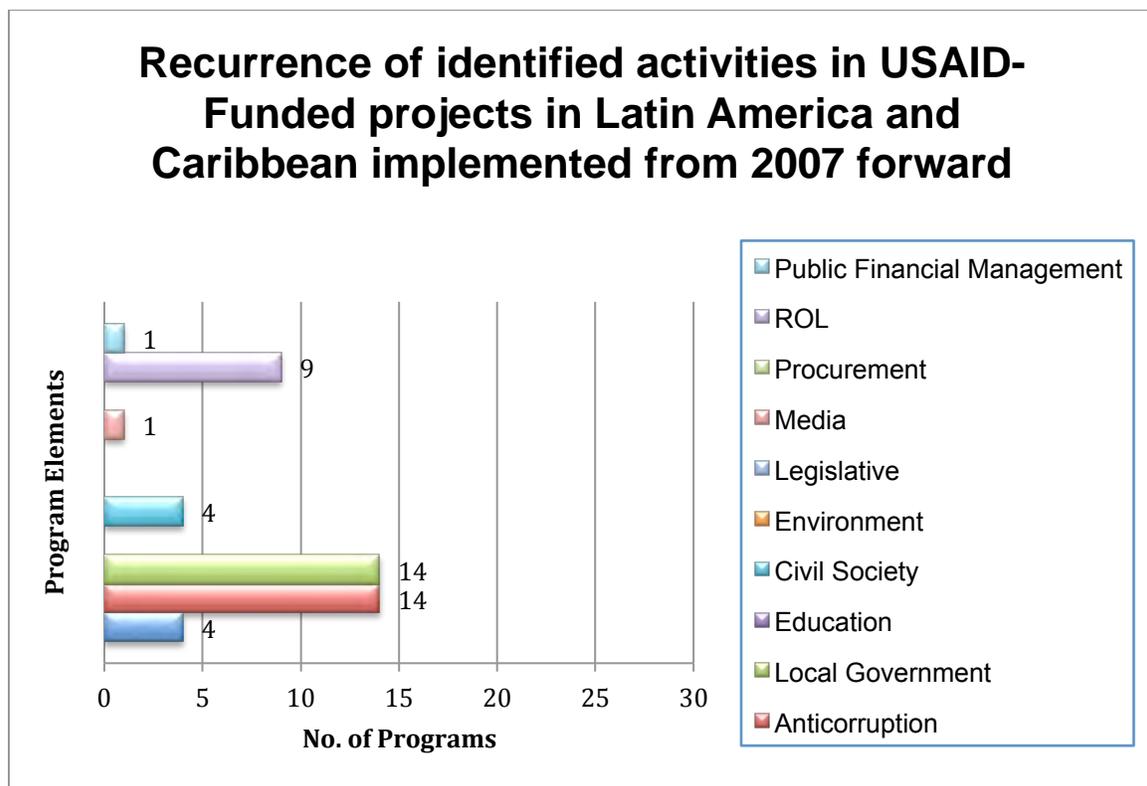
Primary program elements represented in the findings were varied but with an evident tendency toward direct anticorruption (14), local government (14) and rule of law (9). Most programs had either distinct components or dedicated activities directed at a number of existing or potential control points within the corruption environment such as the state financial management system, supreme audit institution, courts system, procurement process and customs. There was also strong evidence of support for greater involvement on the part of civil society and initiatives promoting transparency and freedom of information.

“It is reported that from 2000 to 2009 developing countries lost US\$8.44 trillion to illicit financial flows, 10 times more than the foreign aid they received.”

“The impact of corruption on development and on human rights is multifaceted; so too must be our response.”

Source: Opening Statement, UN High Commissioner for Human Rights, Navi Pillay, Panel Discussion on the Negative Impact of Corruption on the Enjoyment of Human Rights, Twenty-Second Session of the Human Rights Council, Geneva, 13 March 2013.

Three identified programs, six (6) percent, were implemented by local organizations; all others were awarded to U.S. consulting firms. Seventy-six (76) percent of identified award mechanisms were IQCs, twenty-one (21) percent awarded through open competition. There was one (1) project managed through a cooperative agreement. Although the award amount was not identified for a number of projects¹, well over \$300M was directed toward anticorruption programming within LAC during the period covered by this research.



Democracy, Human Rights and Governance Sector

Direct Anticorruption Element

The recurrence of projects with a primary direct anticorruption element accounted for thirty (30) percent of the identified programming. This element allowed for a diversity of activities and target institutions. Typically, a public sector modernization and capacity-building effort to improve efficiency of government and strengthen internal control ran parallel with activities aimed at passing on to civil society the tools for oversight and advocacy for accountability.

¹Information for some programs was not publicly available or easily accessible.

In **Mexico** during the years 2003 to 2008 USAID implemented the Greater Transparency and Accountability of Governments Program focused on access to public information and sound management of public finances². At program's end, twenty-five (25) of **Mexico's** thirty-two (32) states had designed and adopted freedom of information acts and a federal freedom of information law had passed as well. Ninety-three (93) federal agencies re-wrote public documents in language understandable and accessible to everyday users (Plain Language - *Lenguaje Ciudadano*) as part of an international push to improve communications between governments and their citizens³. One of the program's lessons learned was the importance of assessing potential risk of U.S. involvement in an issue and, when appropriate, seeking a branding waiver.

USAID implemented the Promoting Transparent Systems for Accountable Governance of Key Public Institutions program in the **Dominican Republic** during the years 2009 to 2011. This project improved transparency and competitiveness in government procurement by assisting the National Office of Procurement, the Controller General and targeted line ministries to follow and promote transparent bidding and award procedures and ultimately reduce the incidence of corruption⁴.

In **El Salvador**, support from the Democracy Strengthening Program (DSP) under Activity 1: Establishing and promoting good governance and anticorruption practices within the Government, advanced passage of a Government Ethics Law in January 2012 and an Access to Public Information Law in May 2012, both substantial legacies for USAID's assistance⁵.

Four (4) of the fourteen (14) projects were part of the Central America/**Mexico** Transparency and Anticorruption initiative still in place at the onset of this research period. This USAID program was based on the theory that **Guatemala, Nicaragua, Panama** and **El Salvador**, which had made considerable progress in

² Greater Transparency and Accountability of Governments Program, Mexico, Final Report, <http://www.casals.com/wp-content/uploads/2013/09/Final-report-Mexico-2003.pdf>

³ PlainLanguage.gov, <http://www.plainlanguage.gov/>

⁴ Promoting Transparent Systems for Accountable Governance of Key Public Institutions, Dominican Republic, http://www.tetrattechintdev.com/index.php?option=com_k2&view=item&id=152%3Adominican-republic-transparency-and-accountability-project-tap&Itemid=60&lang=us

⁵ Democracy Strengthening Program, El Salvador, Semi-Annual Report, <http://www.casals.com/wp-content/uploads/2013/09/El%20Salvador%20Semi-Annual%20Report%20No%208%20Final%20with%20M&E.pdf>

the transition to democracy, could address the challenges of fighting corruption through a regional mechanism. Programming in these countries included support for oversight agencies and national anticorruption plans, issues related to ethics, political party finance and service delivery, as well as promoting decentralization and building civil society capacity. Each element was country-specific with its own targeted beneficiaries; all four countries' design had a civil society component. With an initial award value of almost \$25 million, CAM represented a major commitment on the part of USAID to lay the foundations for the long-term transformation of Central America and stem the rampant corruption that threatened its transition toward democracy.

Recurrence of Anti-Corruption within Program Elements
Primary Program Elements

Recipient Country	Studies	Direct Anti-Corruption	ROL	Local Governance	Civil Society	Economic Growth	Food Security/ Agriculture	Environment/ Natural Resources	Peace Building/ Conflict	Public Financial Management	Disaster Recovery	Elections	Other	TOTAL
Bolivia		1		1										2
Colombia			2	2										4
Dom Republic		2	1											3
Ecuador		1		4										5
El Salvador		2	1							1				4
Guatemala		1	1	3										5
Guyana			1			1								2
Haiti				1										1
Honduras	1	1	1											3
Jamaica				1										1
Mexico		1	1											2
Nicaragua		1	1		2								**1	5
Panama		1												1
Paraguay		2			2	1							**1	6
Peru		1		2										3
	1	14	9	14	4	2				1				47

* Media

** M&E

The CAM initiative produced notable results. **Nicaragua** passed its first access to public information law in 2007⁶; **Guatemala** did likewise in 2008⁷. **Panama**

⁶ CAM/Nicaragua Final Report, <http://www.casals.com/wp-content/uploads/2013/09/Nicaragua-FINAL-Report-revised-Nov-2009.pdf>

⁷ CAM/Guatemala Final Report, http://www.casals.com/wp-content/uploads/2013/09/Guatemala_Final-Report.pdf

enacted a new criminal code as well as a criminal procedures code. **Panamanian** civil society carried out twenty-eight (28) social audits which, at that time, represented a new trend in prevention and control of corruption⁸. Great strides were made in strengthening civil society and steering it toward coordination of efforts to advocate for common issues. Despite significant steps forward in all four countries, **Nicaragua** eventually steered off course in 2007-2008 during a time of national elections. The distraction of the election period and a change in administration made it difficult for the program to continue along the same strategic path with a new set of host government players. This experience highlighted the complexities of addressing anticorruption on a regional basis, i.e., countries may not be at the same stage at the same time, and it may not be possible to collaborate in meeting the same objectives when a new administration takes office. An evaluation of the CAM/**Nicaragua**⁹ program recommended that future anticorruption programs not be regional in scope.

Decentralization

This programming period brought continuing support for decentralization. USAID strongly promoted citizen involvement in local affairs on the belief this would not only allow citizens to influence issues that affected their daily lives but would also improve decision-making, reduce opportunities for corruption and strengthen the demand for accountability at the national level as well. USAID responded to this decentralization trend within the region with support for building local capacity of both government and community, following the basic tenets of authority, autonomy, accountability and capacity¹⁰.

Fourteen (14) of the total projects reviewed were Local Governance efforts representing thirty (30) percent of the programs identified. Each of these included a component for developing citizen oversight for greater accountability on the part of local officials, particularly in light of receiving and disbursing additional funds from the central government as an integral part of decentralization.

The research identified three (3) local governance projects implemented in **Guatemala**. USAID's Decentralization and Local Governance program's support (2005 to 2009) to thirteen (13) selected **Guatemalan** municipalities produced an increase in their annual growth rate of own-source revenues from -0.5 percent in

⁸ CAM/Panama Final Report,

<http://www.casals.com/wp-content/uploads/2013/09/CAM-Panama-Final-Report-Eng.pdf>

⁹ CAM/Nicaragua Evaluation Final Report,

<http://www.casals.com/wp-content/uploads/2013/09/CAM-Nicaragua-Final-Report.pdf>

¹⁰ USAID Democratic Decentralization Programming Handbook, June 2009,

http://pdf.usaid.gov/pdf_docs/PNAEA460.pdf

2005 to 41.2 percent in 2008¹¹. With a 2009 start-up, the Local Governance Project (LGP) built on USAID's previous investment in democracy and governance in **Guatemala** and continued to promote the economic development and capacity of local governments to provide municipal services. One of the early successes of the program was reform of the **Guatemalan** Municipal Code with provisions to ensure the participation of women and new regulations on land-use planning¹².

The research also produced evidence that most local governance/ decentralization programs worked with a national organization representing municipalities. The LGP (above) provided both technical and financial support to **Guatemala's** National Municipal Association (ANAM for its name in Spanish) in developing an advocacy strategy for, among other things, dialogue with key committees of the **Guatemalan** Congress and central government agencies.

Decentralization's multiple dimensions make it a complex arena. There were challenges and even in countries benefitting from follow on programs results were limited. In **Guatemala**, for example, it was found that there was a lack of understanding among all parties about the value of decentralization, as well as an inherent risk in promoting it without also strengthening local capacity¹³.

Haiti's LOKAL program (Limyè ak Òganizasyon pou Kolektivite yo Ale Lwen), implemented from 2007 to 2011, was designed after the return of democracy with the election of 2006. The project focused on three (3) primary areas of intervention: decentralization policy and legal framework, capacity of local governments to effectively govern and provide basic public services, and enhancing transparent local governance through citizen participation and public information. Project implementation was interrupted several times due to natural disasters, most notably from the 2008 hurricane season and the 2010 earthquake¹⁴. Despite these challenges, target municipalities developed Communal Development Plans that led to accessing central government and

¹¹ Decentralization and Local Governance Program, Guatemala, <http://www.devtechsys.com/practices/public-financial-management/116-guatemala-decentralization-and-local-governance>

¹² Local Governance Program, Guatemala, http://www.tetrachintdev.com/index.php?option=com_k2&view=item&id=435%3Ahighlights-guatemala-lg&Itemid=60&lang=us

¹³ Guatemala Decentralization and Local Governance Program, Final Report, November 25, 2009, http://pdf.usaid.gov/pdf_docs/PDACP908.pdf

¹⁴ Haiti's LOKAL project, Final Report, January 2012, [http://dl.dropboxusercontent.com/u/75462963/Local Governance Timeline/LOKAL Final Report, English.pdf](http://dl.dropboxusercontent.com/u/75462963/Local%20Governance%20Timeline/LOKAL%20Final%20Report,%20English.pdf)

other donor assistance. LOKAL was also able to catalyze citizen participation and direct, in part, resources toward community interests¹⁵.

The Andean countries of **Colombia**, **Ecuador** and **Peru** also implemented multiple local governance programs. In **Ecuador** land distribution is highly unequal and closely tied to rural poverty. Administrative systems for titling and registration of land tend to be under-funded and often corrupt. **Ecuador's** revised 2008 Constitution recognized and guaranteed the right to property, but some local governments lacked the capacity to deal with land management issues or to take advantage of the opportunities granted through devolved authorities. USAID's Municipal Strengthening Project (PROMUNI) (2010 to 2013) has worked to increase the public management capacities of thirty (30) municipalities. The project has also promoted a formalized system of citizen participation in the decision-making and oversight processes. The PROMUNI team works through local organizations in order to ensure sustainable results¹⁶.

Two (2) Decentralization programs were rated as **Top Tier**¹⁷ projects. The Decentralization for More Effective and Accountable Local Government Program in Peru¹⁸ produced significant rates of improvement in municipal, regional and provincial government operations under Activity 2. For example, in terms of execution of their approved purchasing plans, municipal governments saw a rise from sixty (60) percent in 2008 to eighty-three (83) percent in 2011. Regional governments improved their execution rate from sixty-one (61%) to ninety-seven (97%) during the same period¹⁹. The prior Peru Pro-Decentralization Program²⁰ (PRODES) reported

Corrupting democracy is important for organized crime, according to "**The Drug Problem in the Americas**" report by the Organization of American States (OAS), released in Bogotá, Colombia, on May 17, 2013.

"The illegal drug economy requires bribery, collusion and a willingness of public servants to hide [the criminals'] operations. Organized crime cannot exist without corruption," the report said.

¹⁵ LOKAL Program Evaluation, Haiti, April 2012, http://pdf.usaid.gov/pdf_docs/PDACT440.pdf

¹⁶ Ecuador Municipal Strengthening Project, RTI, http://www.rti.org/newsletters/witw/2011mar-apr/rti_witw_2011-03.pdf

¹⁷ Top Tier criteria as provided by DRG Center are, in order of importance: measured results show success/impact; significant amount of information available about the program; program could be adapted elsewhere; unique in approach

¹⁸ Decentralization Project, External Mid Term Review, ARD, September 2010, http://pdf.usaid.gov/pdf_docs/PDACR509.pdf

¹⁹ Decentralization Project, External Mid Term Review, ARD, September 2010, http://pdf.usaid.gov/pdf_docs/PDACR509.pdf

institutionalizing participatory decision-making and greater inclusion in five hundred thirty-six (536) municipal and seven (7) regional governments.

Rule of Law

Nine (9) Rule of Law projects accounted for nineteen (19) percent of the identified anticorruption programs within the region. Colombia's 2006-2010 Justice Reform and Modernization Program produced a number of anticorruption results²¹. The Program supervised the investment of more than \$4 million in the construction of six (6) regional Justice Houses and fifteen (15) satellite Justice Houses as well as approximately \$6.8 million in construction costs negotiated from public and private Colombian sources. A Justice House is a multi-agency community center where area residents can access traditional and non-traditional justice services to help them resolve conflicts and receive other forms of legal assistance – all under one roof. The Program also awarded more than \$2 million in grants to seventy-eight (78) CSOs, many of which were comprised of traditionally vulnerable groups such as Afro Colombians, indigenous people, women and youth. The program also trained citizen oversight groups from Bogotá-based universities to monitor how justice-related issues were being managed at Bogotá's *Comisarias de Familias* (family/community police stations)²².

A still unfinished highway in Ecuador cost taxpayers \$106 million when the winning quote was \$36 million; in Guatemala, the Ministry of Communications awarded \$27 million to fictitious suppliers linked to government officials; and in Venezuela, the massive public housing program paid close to \$800 million to phantom companies as well as builders who never broke ground. These are just a handful of indicted cases, a drop in the veritable bucket of actual corruption, estimated by some to be anywhere from 5 to 10 percent of overall government spending and 10 to 30 percent of infrastructure spending in Latin America. (Source: Periodistas Frente a la Corrupción (PFC) which publishes an annual report highlighting cases of corruption that have been indicted).

²⁰ The Peru Pro-Decentralization (PRODES) Program Final Report, ARD, March 2008, <http://www.bvcooperacion.pe/biblioteca/bitstream/123456789/2317/1/BVC10002532.pdf>

²¹ Justice Reform and Modernization Project (JRMP), Colombia, Final Report, http://pdf.usaid.gov/pdf_docs/pdacr351.pdf

²² Assessment of USAID/Colombia's Justice Reform and Modernization Project, MSI, March 12, 2010, http://pdf.usaid.gov/pdf_docs/PDACR349.pdf

Colombia's follow-on 2010-2012 Access to Justice program²³ set up legal aid clinics run by universities, eight (8) public defender offices and modernized a forensic laboratory. In the Dominican Republic under the Justice Project of 2008-2012²⁴ USAID support modernized the case tracking and management system via Jurisbook to provide computer-based management of hearings through a common calendar for prosecutors and defenders. By using telephone and web-based notifications, the new management models are pioneering the use of technology to further advance the goals of the justice system²⁵.

Civil Society

Within the forty-seven (47) identified anticorruption programs in the LAC region, **Nicaragua** and **Paraguay** each had two (2) projects specifically supporting civil society development, approximately nine (9) percent of the total. The current program in **Nicaragua**, known as the Institutional Strengthening Project (ISP), works with twenty (20) formal CSOs and ten (10) emerging organizations. These organizations represent demographic and geographic diversity and various sector concentrations including humanitarian assistance, income generation, education, as well as traditional democratic initiatives. This program seeks to improve the organizational capacity, governance structure, operational efficiency and strategic vision of these organizations.

Paraguay's Civil Society Strengthening program is dedicated to shaping civil society organizations as a responsible and legitimate force for policy change in the democratic arena in a sustained and consistent manner²⁶. The project is providing technical assistance and training in areas such as managerial capability, financial processes, organizational structure, fundraising, project development, communications strategies, and monitoring and evaluation.

Moreover, a high percentage of all identified anticorruption projects, mentioned above, contained a component (sub-element) or specific activities targeting civil society. These most often focused on issues of transparency, accountability and ethics. Educating the population on the control mechanisms that exist and promoting advocacy for controls in need of development is basic to these efforts.

²³ OIG Audit of USAID/Colombia's Access to Justice Program, No. 1-514-12-005-P, August 14, 2012, <http://oig.usaid.gov/sites/default/files/audit-reports/1-514-12-005-p.pdf>

²⁴ Justice Project Quarterly Report (April-June 2009), DAI, July 2009, http://pdf.usaid.gov/pdf_docs/PDACO289.pdf

²⁵ Dominican Republic Justice Project, <http://dai.com/our-work/projects/dominican-republic—proyecto-de-justicia-de-usaid>

²⁶ Civil Society Strengthening Program, Paraguay, September 4, 2012, http://paraguay.usembassy.gov/pe_090412.html

In **EI Salvador**, for example, the current Democracy Strengthening Program (DSP) under Activity 2, Engaging Civil Society in the Fight against Corruption, brought together civil society organizations, media and business associations to address corporate social responsibility and the need for business codes of ethics. The Salvadoran Medical Association and the electric company (Del Sur) have become examples for others to follow. The DSP has also developed a Program of Ethics Culture for University Students (PECUS) to which five (5) universities have subscribed. These activities reinforce parallel efforts at the government-level, promote oversight and encourage the development of ethical leaders for future administrations²⁷.

Other Programming Elements

One project in **EI Salvador** was categorized as Public Financial Management. Reported just a year into implementation, the Program has supported the government's adoption of a results-oriented budget, international Public Sector Accounting Standards and an enhanced financial management information system. Two programs reported under the Other category were unique in design. **Nicaragua's** Media Project (2010 – 2013) works with independent media organizations to more effectively deliver assistance information and health messages to target audiences, in addition to information that strengthens democracy. The implementing partner assists independent media at both national and regional levels in designing radio and television shows, print journalism and other communications programs, using state-of-the-art interactive technologies²⁸. The second project categorized as Other was a governance assessment, System for Monitoring and Evaluation of Democratic Governance in **Paraguay**²⁹.

The Task Order that funded the 2008 **Honduras** Corruption Study was selected as a **Top Tier** project due to its multi-sector inclusion (education, health, economic) to reflect USAID's recognition of the cross-cutting nature of corruption and the need for integrating and mainstreaming objectives.

²⁷ Democracy Strengthening Program, El Salvador, Semi-Annual Report, <http://www.casals.com/wp-content/uploads/2013/09/EI%20Salvador%20Semi-Annual%20Report%20No%208%20Final%20with%20M&E.pdf>

²⁸ Nicaragua's Media Project, <http://www.fhi360.org/projects/nicaragua-media-program>

²⁹ System for Monitoring and Evaluation of Democratic Governance in Paraguay, <http://www.undp.org/content/dam/undp/library/Democratic%20Governance/Democratic%20Governance%20Thematic%20Trust%20Fund/Paraguay-governance-assessment.pdf>

Programs under Other Sectors

Two (2) programs, one in **Guyana** and another in **Paraguay**, fell under the Economic Growth and Trade element. The Guyana Threshold Country Plan/Implementation Program (GTCP/IP) was carried out from 2008 to 2010 via a grant from the Millennium Challenge Corporation (MCC). The MCC had agreed to provide targeted technical assistance and training to support the government's strategy to bring the fiscal deficit down to a sustainable level and improve the business investment climate.³⁰

The second program, also funded by MCC via USAID, **Paraguay's** Threshold Program Focus Area II: Formalization of Economic Sector Activities, helped establish three (3) anti-contraband intelligence and operations units within the National Customs Office. From 2006 to 2008 the project provided training in contraband detection methods and the use of modern equipment, technology and modes of transportation. The program assisted in reducing the percentage of businesses evading the collection and payment of the value added tax (VAT), and thus, helped formalize the economy and brought about more equitable sharing of the tax burden.

USAID Sponsored Anticorruption Projects by Country
compared to TI and WBI Corruption Index
from 2004 to 2012

Country	Number of USAID-Sponsored Anticorruption Projects	TI Corruption Perception Index										WB Control of Corruption Index									
		2004	2005	2006	2007	2008	2009	2010	2011	2012	Difference 2004-2012	2004	2005	2006	2007	2008	2009	2010	2011	Difference 2004-2011	
Bolivia	2	122	117	105	105	102	120	110	118	105	-17	-0.5	-0.5	-0.5	-0.5	-0.5	-0.5	-0.5	-0.5	0.0	
Colombia	4	60	55	59	68	70	75	78	80	94	34	-0.1	-0.1	-0.1	-0.2	-0.2	-0.3	-0.4	-0.3	-0.2	
Dom Republic	3	87	85	99	99	102	99	101	129	118	31	-0.5	-0.6	-0.6	-0.7	-0.7	-0.8	-0.8	-0.8	-0.3	
Ecuador	5	112	117	138	150	151	146	127	120	118	6	-0.7	-0.7	-0.8	-0.9	-0.8	-0.9	-0.9	-0.8	-0.2	
El Salvador	4	51	51	57	67	67	84	73	80	83	32	-0.4	-0.4	-0.2	-0.3	-0.4	-0.2	-0.2	-0.2	0.2	
Guatemala	5	122	117	111	111	96	84	91	120	113	-9	-0.5	-0.6	-0.7	-0.7	-0.6	-0.5	-0.5	-0.5	0.0	
Guyana	2	N/A	117	121	129	126	126	116	134	133	16	-0.5	-0.6	-0.6	-0.6	-0.5	0.6	-0.6	-0.6	-0.2	
Haiti	1	145	155	163	177	177	168	146	175	165	20	-1.5	-1.5	-1.3	-1.3	-1.2	-1.2	-1.3	-1.3	0.3	
Honduras	3	114	107	121	131	126	130	134	129	133	19	-0.8	-0.7	-0.8	-0.7	-0.8	-0.9	-0.9	-0.8	0.0	
Jamaica	1	74	64	61	84	96	99	87	86	83	9	-0.5	-0.4	-0.4	-0.5	-0.5	-0.4	-0.4	-0.4	0.1	
Mexico	2	64	65	70	72	72	89	98	100	105	41	-0.3	-0.3	-0.2	-0.3	-0.2	-0.3	-0.4	-0.4	-0.1	
Nicaragua	5	97	107	111	123	134	130	127	134	130	33	-0.4	-0.6	-0.7	-0.8	-0.8	-0.8	-0.8	-0.8	-0.4	
Panama	1	62	65	84	94	85	84	73	86	83	21	-0.3	-0.4	-0.4	-0.4	-0.1	-0.3	-0.4	-0.4	-0.1	
Paraguay	6	140	144	111	138	138	154	146	154	150	10	-1.4	-1.4	-1.2	-1.2	-1.0	-0.9	-0.8	-0.7	0.7	
Peru	3	67	65	70	72	72	75	78	80	83	16	-0.4	-0.4	-0.2	-0.3	-0.2	-0.3	-0.2	-0.2	0.2	
	47																				

³⁰ Guyana Threshold Country Plan/Implementation Program, http://pdf.usaid.gov/pdf_docs/PDACS950.pdf

One program funded as a Science, Technology and Innovation initiative was **Ecuador's** novel program to create an e-government system using mobile phones to increase transparency and efficiency in municipal service delivery, simplification of government procedures, improvement in communications and, thus, strengthening democracy. The project implemented a municipal SMS service in six (6) municipalities in the Sierra zone, the coastal zone and the Amazon basin, thus, improving access to some of the more remote areas.

U.S. Funding Partners

USAID continued its close relationship with the MCC. **Paraguay** was not only the first Western Hemisphere country to receive Threshold funds (2006 to 2009), it was also one of only two countries (Albania the other) to be granted a Stage II program which ran from 2009 to 2012. Paraguay had progressed during Stage I from a ranking of 8 out of 100 in 2006 on MCC's Control of Corruption Indicator to 30 out of 100 in 2008. In spite of these opportunities, Paraguay slipped to a ranking of 28 in 2012 and a 22 in 2013, failing to make MCC's Control of Corruption median for the ninth year.

Observations from Implementing Partners

A review of the numerous program reports, mid-term and final evaluations offered many solid recommendations based upon implementing partners' first-hand experiences in meeting the challenges that arise in implementation. A short list follows:

- Focus assistance where significant gains can be made, not where there is no will for change³¹.
- Work Plan flexibility including phases for re-assessment increases success³².

Additional comments noted regarding implementation challenges were:

- The "loss of knowledge" cycle within governments due to the failure to retain key capacitated staff is a major obstacle to real change³³.

³¹ Honduras Greater Transparency and Accountability of Government Program (GTAG) Final Performance Report, MSI, March 2009, http://pdf.usaid.gov/pdf_docs/PDACP996.pdf

³² Guyana Threshold Country Plan/Implementation Program (GTCP/IP), Final Report, Nathan Associates Inc, February 2010, http://pdf.usaid.gov/pdf_docs/PDACS950.pdf

³³ Guyana Threshold Country Plan/Implementation Program (GTCP/IP), Final Report, Nathan Associates Inc, February 2010, http://pdf.usaid.gov/pdf_docs/PDACS950.pdf

- The lack of enforced legal protection for civil servants in most developing countries negatively affects significant gain from donor-provided training in the public sector due to the cyclical political turnover within recipient agencies (multiple citations).
- The sensitivities that arise in special political contexts, such as the electoral campaign, have greater impact on programs with focus on issues such as anticorruption and transparency. The timeframe for action becomes very limited³⁴.
- Program design needs review, adjustments, tweaks and multiple Task Order modifications to address the moving targets and changing political climates common to USAID implementation environments. The greater the flexibility of the design, the higher the likelihood of measurable success (multiple citations).

Foreign assistance is intended to support recipient countries through a process that leads to their transformation beyond need. Set-backs, sometimes beyond their control, may cause detours to this plan. Natural disasters, all too common in LAC, fall into this category. Moreover, the region is now faced with a new corruption playing field where money is no object, violence begets power, and public officials may find themselves pulled into corrupt acts not just for financial gain, but as a means of staying in office and alive.

Criminal activity and corruption are threatening the region's progress. USAID's programming decisions are now addressing the causes for this situation as well as the effects. Promoting economic growth, even as it is affected by the rates of crime and violence, becomes more urgent. Continued support for civil society and the rule of law are vital. Deputy Assistant Administrator for LAC, Mark Lopes, noted, "With impunity rates of around 82 percent for homicide and even higher for other crimes, there will be a lot needed for a number of years"³⁵.

³⁴ Dominican Republic Transparency and Citizen Action Program, Report Final Semester, <http://www.casals.com/wp-content/uploads/2013/09/DR-Report-Final-Semester.pdf>

³⁵ Lopes, Mark, USAID Deputy Assistant Administrator for LAC, before the House Committee on Foreign Affairs, June 19 2013, <http://iipdigital.usembassy.gov/st/english/texttrans/2013/06/20130620277078.html-axzz2cdQOz3tw>

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Part II – Crime and Youth Anticorruption Programs

Executive Summary

In 2012, USAID considered ninety-two (92) countries very or highly corrupt³⁶. Countries with weak control of corruption, weak government effectiveness and weak rule of law have a thirty (30) to forty-five (45) percent higher risk of civil war and significantly higher risk of extreme criminal violence than other developing countries³⁷. During the last two decades significant efforts have been made to improve the relationship between citizens and state actors by directly linking those who are governed with those who are democratically elected to govern. After analyzing more than fifty (50) anticorruption programs, few were found to actually involve youth, a group that constitutes over forty-six (46) percent of the total global population.

The youth population is becoming increasingly technologically savvy and educated. It is now ready to take on bigger challenges and should be actively engaged and empowered to promote good governance and fight corruption. Future programming decisions should consider incorporating youth as a principal focus of anticorruption programs.

These programs can be framed by a) making youth participation essential and therefore creating appropriate and appealing opportunities; b) including youth anticorruption movements and networking as key components of anticorruption programming; and c) attracting youth involvement at the political level so they can drive reform processes. This has to represent real involvement of youth rather than just gestures. Officials must be held accountable when they face corruption charges; otherwise, youth anticorruption programs are futile. In many societies, teenagers are shut out of participation in politics by the domination of adults. Youth, however, are also concerned and informed citizens who can advocate for change within their communities.

³⁶ <http://www.usaid.gov/what-we-do/democracy-human-rights-and-governance/promoting-accountability-transparency>

³⁷ <http://www.usaid.gov/what-we-do/democracy-human-rights-and-governance/promoting-accountability-transparency>

Anticorruption, Crime and Youth

Crime and youth issues should be integral parts of anticorruption strategies and not treated as separate policy issues. In reviewing the thirty-five (35) page 2005 USAID Anticorruption Strategy³⁸ the word youth is not included. In the recent 2013 USAID Strategy³⁹ on Human Rights, Democracy and Governance published in June 2013 there are no clearly stated strategies or policies that combine Anticorruption issues with Crime and Youth⁴⁰.

We have to refer to the 2012 USAID “Youth in Development Policy”⁴¹ document to find a first hint of the links between corruption, crime and youth:

*In Honduras, the escalation of narco-violence and gang-related crime, together with cross-border trafficking from **Colombia, Venezuela, and Mexico** has resulted in unparalleled levels of extortion and violence. Poverty and **corruption**, plus the inability to create secure communities have left young people particularly vulnerable to engaging in gang violence and petty crime. USAID **Honduras** is implementing a cross-sector program that includes juvenile justice, municipal crime prevention and security infrastructure, and services for youth-at-risk in order to foster youth resiliency, focusing on increasing the ability of young people, many of whom are recent arrivals, to absorb shocks and overcome the challenges of poverty, insecurity and violence.*

³⁸ USAID Anticorruption Strategy document published in Washington, DC on October 2004 with number PD-ACA-557 and available at http://transition.usaid.gov/our_work/democracy_and_governance/publications/pdfs/ac_strategy_final.pdf

³⁹ Complete document available at http://www.usaid.gov/sites/default/files/documents/1866/USAID_DRG_final_final_6-24_3%281%29.pdf

⁴⁰ For example: “USAID also prioritizes programming for youth. Disenfranchised youth can become frustrated by limited opportunities, and as a result they may be drawn into conflict, crime, and violence. Yet, youth have enormous potential when they are provided with expanded opportunities. Recent research has emphasized a potential demographic dividend for economic growth in countries with a growing proportion of working-age population. Similarly, youth dividends can be sought in DRG as the talents of tech savvy youth can be harnessed to build greater participation, engagement in political processes and a more robust democracy.”

⁴¹ Available at http://transition.usaid.gov/our_work/policy_planning_and_learning/documents/Youth_in_Development_Policy.pdf

USAID recognizes in the above-mentioned document that “[...] *Remaining gaps in knowledge and evidence require rigorous research and evaluation to expand and nuance the collective knowledge base about effective youth programming in developing countries. To drive increased evaluation and learning, USAID will better track and monitor investments, strengthen efforts to collect age disaggregated data and utilize youth specific indicators.*”

Despite that limited exposure of DRG youth programming, there is a significant body of knowledge, best practices and lessons learned that have influenced the objectives, framework and principles of Democracy and Governance programs in general as well as anticorruption ones in particular. It is very recent that crime and youth issues have become a key element of anticorruption activities⁴².

As later explained, the analysis of the anticorruption projects that USAID ENGAGE Implementing Partners have classified as having some component related to Crime and Youth clearly reflects that, up to now, crime and youth related issues have not been significantly linked to USAID’s anticorruption programs. It is also important to mention that there does not seem to be a clear and agreed upon definition of what compels a program to have a crime and youth component. Most of the projects classified with one or the other, crime or youth, were implemented in LAC, Asia or Eurasia.

The high percentage of youth within the population of developing countries is a factor that cannot be ignored. In the last decade there have been numerous quantitative studies that have provided newer perspectives since earlier reports linked youth bulges⁴³ to crime and conflict⁴⁴. In fact, USAID explains⁴⁵ that the 2000s have been an exciting time for quantitative studies of conflict and new methodologies for research that conclude that *“In the last few years the common thread across the research has been that youth bulges alone do not cause conflict. Rather, when unstable politics and social deterioration are combined with large numbers of disadvantaged young men, new problems arise.”*

⁴² See key findings of the 2012 International Anticorruption Conference (IACC) celebrated in Brazil.

⁴³ The youth bulge is a common phenomenon in many developing countries, and in particular, in the least developed countries. It is often due to a stage of development where a country achieves success in reducing infant mortality but mothers still have a high fertility rate. The result is that a large share of the population is comprised of children and young adults, and today’s children are tomorrow’s young adults.

⁴⁴ Goldstone 1991; Esty et al 1998.

⁴⁵ USAID Technical Brief : Youth Bulges and conflict available at http://api.ning.com/files/92EDCJhrehYtmJ0R-2QhbQMZgMqOO9aC1LGHUHYDNF31P9ZR5nXsgKq8s0EUW043mvWRTArEtcojj3rzGF*crhYall3KNByv/CMMTechnicalBriefWinter2010youthbulges.pdf

Perhaps the best known of the statistical studies is that of Paul Collier and Anke Hoeffler (1998, 2004, 2007). Their findings on youth bulges have been mixed: their early papers failed to support the hypothesis that youth bulges lead to conflict (although they flagged secondary education of male youth as influential in 2004). A newer methodology used in the 2007 paper led to a new finding: doubling the population of young males aged 15-29 would increase the risk of conflict from 4.7 percent to 31.9 per cent (2007, 16).

Other important studies have not produced this result. For example, Fearon and Laitin found the significant drivers of the link between youth bulges and crime to be poverty, political instability, rough terrain and large populations, although they did point out that low GDP per capita would increase the feasibility of rebellion by lowering the cost of recruiting young men to gangs and militias⁴⁶.

The U.S. Government and a wide network of academics felt that the most comprehensive and reliable findings in this field have come from the Political Instability Task Force (PITF). The latest findings emphasized regime type and factionalism, poverty/development, “bad neighbors,” and the level of state discrimination. Henrik Urdal at the Peace Research Institute (PRIO) in Oslo, Norway, has published several papers on youth and conflict, consistently showing that other factors, such as low economic growth, economic hardship and levels of political participation, pose greater conflict risks than youth bulges⁴⁷. Urdal has found no correlation between youth bulges, urbanization and violence, although the caveat here is that other factors, such as absence of democratic institutions, low economic growth and low levels of secondary educational school are associated with disturbance and crime⁴⁸.

Further research remains to be done, especially when, for example, crime and youth issues associated with gangs have been mostly linked to drug dealing and narcotraffic, especially in the Central America Region. Very few studies explicitly link these issues with corruption at all levels. Back in 2005 it was already found⁴⁹ that, fed by an explosive growth in the area's youth population and by a host of social problems such as poverty and unemployment, the gangs were spreading, spilling into Mexico and beyond -- even back into the United States itself. With them, the *maras* (gangs) were bringing rampant crime, committing thousands of

⁴⁶ Fearon and Laitin, 15.

⁴⁷ USAID Youth and Conflict Toolkit Supplement, 2007 and Urdal & Hoelscher, 2009.

⁴⁸ Urdal & Hoelscher, 2009 (1).

⁴⁹ See Ana Arana's article “How the Street Gangs took Central America” published in the May/June 2005 issue of Foreign Affairs as well as in http://www.nytimes.com/cfr/international/20050501faessay84310_arana.html

murders, and contributing to a flourishing drug trade⁵⁰. Central America's governments, meanwhile, seemed utterly incapable of meeting the challenge--- lacking the skills, know-how and resources necessary to fight these super-gangs. Arana's article on Foreign Affairs concludes that *"The solutions attempted so far - - largely confined to military and police operations -- only aggravated the problem; prisons acted as gangland finishing schools, and military operations only dispersed the gangs' leadership, making bosses harder than ever to track and capture."*

In 2005 Arana insisted that corruption also remained a persistent scourge and prevented a more effective anti-gang strategy from emerging. In **Guatemala**, the Anti-Narcotics Operations Department had to be dismantled in November 2002 after investigators found that three hundred twenty (320) of its officials were being paid off by local criminals. **Guatemala's** parliament refused a UN offer to help fight organized crime, rejecting the establishment of an UN-appointed investigative commission⁵¹. Many Guatemalan criminal syndicates are run by corrupt retired military officers with political connections. Similar assertions have been made and continue to arise in countries such as **El Salvador**⁵² and **Honduras**⁵³.

When citizens, and especially youth, observe that corruption pays off, that the bigger the crime the higher the chance of not only getting by with it but also becoming very rich, it is hard to avoid being attracted to and trapped into the wrong activities. It is generally accepted that corruption can drive away investment, but this is not the only way corruption interferes with development. Both petty and grand corruption interfere with the ability of the state to promote any kind of development by obstructing the delivery of services, undermining the tax base, and distorting public spending. It is not just the case of the corrupt

⁵⁰ http://www.nytimes.com/cfr/international/20050501faessay84310_arana.html

⁵¹ See Ana Arana's article "How the Street Gangs took Central America" published in the May/June 2005 issue of Foreign Affairs as well as in http://www.nytimes.com/cfr/international/20050501faessay84310_arana.html

⁵² Since late 2011 El Salvador's national police force is carrying out an internal investigation involving around 1,600 police officers over allegations that they have conspired with criminal and drug gangs and or have been involved in the killings of innocent civilians (as reported by Thomson-Reuters in November 2011. Details available at <http://www.trust.org/item/?map=el-salvador-on-drive-to-clean-up-corrupt-police-force/>.

⁵³ As of June 2013 all 1,400 officers from Honduras' investigative police unit have been suspended over alleged corruption and ties to organized crime, once again underscoring the extent of police corruption in Honduras and the scale of the challenge facing reform attempts (as reported by Insight Crime on June 6, 2013. All details available at <http://www.insightcrime.org/news-briefs/1400-honduras-police-suspended-for-links-to-organized-crime>

policeman or the grand corruption case that seizes the headlines that is most damaging; the public faces a more insidious development barrier in the form of petty corruption. To access needed development services or to avoid formidable bureaucratic barriers, bribes may be required. This type of corruption may virtually block access to essential services for the poorest, as these public goods are diverted to those with the ability to bribe officials. In this way, corruption can directly prevent the delivery of education, health services, electrification and water services, and justice to those who most need them.

When bribes must be paid, they often represent considerable hardship for poor households. For example, across the world, on average, 27% of people reported they have paid a bribe in the last 12 months⁵⁴. As an example, the average bribe paid in **Kenya** was more than US \$100 while in **Uganda** it was over US \$200. In **Mexico** the cost of bribery has a regressive effect on Mexican households hurting the poor the most, with an average-income household spending 14 % of that income on bribes and those with the lowest incomes spending 33 %⁵⁵.

As bad as crime is for public confidence in the state, corruption is probably worse. Corruption involves officials directly betraying their role as civil servants. It is difficult to imagine a more effective way of undermining participation in democracy. Youth perceive this as normal so falling into crime and corruption does not seem far from what many people do. Negative consequences of these actions are non-existent or limited so the perception of playing-with-fire or entering a risky game is very low⁵⁶.

There is a growing sense of lawlessness in much of Central America. The perception that others do not follow the rules can lead to the impression that society is a free-for-all⁵⁷. The analysts argue that the countries polled are divided into three categories in terms of their sense of civic responsibility, with **Costa Rica** and **El Salvador** falling in the second tier and **Honduras**, **Nicaragua**, **Guatemala**, and **Panama** falling in the lowest tier. When 80% of the people

⁵⁴ As reported in the 2013 Global Corruption Barometer available at <http://www.transparency.org/gcb2013/report>

⁵⁵ 2010 National Index of Good Governance and Corruption. Transparencia Mexicana (as reported in the 2013 Global Corruption Barometer available at <http://www.transparency.org/gcb2013/report>).

⁵⁶ As reported in the 2006 Latinobarometro available at <http://www.latinobarometro.org/latino/LATContenidos.jsp>

⁵⁷ Crime and Development in Central America. Caught in the crossfire. United Nations. Office of Drug and Crime.

believe that their fellow citizens do not obey the law, only the most moral personalities resist the temptation to cut corners when possible⁵⁸.

Analysis of Anticorruption Programs with Crime and Youth Components identified by USAID ENGAGE partners

Top Tier Programs

Before getting into the specifics it is important to mention that partners have identified crime and youth components in **top tier** programs located only in Asia. As mentioned, this might be caused by a lack of a clear definition of the concepts or a fuzzy delimitation of boundaries. Also, as shown later in the document, some programs have been classified as such because they referred to crime and youth as being impacted by corruption but not because the program included specific activities that targeted that segment of the population.

For example, the **Top Tier** Cambodian Program on Rights and Justice (PRAJ) implemented by East West Management Institute (DAI42)⁵⁹ concluded that *“Human rights violations were legion, corruption was growing, and there was little transparency, accountability or even predictability in the functioning of the **Cambodian** legal system. At the same time, the shift in the pattern of exploitation had accelerated, with more and more cases associated with land grabbing, sexual exploitation of women and children, and domestic violence. Other deprivations remained, such as police abuse and torture of those arrested, excessive pre-trial detention, incarceration of juveniles, and failure to provide legal defense to those accused of crimes”*.

Similarly, another **Top Tier** program, the Counter Trafficking in Persons Project in **Cambodia** implemented by The Asia Foundation (DAI1)⁶⁰ insisted in *“the need of national prevention and awareness campaigns that appeals to Cambodian culture, values and particularly youth, who are most vulnerable to trafficking and exploitation”*.

⁵⁸ Crime and Development in Central America. Caught in the crossfire. United Nations. Office of Drug and Crime.

⁵⁹ See full details at http://pdf.usaid.gov/pdf_docs/pdacl459.pdf

⁶⁰ For further details see <http://asiafoundation.org/resources/pdfs/1CBtrafficking.pdf>

Strengthening The Rule Of Law In **Kazakhstan** (**Kazakhstan** Judicial Assistance Project-KJAP), another **Top Tier** program, implemented by Chemonics International (QED53)⁶¹ worked on the demand side designing and implementing “a national public education campaign to inform and educate **Kazakhstan**’s citizens on judicial issues and increase their demand for a fair, independent, and ethical judiciary that responds to their needs. The core of the campaign focused on 13 informative articles, which were written to be interesting and easily understandable to the average reader. KJAP distributed 50,000 copies of a 71-page brochure containing the entire collection of articles in both Russian and Kazakh. The brochures were placed in every court in Kazakhstan to be readily available to court visitors. KJAP also formed an alliance with 9 Kazakhstani nongovernmental organizations located around the country to distribute the brochures to their clients. The nongovernmental organizations include media, legal, human rights, and youth organizations, which collectively work with journalists, courts, high school students, universities, libraries, and citizens. The involvement of civil society increased the campaign’s exposure and made it locally owned and sustainable.” Limiting activities to increase the demand of civil society, including youth, is a good step but it is hard to have a measurable impact unless indicators have been established in advance and monitoring tools are in place to analyze them, as suggested by USAID in its 2012 “Youth in Development Policy” document⁶².

Another more recently concluded **Top Tier** program (August 2012), the Rule of Law Stabilization - Formal Sector Component implemented in **Afghanistan** (QED67) by TetraTech DPK and evaluated by Democracy International⁶³ included one set of activities aimed to educate Afghan youth (i.e., law students and young lawyers) on modern legal practices and anticorruption issues, provide them with practical experience, and modernize the legal education sector. Democracy International, who wrote the final evaluation report, recommended⁶⁴ that more needs to be done in terms of encouraging the implementation of memorandums of understanding (MOUs) and protocols between the local counterparts, in this case, Afghan universities and their foreign counterparts. It seems that too often relationships are built between local and foreign counterparts during a study tour only to have these relationships collapse upon return of the youth participants to their countries.

⁶¹ Complete details at [http://www.chemonics.com/OurWork/OurProjects/Documents/Kazakhstan Justice.pdf](http://www.chemonics.com/OurWork/OurProjects/Documents/Kazakhstan%20Justice.pdf)

⁶² Complete document available at [http://transition.usaid.gov/our_work/policy_planning_and_learning/documents/Youth in Development Policy.pdf](http://transition.usaid.gov/our_work/policy_planning_and_learning/documents/Youth_in_Development_Policy.pdf)

⁶³ See full report at http://pdf.usaid.gov/pdf_docs/PDACU496.pdf

⁶⁴ See page 19 of the above-mentioned report.

The last of the **Top Tier** programs, the Rule of Law Stabilization - Informal Sector Component implemented in **Afghanistan** (QED68) by Checchi Consulting, concluded⁶⁵, among other topics, that women and children (this is the closest link to youth that is found within the document) continue to be most affected by the traditional dispute resolution practices which many times require bribes or payouts. Forced marriages continue to be a big source of these disputes. Unfortunately, the evaluation plan did not predict higher order effects such as social change at this level. These practices are embedded in the culture and impact of those cannot be attempted in a matter of months but need longer periods that cover even multiple generations.

After reviewing the **Top Tier** identified programs it is safe to infer that the above programs included to a certain degree some crime or youth activities. What is relevant is the fact that none of the **Top Tier** programs had in mind the involvement of youth as an element that could contribute to curtailing corruption. Most efforts represented by these programs were made at the institutional level (national, regional or local government agencies; courts and district attorney offices; etc.) and included, to a certain degree, media campaigns targeting specific groups including civil society organizations to raise awareness of what is being done. Some of those civil organizations are working with youth but since it is not their only target, the youth sector was not addressed in a unique or specifically designed way.

Non Top Tier Programs

When reviewing the other thirty-two (32) non **Top Tier** programs, as classified by the USAID ENGAGE partners⁶⁶, we reached conclusions similar to those drawn above for **Top Tier** programs. Despite that, it is worthwhile to mention some very interesting findings. A topic that did appear in various projects is one related to the trafficking of persons and how youth in general and women in particular seem to be the most affected by this crime. At the same time, trafficking in persons involves crime, corruption and, most often, youth, as evidenced by the reviewed documents and activities whose interrelation is frequently referred to in international forums, conferences and events⁶⁷.

⁶⁵ See full evaluation report at http://pdf.usaid.gov/pdf_docs/PDACW029.pdf

⁶⁶ The programs classified as having a crime & youth component are, based on the AID tracker spreadsheet, the following ones: DAI3, DAI9, DAI38, DAI54, QED16, QED21, QED22, QED23, QED28, QED29, QED36, QED39, QED40, QED41, QED47, QED48, QED52, QED58, QED64, QED90, QED96, QED99, QED100, QED101, QED105, QED113, QED114, QED115, QED116, QED133, QED134 and QED135.

⁶⁷ For further details see <http://www.unodc.org/documents/human-trafficking/2008/BP020CorruptionandHumanTrafficking.pdf>

The UNOC suggests⁶⁸ that *“the correlation between the two phenomena, and the actual impact of corruption on trafficking in persons, are generally neglected in the development and implementation of anti-human trafficking policies and measures. This lack of attention may substantially undermine initiatives to combat trafficking in persons and prevent the customization of responses as needed. Only after recognizing the existence and the effects of corruption in the context of human trafficking, can the challenges posed by it be met. **It is thus important to examine how corruption plays a role in human trafficking and actually contributes to the growth of the phenomenon.**”*

In that regard, it is important that programs that seek to fight corruption and also have a youth component should target not only public officials such as police, customs, consular offices or embassies, border control units, immigration services, other law enforcement agencies, etc., but also other people or groups with influence such as travel agencies, airlines, banks, etc., which seem not to have been included in past programs as key players.

Another aspect that is worth mentioning is the fact that, traditionally, **trafficking and corruption cases are often dealt with independently**. There seems to be a lack of referral of cases of trafficking in persons where there are indicators for corruption, and vice versa, referral of corruption cases, where there are indicators of trafficking in persons. Because of that, UNOC suggests⁶⁹ that *“[...] needed is the development of indicators for actors working in the field of corruption to detect trafficking in persons when investigating relevant corruption cases and for actors working in the field of trafficking in persons to detect corruption when investigating trafficking cases [...]”*.

Another observation is that more than half of the non **Top Tier** programs selected by the implementing partners for this paper are funded by the Department of State, specifically by the Bureau of International Narcotics and Law Enforcement Affairs (INL) or by the International Criminal Investigative Training Assistance Program (ICITAP)⁷⁰.

⁶⁸ See http://www.unodc.org/documents/human-trafficking/2011/Issue_Paper_-_The_Role_of_Corruption_in_Trafficking_in_Persons.pdf

⁶⁹ See previous footnote.

⁷⁰ The mission of the International Criminal Investigative Training Assistance Program (ICITAP) is to work with foreign governments to develop professional and transparent law enforcement institutions that protect human rights, combat corruption, and reduce the threat of transnational crime and terrorism. Situated in the Department of Justice's Criminal Division, and funded primarily by the State Department, ICITAP provides international development assistance that supports both national security and foreign policy objectives.

Although not a problem per se, there is a clear indication of how corruption is approached in these programs. Both funding institutions, INL and ICITAP, approach their programs from the law enforcement point of view. They are beginning now to transform themselves and elevate the issue of police reform⁷¹ within the multiple strands of U.S. engagement in the development world: in diplomatic discourse, in democracy and governance programming, in security and justice sector reform efforts, in civilian protection programming, in efforts to curb sexual violence; and in countering transnational threats such as piracy, narcotics trafficking, and the expansion of terrorist networks.

Recommendations

Over the last twenty years most USAID corruption-related projects have focused on strengthening government agencies and civil society organizations. Casals & Associates' own experience as a USAID implementing partner for over 25 years in the anticorruption arena, combined with the research done by the other partners, suggests that no anticorruption projects have had a main focus on youth and the role it can play in addressing these issues in the future.

Security from crime and violence will be difficult to achieve without broad economic development; only with such development could corruption and inequality be reduced while access to basic rights would improve transparency and create a sense of social responsibility among future generations⁷². When given the opportunity youth ends up being the most active component of civil society⁷³. Many agree that its involvement and participation in the fight against corruption is of great relevance.

⁷¹ As suggested by the Center for Strategic and International Studies (CSIS) in the document titled "A More Strategic U.S. Approach to Police Reform in Africa" available at http://csis.org/files/publication/110414_Downie_PolicyReformAfrica_Web.pdf

⁷² See "Une vision globale sur la Formation, Violence, Conflit et Fragilité" available at <http://voices-against-corruption.ning.com/profiles/blogs/une-vision-globale-sur-la-formation-violence-conflit-et-fragilit>

⁷³ Independent Commission Against Corruption (Mauritius). See <http://www.icac.org.hk/news/issue37eng/button5.htm> for further details.

Based upon these points, we recommend that youth be actively engaged in promoting good governance and the fight against corruption. Future programming should consider incorporating a strategy reflecting this objective. USAID programs dedicated to increasing good governance in general and to fighting corruption in particular should engage youth as a main driver.

- Integrity, like corruption, is learned.
- Transparency International discovered that youth are even faster to learn the acts of right doing than wrongdoing.
- Youth is more exposed to corruption than older people⁷⁴.

How can such programs be articulated?

1. ***Creating opportunities for youth participation is essential.*** e.g. Building coalitions, organizing anticorruption youth camps, providing platforms for youth to express their views and concerns. It seems that this sort of activity has been done at times but always with a tangential role rather than as the main focus. In many societies, teenagers are shut out of participation in politics by the domination of adults. However, youth are also concerned and informed citizens who can advocate for change within their communities⁷⁵.
2. ***Networking youth anticorruption movements.*** e.g. Promoting youth initiatives, promoting and consolidating social networks, organizing workshops and seminars, etc. There is a need to bring the topic to youth for them to start questioning corrupt practices rather than to assume that it is normal behavior. With the high rate of penetration of mobile phones in developing countries, a wider use of social media seems appropriate. These activities should go further than tweeting about events or posting updates on Facebook; they should create an overall social media strategy that includes not only clear objectives but also active indicators that can be measured and analyzed.
3. ***Building an integrated approach to curb corruption from beginning to end (which, in some cases, might require removal of officials from office, engagement with the district attorneys and denunciations as needed, etc.).*** e.g. Provide training in regard to the creation and establishment of policies and strategies. Get youth involved at the political level to the point they can drive reform processes. This has to be real

⁷⁴ 2009 Global Corruption Barometer available at http://www.transparency.org/research/gcb/gcb_2009

⁷⁵ See Sherrod, 2006 at the Bibliography.

involvement of youth rather than just gestures. If the community can report on corruption but officials do not face punishment when found corrupt then these activities are useless⁷⁶. A policy recommendation from the referenced report to consider is that *“Community-level monitoring can be successful, but only when the community can punish corruption”*⁷⁷.

It is evident that the importance of youth in anticorruption efforts is gaining momentum. As mentioned earlier, last year (November 2012) at the International Anticorruption Conference (IACC) celebrated in **Brazil** one of the key findings in the four-day conference was the increasing importance of the role of youth in the fight against corruption.

Youth —technologically savvy, committed to their beliefs, and some highly educated— are now ready to take on bigger challenges than perhaps a few years ago.

“Young people have the passion, energy, determination and courage to make things change. We are often referred to as the future, but are we not the present? The now? Aren’t we knowledgeable enough now to have seats at the table? “

These were the remarks made by Emmanuel Sanyi from the Global Youth Anticorruption Network (GYAC) at the *“The future of fighting corruption. Are we ready?”* session of the 2012 International Anticorruption Conference (IACC)⁷⁸. People under the age of 18 comprise 46% of the global population and are playing a crucial role around the world during the first two decades of the twenty-first century⁷⁹. It is time now to provide a bigger role to youth in the fight against corruption.

⁷⁶ See conclusions and recommendations of the report “The effectiveness of anticorruption policy” available at <http://eppi.ioe.ac.uk/cms/LinkClick.aspx?fileticket=9T7IIZ7LFw8=&tabid=3106&mid=5783>.

⁷⁷ See conclusions and recommendations of the report “The effectiveness of anticorruption policy” available at <http://eppi.ioe.ac.uk/cms/LinkClick.aspx?fileticket=9T7IIZ7LFw8=&tabid=3106&mid=5783>.

⁷⁸ See full document at http://15iacc.org/wp-content/uploads/2013/01/LongPlenaryReport_Thefutureoffightingcorruption.pdf

⁷⁹ See Wolf 2001.

In any case and independently of the focus of future projects it is accepted that better indicators and associated monitoring and evaluation tools are needed. Despite all of the efforts that USAID, other bilateral agencies as well as other multilateral agencies such as the World Bank, Inter-American Development Bank, Asian Development Bank, have made, very limited high-quality empirical evaluations that measure the effectiveness of anticorruption strategies in the developing world are available⁸⁰. This fact makes it very difficult to make definitive conclusions.

⁸⁰ See conclusions and recommendations of the report “The effectiveness of anticorruption policy” available at <http://eppi.ioe.ac.uk/cms/LinkClick.aspx?fileticket=9T7IIZ7LFw8=&tabid=3106&mid=5783>.

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Annex 1 – List of Programs in the LAC Region

#	Country	Project Name	Start Date	End Date	Award Amount	Top Tier
1	El Salvador	Democracy Strengthening	2009	2014	\$7,900,000	
2	El Salvador	Transparency and Governance	2005	2009	\$5,400,000	
3	Guatemala	Transparency and Anticorruption	2005	2009	\$4,800,000	
4	Colombia	Justice Reform and Modernization	2006	2010	\$14,000,000	
5	Bolivia	Strengthening Democratic Institutions	2006	2009	N/A	
6	El Salvador	Improving the Justice System	2008	2012	\$8,500,000	
7	Guatemala	Decentralization and Local Governance	2005	2009	N/A	
8	Guatemala	Transparency and Integrity	2009	2013	N/A	
9	Bolivia	Municipal Strengthening	2008	2009	N/A	
10	Colombia	Regional Governance Consolidation	2007	2011	N/A	
11	Colombia	Access to Justice	2010	2012	N/A	
12	Colombia	Royalties Management	2012	2014	N/A	
13	Haiti	LOKAL (Decentralization)	2007	2011	\$14,723,832	
14	Peru	Anticorruption Threshold	2008	2011	5,500,000	
15	Peru	More Effective & Accountable Local Government	2008	2012	\$8,900,000	Top Tier
16	Peru	ProDecentralization	2003	2007	\$20,000,000	Top Tier
17	Panama	Transparency and Accountability	2005	2008	\$4,500,000	
18	Mexico	Greater Transparency & Accountability	2003	2008	\$9,000,000	
19	Jamaica	Community Empowerment & Transformation	2006	2012	\$11,400,000	
20	El Salvador	Fiscal Policy & Expenditure Management	2011	2013	N/A	
21	Guyana	Threshold Country Plan/Implementation Program	2008	2010	\$6,600,000	
22	Nicaragua	Strengthening Rule of Law & Respect for Human Rights	2005	2009	\$11,800,000	
23	Dominican Republic	Transparency and Citizen Action	2006	2009	\$2,900,000	

24	Honduras	Greater Transparency & Accountability	2004	2009	N/A	
25	Dominican Republic	Transparency and Accountability	2009	2012	\$5,400,000	
26	Dominican Republic	Justice Project	2008	2012	N/A	
27	Guatemala	Local Government	2009	2013	\$6,000,000	
28	Guyana	Democratic Consolidation & Conflict Resolution	2004	2008	\$7,700,000	
29	Nicaragua	Anticorruption, Transparency & Accountability	2005	2009	\$9,700,000	
30	Honduras	Rule of Law Strengthening	2004	2007	\$4,200,000	
31	Honduras	Corruption Assessment	2008	2008	N/A	Top Tier
32	Mexico	Justice and Security	2009	2012	\$44,100,000	
33	Paraguay	Threshold Program I	2006	2009	\$34,600,000	
34	Paraguay	Threshold Program II	2009	2012	\$30,300,000	
35	Ecuador	Si se puede! Anticorruption	N/A	N/A	\$3,600,000	
36	Paraguay	Threshold Program: Formalization of Economic Activities	2006	2008	N/A	
37	Ecuador	Decentralization and Local Governance	2001	2007	N/A	
38	Ecuador	Municipal Strengthening	2010	2013	N/A	
39	Ecuador	Local Government	2006	2007	N/A	
40	Ecuador	E-Governance Information System in Municipalities	2008	2009	N/A	
41	Paraguay	Monitoring & Evaluation of Democratic Governance	2008	2009	\$100,000	
42	Paraguay	Support to Civil Society Organizations	2001	2005	N/A	
43	Paraguay	Civil Society for Democracy	2010	2013	N/A	
44	Nicaragua	Institutional Strengthening	2008	2011	\$5,500,000	
45	Nicaragua	Human & Institutional Capacity Development	2010	2012	\$4,100,000	
46	Nicaragua	Media Program	2010	2013	N/A	
47	Guatemala	Project against Violence and Impunity	2009	2012	\$7,100,000	

Annex 2 – Tools and other information resources

Respondanet: A repository of documents, articles, papers, news, etc. regarding anticorruption

<http://www.respondanet.com>

Transparency International: Corruption by Topic section of the website

<http://www.transparency.org/topic>

The World Bank Governance Indicators

<http://databank.worldbank.org/data/views/variableselection/selectvariables.aspx?source=worldwide-governance-indicators>

http://info.worldbank.org/governance/wgi/sc_chart.asp

TI Global Corruption Barometer

<http://www.transparency.org/research/gcb/overview>

TI Annual Corruption Perception Index (CPI)

<http://www.transparency.org/research/cpi/overview>

The Users' Guide to Measuring Corruption. – UNDP and Global Integrity, 2008

http://www.academia.edu/630686/A_Users_Guide_to_Measuring_Corruption

The U4 Anticorruption Resources: Publications that address corruption in public financial management and procurement

<http://www.u4.no/themes/public-financial-management-and-procurement/>

3. Anti-Corruption and Cross-Sectoral Program Mapping Paper - Part I: Middle East and North Africa Regional Overview



Anti-Corruption and Cross-Sectoral Program Mapping Paper Part 1: Middle East and North Africa Regional Overview

AID-OAA-TO-13-00021

A task order under the Encouraging Global Anticorruption and Good Governance Efforts IQC
September 23, 2013

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A. Introduction/Summary

In March of 2013, Chemonics was awarded a task order under the Encouraging Global Anti-Corruption and Good Governance Efforts Indefinite Quantity Contract (ENGAGE IQC) to conduct anti-corruption and cross-sectoral program mapping in the Near East region, including **Algeria, Bahrain, Egypt, Iran, Iraq, Israel, Jordan, Kuwait, Lebanon, Libya, Morocco, Oman, the Palestinian Territories, Qatar, Saudi Arabia, Syria, Tunisia, the United Arab Emirates, and Yemen**. The United States Agency for International Development (USAID) maintains a mission in seven of these countries; thus mapping covered the seven missions, as well as programs in the following non-presence countries: **Algeria, Libya, and Tunisia**.

Nearly \$1.46 billion in funding was dedicated to programs with anti-corruption activities or components in the region. During this exercise, Chemonics reviewed approximately 200 programs in the Near East region covering multiple sectors and found that 57 of those reviewed had anti-corruption activities or components. Thus, Chemonics mapped a total of 57 programs with 200 activities across 10 countries. Of the programs, approximately 30 percent were implemented as task orders under Indefinite Quantity Contracts (IQCs), with the Regional Democracy Initiative IQC being the most active mechanism. Approximately 60 percent of the programs were awarded via full and open competition, with the remaining projects implemented through other mechanisms. All five water management projects reviewed were implemented as task orders under the Integrated Water and Coastal Resources Management II IQC. There was only one Millennium Challenge Corporation (MCC) threshold program identified in the region during the period from 2007 to the present -- the Jordan Local Governance Development Program. The Consortium for Electoral and Political Process Strengthening (CEPPS) mechanism was utilized in two programs implemented through the National Democratic Institute (NDI) and the International Foundation for Electoral Systems (IFES). Three projects were funded through the US State Department, namely the West Bank and Gaza Justice Sector Assistance program I, II, and III, and four programs were supported through the Middle East Partnership Initiative (MEPI).

The most commonly occurring program elements were rule of law (18), local government and decentralization (11), civil society (13), and economic growth (9). The following tables outline program elements and their recurrence in the Near East region, followed by recurrence in each country in the region.

Table A.1 Recurrence of Program Elements in USAID and USG-funded Projects in the Middle East and North Africa Region

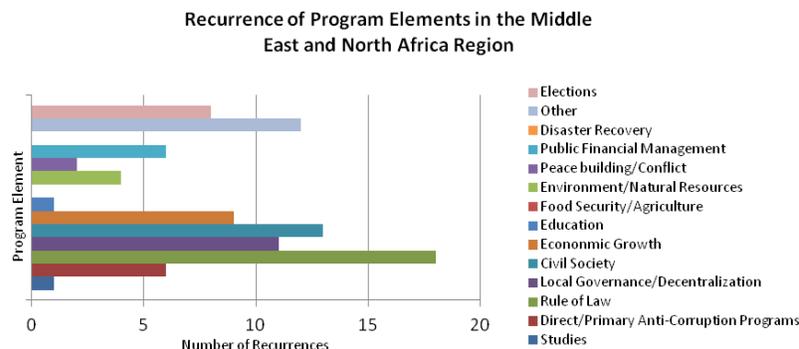


Table A.2 Recurrence of Program Elements in USAID and USG-funded Projects by Country

Country	Studies	Direct/Primary AC Support	ROL	Local Gov. & Decentralization	Civil Society	Economic Growth	Education	Environment/Natural Resources	Peace building/Conflict	Public Financial Management	Disaster Recovery	Other	Elections
Algeria	0	0	0	0	0	0	0	0	0	0	0	0	1
Egypt	0	1	4	0	1	4	0	2	0	1	0	0	0
Iraq	0	0	1	4	1	0	0	0	2	1	0	4	1
Jordan	0	1	2	1	2	3	0	0	0	2	0	1	1
Lebanon	0	2	1	2	3	0	0	2	0	1	0	1	1
Libya	0	0	1	0	0	0	0	0	0	0	0	0	1
Morocco	1	1	2	2	0	2	0	0	0	0	0	3	2
Palestinian Territories*	0	0	7	2	5	0	1	0	0	0	0	2	0
Tunisia	0	0	0	0	0	0	0	0	0	0	0	0	1
Yemen	0	1	0	0	1	0	0	0	0	1	0	1	0

Information pertaining to international corruption rankings, including the World Bank Corruption Index, the Transparency International Index is listed in the table below. Please note that after 2005, the Palestinian Territories were no longer ranked by Transparency International.

Table A.3 International Corruption Index Rankings

Country	Number of USAID/USG - sponsored Anticorruption projects	Transparency International Corruption Perception Index										World Bank Control of Corruption Index								
		2007-2013	2004	2005	2006	2007	2008	2009	2010	2011	2012	Difference 2004-12	2004	2005	2006	2007	2008	2009	2010	2011
Algeria	1	97	97	84	99	92	111	105	112	105	21	-0.63	-0.42	-0.48	-0.51	-0.56	-0.55	-0.49	-0.57	0.06
Bahrain	0	34	36	36	46	43	46	48	46	53	16	0.53	0.47	0.24	0.25	0.25	0.23	0.24	0.23	-0.30
Egypt	9	77	70	70	105	115	111	98	112	118	48	-0.54	-0.52	-0.66	-0.67	-0.71	-0.43	-0.56	-0.68	-0.14
Iran	0	87	88	105	131	141	168	146	120	133	28	-0.42	-0.44	-0.48	-0.46	-0.71	-0.78	-0.92	-0.91	-0.49
Iraq	8	129	137	160	178	178	176	175	175	169	9	-1.56	-1.46	-1.56	-1.58	-1.57	-1.39	-1.33	-1.22	0.34
Israel	0	26	28	34	30	33	32	30	36	39	5	0.93	0.81	1.00	0.81	0.84	0.72	0.63	0.68	-0.25
Jordan	7	37	37	40	53	47	49	50	56	58	18	0.34	0.33	0.30	0.31	0.40	0.19	0.04	0.04	-0.30
Kuwait	0	44	45	46	60	65	66	54	54	66	20	0.96	0.63	0.54	0.49	0.53	0.36	0.34	0.07	-0.89
Lebanon	7	97	83	63	99	102	130	127	134	128	65	-0.60	-0.49	-0.94	-0.89	-0.85	-0.80	-0.84	-0.91	-0.31
Libya	1	108	117	105	131	126	130	146	168	160	55	-0.83	-0.87	-1.03	-0.96	-0.86	-1.18	-1.27	-1.31	-0.48
Morocco	8	77	78	79	72	80	89	85	80	88	9	-0.08	-0.30	-0.39	-0.31	-0.38	-0.31	-0.17	-0.26	-0.18
Oman	0	29	28	39	53	41	39	41	50	61	22	0.57	0.29	0.19	0.27	0.45	0.38	0.37	0.08	-0.49
Palestinian Territories*	12	108	107	n/a	-1	-0.42	-0.98	-1.10	-0.81	-1.15	-0.37	-0.32	-0.83	-0.41						
Qatar	0	38	32	32	32	28	30	19	22	27	-5	0.58	0.82	1.09	0.81	1.11	1.68	1.53	1.02	0.44
Saudi Arabia	0	71	70	70	79	80	63	50	57	66	-4	-0.36	-0.10	-0.25	-0.18	-0.03	0.08	0.14	-0.29	-0.07
Syria	0	71	70	93	138	147	126	127	129	144	51	-0.71	-0.71	-0.99	-1.01	-1.08	-0.99	-1.02	-0.97	-0.26
Tunisia	1	39	43	51	61	62	65	59	73	75	24	0.24	-0.09	-0.07	-0.11	-0.18	-0.09	-0.14	-0.21	-0.45
United Arab Emirates	0	29	30	31	34	35	30	28	28	27	-4	1.14	1.07	0.95	1.08	1.13	1.01	0.98	1.08	-0.06
Yemen	3	112	103	111	131	141	154	146	164	156	45	-1.01	-0.79	-0.69	-0.70	-0.69	-1.05	-1.15	-1.18	-0.17

In addition to reviewing the World Bank and Transparency International corruption rankings, this exercise also reviewed the World Bank Doing Business rankings and reforms. The ability for companies to engage in business activities and the ease of doing so are often indicators of a country's ability to manage and fight corruption. These rankings can serve as a litmus test of a country's ability to address corruption and transparency issues. Below are the rankings and reforms from 2007 to present.

Table A.4 World Bank Doing Business Rankings and Reforms

Country	Number of USAID/USG sponsored Anticorruption projects	World Bank Doing Business Rankings and Reforms															
		2007		2008		2009		2010		2011		2012		2013		Difference in Ranking 2007-2013	No. of Reforms 2010-2013
		Ranking	Reforms	Ranking	Reforms	Ranking	Reforms	Ranking	Reforms	Ranking	Reforms	Ranking	Reforms	Ranking	Reforms		
Algeria	1	123	n/a	125	n/a	132	n/a	134	4	136	0	148	1	152	1	-29	6
Bahrain**	0	n/a	n/a	n/a	n/a	18	n/a	20	1	28	1	38	0	42	0	-24	2
Egypt	9	165	n/a	126	n/a	114	n/a	116	4	94	2	110	0	109	0	56	6
Iran	0	119	n/a	135	n/a	142	n/a	137	4	129	3	144	0	145	1	-26	8
Iraq	8	145	n/a	141	n/a	152	n/a	153	0	166	0	164	0	165	0	-20	0
Israel	0	26	n/a	29	n/a	30	n/a	29	1	29	1	36	2	38	1	-12	5
Jordan	7	78	n/a	80	n/a	101	n/a	100	6	111	2	96	2	106	0	-28	8
Kuwait	0	46	n/a	40	n/a	52	n/a	61	2	74	0	67	0	82	0	-36	2
Lebanon	7	86	n/a	85	n/a	99	n/a	108	2	113	1	104	1	115	0	-29	4
Libya*	1	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Morocco	8	115	n/a	129	n/a	128	n/a	128	1	114	1	94	3	97	1	18	6
Oman	0	56	n/a	49	n/a	57	n/a	65	2	57	0	49	3	47	1	9	6
Palestinian Territories*	12	127	n/a	117	n/a	131	n/a	139	2	135	1	131	0	135	1	-8	4
Qatar**	0	n/a	n/a	n/a	n/a	37	n/a	39	0	50	0	36	2	40	1	-1	3
Saudi Arabia	0	38	n/a	23	n/a	16	n/a	13	2	11	4	12	1	22	2	16	9
Syria	0	130	n/a	137	n/a	137	n/a	143	1	144	3	134	1	144	1	-14	6
Tunisia	1	80	n/a	88	n/a	73	n/a	69	2	55	2	46	0	50	0	30	4
United Arab Emirates	0	77	n/a	68	n/a	46	n/a	33	3	40	2	33	2	26	3	51	10
Yemen	3	98	n/a	113	n/a	98	n/a	99	3	105	0	99	1	118	0	-20	4

The rankings above illustrate the spectrum of the regions ability to fight and manage corruption. In addition to this, there appears to have been a down ward trend in countries that have been particularly affected by the Arab Spring and subsequent revolutionary activities. **Egypt**, for example, may have become easier to do business in, but has dropped dramatically in the corruption index rankings. Additionally, prior to the revolution, **Egypt** was on an upward trend in the Doing Business rankings, but has seen a trend in backsliding in recent years since the 2011 Arab Spring. **Tunisia**, where the Arab Spring began, has faced a similar trend as it attempts to transition to active democratic society. Even countries of relative stability, such as **Oman** and **Jordan**, have continued to back slide in the corruption rankings and ease of doing business. Despite the backsliding, much of this comes as the region undergoes the growing pains that come with democratization and transition. The following report outlines the trends, activities, and results of USAID/USG programming in the region since 2007, and seeks to examine the factors that have led to strengthening the anti-corruption and transparency environment in the region during this period.

B. Common Trends and Activities

There were a variety of trends and activities that were similar across countries. These included elections support and observation, fiscal policy support and reform, decentralization and local government, and creation and implementation of automated systems.

B.1 Policy Support and Reform

Given the relatively high number of cross-sectoral programs that focused on economic growth and trade, financial policy and reform was a crucial part of many programs reviewed. While no two activities were alike, common trends included fiscal policy reform, audit committees and oversight boards, and public awareness campaigns. The **Egypt** Technical Assistance for Policy Reform II¹ (TAPR II) project assisted with the review and implementation of the new tax law in **Egypt**, which coincided with the beginning of the project. The first task of TAPR II was to review the regulations stemming from the new law to ensure consistency with the law itself as well as with international best practices to the extent possible. In addition to reviewing the law and to ensure compliance with international standards, the project completed multiple concurrent tasks to assist the Income Tax Department (ITD) in administering the new law, including supporting the creation of taxpayer service units in all ITD district offices as well as the dissemination of material to allow taxpayers to comply more easily with their obligations under the new law. Additionally, TAPR II designed and implemented an automated audit selection system. The number of returns increased from 1,862,300 during the 2004/2005 filing period, to 2,590,000 in the 2008/2009 filing period, demonstrating that the introduction of the new law and regime was a great success. The project found that by providing information resources, while also incentivizing citizens to keep accurate records at the risk of being audited, more people filed tax returns. Not all projects have the same success in policy reform however, as did the **Egypt** Competitiveness Project (ECP).² ECP came to fruition at the height of the Egyptian revolution. As a result, there have been significant delays in the drafting of commercial laws, which has been delayed indefinitely. This is due to changes in leadership within counterpart ministries, which is hindering the resolution of issues concerning commercial and economic governance,

The development of internal audit and/or oversight committees was an important activity to further best practices and was included on multiple programs in various forms. The **Jordan** Fiscal Reform Project II³ created the Income and Sales Tax Department Audit Manual Committee to develop a sales tax training manual and conduct training on sales tax audit techniques. By having a standardized practice, the program ensured that audits were carried out the same way across the entire country, increasing the number of audits performed, and ensuring greater tax payer compliance. To date, 33% of taxpayers have been audited, with 90% of audits at no charge to the taxpayer and 25% of tax assessments collected. The **Egypt** TAPR II program worked with the Egyptian Capital Market Authority (CMA) to create an audit oversight board to enforce audit standards for regulated and publicly traded companies. This is a major step in improving transparency in financial reporting as well as establishing professional standards in the marketplace. Similar to the **Jordan** Fiscal Reform Project II committee, this effort enforced standards and best practices across auditing systems. To ensure sustainability of these efforts, on-going training and program updates should be well maintained to improve audit standards.

¹ Egypt Technical Assistance for Policy Reform II, http://pdf.usaid.gov/pdf_docs/PDACQ924.pdf, January 2011.

² Egypt Competitiveness Project, <https://dec.usaid.gov/dec/GetDoc.axd?ctID=ODVhZjk4NWQtM2YyMi00YjRmLTkxNjktZTcxMjM2NDNmY2Uy&rID=MzI4MjMw&pID=NTYw&attchmnt=VHJlZQ==&uSesDM=False&rIdx=MjgyODA2&rCFU=>, 2013

³ Jordan Fiscal Reform Project II, <http://www.frp2.org/english/ReportsandToolkits/QuarterlyReports.aspx> (quarterly reports 12, 13, and 14), 2013.

B.2 Decentralization and Local Government

One of the most common trends in the Middle East region was decentralization and local government programs. In total, Chemonics mapped nine local government reform and capacity building programs in **Iraq**, the **West Bank and Gaza**, **Morocco**, **Lebanon**, and **Jordan**. While it was not possible to detect many common activities across programs due to the dearth of available information, there were a few of note. The **Iraq** Local Governance Program Phase I, the **Morocco** Local Governance Project I, and the **West Bank and Gaza** Local Government and Infrastructure program all had created systems to enhance financial management of local government budgets, and track revenue and expenditures. The **Morocco** Local Governance Project included testing and application of a local fiscal management application. The **Iraq** Local Governance Project I developed and supported governorates (provinces) in Iraq in adopting the customized Governorates Accounting and Project Tracking Information System (GAPTIS) for managing and reporting capital expenditures and tracking the progress of capital projects. The system improved management and fiscal practices and enhanced transparency of government finances.

In addition to local fiscal management, the involvement of youth in local government was highlighted in several projects. By involving youth early in the process, local governments can properly train future leaders on the dangers of corruption and the importance of transparency and rule of law. The **West Bank and Gaza** Local Democratic Reform Program⁴, supported the creation of 13 Youth Shadow Local Councils (YSLC), which are democratically elected youth bodies that mirror the composition, functions, and role of the local council in the communities. The driving idea behind YSLC is to promote youth participation in public life as the councils provide youth with a platform for representation and voicing their concerns in their local governments; more channels for active civic and social participation in their communities; and the chance to learn first-hand about democratic good governance both in theory and actual practice. With the support and guidance of the partner civil society organizations and their local government unit counterparts, the youth councilors assume defined roles and implement activities of their choice and design. To date, there are 19 active YSLC. This activity was so successful that it continued in the follow on project, the **West Bank and Gaza** Local Government and Infrastructure Program⁵, which works with the existing YSLCs and is supporting the formation of 16 new YSLCs.

Implemented by RTI, the **Morocco** Local Governance Program (LGP)⁶ II emphasizes providing youth and women with opportunities to participate in local affairs. This practice allows for a sustainable and transparent local government system that is then carried through to the next generation. In order to achieve this, RTI worked with commune councils and existing youth associations in five Moroccan cities create seven Local Youth Councils representing 134 youth associations in the cities. LGP currently trains young people in critical skills such as communications, participatory planning and negotiation in order to participate in roundtable discussions with commune council members. As a result of this intervention, youth are engaged in local governance and are better organized as an important political constituency, and are able to discuss and advocate their priorities to elected officials. This dialogue culminated in May 2012, when youth leaders from the LGP-formed councils hosted a forum with civil society experts, local government representatives and members of parliament to provide concrete recommendations on how a Consultative Council could be created, what it should be implementing, and how it can represent young people in the democratic process. As a next step, LGP is working to consolidate the existing youth councils into an institutionalized political structure that can be sustained beyond the life of the project. The effort shows that through engaging youth in leadership positions, projects are increasing

⁴ West Bank and Gaza Local Democratic Reform Program, http://pdf.usaid.gov/pdf_docs/PDACN753.pdf, 2009.

⁵ West Bank and Gaza Local Government and Infrastructure Program, <http://www.chf-pal.org/files/server/20132804025400.pdf>, 2013.

⁶ Morocco Local Governance Program II, <http://www.rti.org/page.cfm?objectid=D1DC3122-1147-4170-B241701F65645098>, 2013.

sustainability of reforms and activities, and training future leaders in the importance of good governance and accountability.

B.3 Creation and Implementation of Automated systems

One of the most common cross-sector anti-corruption and transparency activities was improved systems management. This included programs across multiple countries, such as **Iraq, the West Bank and Gaza, Jordan, and Morocco**, and in sectors including economic growth and trade, governance, human rights and democracy, and global health. Increasing access to automated and synchronized systems allows for a more free flow of information and reduces human error, intentional or not. Countries such as **Jordan** had a high capacity for handling such systems; however, countries such as Iraq had mixed results.

Programs in **Jordan** that had successful cross-sectoral implementation of automated systems included the **Jordan** Fiscal Reform Project I⁷, which assisted in the successful creation and implementation of an automated tax collection system, giving the user a feeling of greater transparency and increased the efficiency of revenue collection. The follow on project, the Fiscal Reform Project II⁸, created and implements a government financial management information system (GFMIS) that enabled the government of Jordan to be consistent in budget preparation and execution across all agencies and allowed them access to real-time financial data and to make better informed decisions. GFMIS has become operational in 45 budget institutions and ministries, including 6 pilot and 39 rollout sites. The project is expected to roll out the system in 10 more budget institutions.. The system ensures that all state financial resources and transactions are properly accounted for, monitored, controlled, and managed in accordance with existing laws and regulations. Both activities reduced corruption by reducing human error and creating a more transparent financial management process.

Automation of court systems is critical in the fight against corruption – having access to information at the click of a mouse allows judges and prosecutors to review the most relevant information and to track changes, thus reducing the likelihood of corruption, as well as increasing court efficiency. Rule of law programs also benefited from increased automation of information. Both the **Egypt** Administration of Criminal Justice Project⁹ (AOCJ) and the Jordan Improved Rule of Law Program (MASAQ) utilized new case management software. Prior to AOCJ, cases in **Egypt** would frequently pile up and get lost due to the manual process of updating cases, allowing for anyone with access to change or destroy information and leave no record behind. The automation of prosecutor offices in Alexandria and Cairo reduced the ability of those with malicious intent to change or destroy records. The MASAQ program saw even greater success with the development of the MIZAN case management software. MIZAN is customized Arabic-language case management software that was eventually implemented across all 74 courts throughout the Kingdom and included 100% of the national case load by the end of the project.

Other projects that offered various forms of systems automation included the **Iraq** Administrative Reform Program, the **Lebanon** Water and Wastewater Sector Support Program, the **West Bank and Gaza** Local Government and Infrastructure Program, **Jordan** Customs Administration Modernization project, **Iraq** Local Government Project, and the **Yemen** Enhancing Government Effectiveness Project.

While systems automation can be expensive, given their focus on IT infrastructure, training in new software, and software design, can quickly yield benefits. However, in order to ensure viability of systems automation, it is important to assess and maintain the capacity of IT infrastructure and staff within the

⁷ Jordan Fiscal Reform Project I, http://www.deloitte.com/view/en_US/us/Industries/US-federal-government/dbbc916a96797310VgnVCM2000001b56f00aRCRD.htm, 2013.

⁸ Jordan Fiscal Reform Project II, <http://www.frp2.org/english/Portals/0/PDFs/Reports/14th%20Quarterly%20Report%20for%20Website%20and%20Counterparts%20-%20English.pdf>, April 2013.

⁹ Egypt Administration of Criminal Justice, http://pdf.usaid.gov/pdf_docs/PDACM277.pdf, 2008.

country. In certain places, particularly with projects in the **West Bank**, the IT infrastructure is weak. After assessing the weak state of IT infrastructure, the Palestinian Flagship Program¹⁰ was able to provide the necessary support through building greater IT infrastructure and training IT staff to maintain the systems after the project closes.

B.4 Elections Support and Observations

The mapping exercise revealed several elections monitoring and support activities in presence and non-presence countries implemented by international NGOs. Free and fair elections are generally viewed as a commitment by the country's political leadership to basic democratic principles; they also help build citizens' trust in and the credibility of the political system. More recent election monitoring and support programs in the region came about as a result of the Arab Spring, while other activities were ongoing prior to the uprisings. Elections support programs reviewed as part of the mapping exercise included the National Democratic Institute's (NDI) election observation missions (EOMs) to **Tunisia**, **Algeria**, and **Morocco**, the International Foundation for Electoral Systems on-going support to **Iraq** Independent High Electoral Commission (IHEC), and the American Bar Associations Rule of Law Initiative's support to **Libyan**¹¹ bar associations for electoral training.

NDI has conducted several EOMs in the past six years, most of which are carried out through the Department of State's Middle East Partnership Initiative (MEPI) or the CEPPS mechanism. EOMs and elections support witnessed mixed results during their observations, as evidenced by NDI's recent programs in **Tunisia** (2011) and **Algeria** (2012). This is largely due to the on-the-ground factors outside the scope of the Institute, as most EOM programs are consistently run the same. The EOM to **Tunisia** for the National Constituent Assembly¹² election observed the first post-revolution election in the country. Though there were some administrative challenges, including unregistered voters wanting to cast a ballot and the slow pace of voting due to officials attempting to adequately implement new procedures, NDI described the elections as an extraordinary achievement so soon after the country emerged from decades of authoritarian rule. Conversely, while the NDI mission to **Algeria**¹³ for the legislative elections was successful in observing the voting patterns and irregularities, the mission uncovered a less transparent electoral process, noting the lack of clarity of the roles of the various oversight commissions and expressed doubts about the accuracy of voter registries. From their report, NDI observers witnessed halfhearted campaigns by opposition parties, and this unenthusiastic spirit was reflected by low election-day turnout, especially among youth voters.

EOMs can serve as a predecessor to future programming and funding. Moving forward beyond observation missions, programming could and should encourage and support public engagement in the political decision making process. As noted by NDI, many Algerians were disengaged with the 2012 elections because they felt the resulting parliament would have little power that could impact their lives. Through expanding the authority bestowed upon in elected institutions such as parliament, citizen engagement in the process could expand while incentivizing accountability of elected officials to the electorate. Another recommendation would be to work with governments to increase access to the voter registers by political parties and citizens, allowing for independent and comprehensive audits of the registers. Additionally, voter registries should be more easily accessible to citizens to allow them to verify that they are on the list before Election Day, alleviating fears of manipulation and encouraging engagement with the election process. Such actions would instill confidence in the elections process that at the moment is lacking.

¹⁰ Palestinian Flagship Project, <http://www.flagshipproject.org/>, 2013.

¹¹ Libya Rule of Law Program, <http://mepi.state.gov/mh72712e.html>, 2013.

¹² Tunisia National Constituent Assembly Election Observation Mission, http://www.ndi.org/files/tunisia-final-election-report-021712_v2.pdf, 2011

¹³ Algeria Legislative Elections, <http://www.ndi.org/files/Algeria-Report-Leg-Elections-ENG.pdf>, 2012.

C. Challenges

Within the last six years, the Middle East and North Africa region has experienced wide-spread political upheaval. This has by far been the biggest challenge to programming in the region. While not unique to the Middle East and North Africa, very few countries have been unaffected in recent years by political instability, which has directly affected programming. Two rule of law programs, the **West Bank and Gaza** Arkan Supporting Rule of Law Reform and the **West Bank and Gaza** Rule of Law Program (Netham), faced six month suspensions in programming with the election of Hamas. Once allowed to resume, they were unable to provide direct government assistance, which hampered their ability to effectively carry out programming. Many rule of law programs hinge on their ability to work directly with the government. Both programs found creative ways to work around the Hamas government, but programming in **Gaza** essentially ended. Additionally, the Palestinian Flagship program suspended activities in 2011 due to a congressional hold on funding to the **West Bank and Gaza**.

Additionally, protests from **Morocco** to **Syria** posed challenges for implementers. Many programs in **Egypt** had staff evacuated during the revolution and to this day are operating under increasingly restrictive circumstances. Without counterpart buy-in, particularly if a government agency is the main program counterpart, carrying out activities can be challenging. Anti-corruption work is already a sensitive issue for many government counterparts and conducting this work during significant political instability can further strain relationships with stakeholders and counterparts.

Annex I. Reports/Studies Conducted in the Middle East and North Africa Region

Only one such assessment was identified through this mapping activity. Please note that while only one was identified, often assessments and reports are not made available via any public forum by USAID or program implementers.

- Morocco Corruption Assessment, Morocco, June 2008, MSI, available upon request.

4. Anti-Corruption and Cross-Sectoral Program Mapping - Part 2: Anti-Corruption in Global Health Projects



Anti-Corruption and Cross-Sectoral Program Mapping Part 2: Anti-Corruption in Global Health Projects

AID-OAA-TO-13-00021

A task order under the Encouraging Global Anticorruption and Good Governance Efforts
IQC
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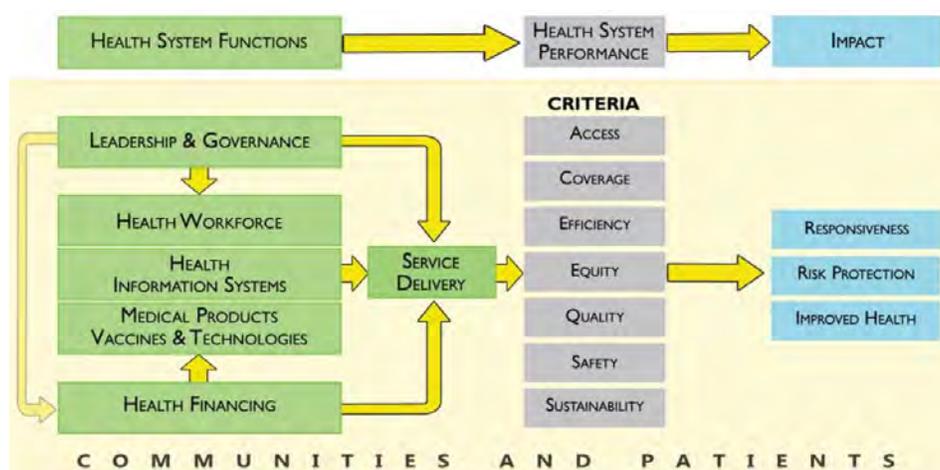
Acronyms

BHS	Better Health Services Project (Cambodia); Basic Health Services Project (Yemen)
EEHR	Enabling Equitable Health Reforms Project in Albania
Flagship	Palestinian Health Sector Development and Reform Project
FP	Family Planning
HIP	Hospital Improvement Program
HIS	Health Information Systems
HMN	Health Metrics Network
IT	Information Technology
MCH	Maternal/Child Health
MGTCP	Moldova Governance Threshold Country Program
MOH	Ministry of Health
NGO	Non-governmental organization
PIM	Performance Improvement Methodology
QH	Quality Health Project (Peru)
SOP	Standard Operating Procedures
SSFP	Smiling Sun Franchise Program
WHO	World Health Organization

Executive Summary

The healthcare field is unfortunately often wrought with waste. USAID has attempted to reduce this by funding health systems strengthening and governance projects which reform healthcare policy, install systems and infrastructure to provide oversight, engage the community, and develop clear standard operating procedures within hospitals. Such projects can have a ripple effect, frequently reducing fraud, inefficiency, and accidental error, strengthening the health sector, and most importantly, creating a safer environment for patients in need of care. The most evident impact that anti-corruption work has on global health is on the overall health system itself – the figure below from the Health Systems 20/20 Assessment Approach Manual¹ illustrates how the various elements of the health sector interact with one another. According to the United Kingdom’s Department for International Development (DFID), addressing corruption in the health sector can be a matter of life and death, especially for those living in poverty in developing countries. For example, a study of 64 countries found that corruption lowered public spending on education, health, and social protection; in Cambodia alone, 5-10% of the health budget was lost at the central ministry level. Additionally, corruption in the health sector erodes the legitimacy of, and public trust in, government institutions².

Figure 1: Building Block Interactions from the Health Systems 20/20 Assessment Approach Manual³



Chemonics reviewed five USAID-funded projects/programs in the health sector that were identified through the Anti-Corruption and Cross-Sectoral Program Mapping activity (described under Methodology below). Two of the projects were in the Middle East, two in Eastern Europe, and one in Southeast Asia. The total value of these initiatives was approximately \$137 million.

¹ The Health System Assessment Approach: A How-To Manual, Version 2.0. USAID/Health Systems 2020, <http://www.healthsystems2020.org/userfiles/HSA%20Manual%20Version%202020Sept%202012.pdf>, 08/08/2013.

² DFID How to Note Corruption in Health, https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/67659/How-to-Note-corruption-health.pdf, 08/12/2013.

³ The Health System Assessment Approach: A How-To Manual, Version 2.0. USAID/Health Systems 2020, <http://www.healthsystems2020.org/userfiles/HSA%20Manual%20Version%202020Sept%202012.pdf>, 08/08/2013.

Table 1 Program Information from Anti-Corruption Mapping Activity

<u>Program Name</u>	<u>Country</u>	<u>Implementer</u>	<u>Dates</u>	<u>Amount</u>	<u>Main Program Activities</u>	<u>Program Links</u>
Enabling Equitable Health Reforms (EEHR)	Albania	Abt Associates	2010-2015	\$8,605,712	<ul style="list-style-type: none"> • Health Information Systems • Improved monitoring and oversight 	Program link
Better Health Services (BHS)	Cambodia	University Research Co., LLC	2008-2013	\$6,812,000	<ul style="list-style-type: none"> • Health Information Systems • Improved hospital management • Improved healthcare education 	Program link
Governance Threshold Country Program (MGTCP)	Moldova	Millennium Partners	2007-2009	\$14,641,172	<ul style="list-style-type: none"> • Improved financial oversight • Creation of standard protocols and procedures 	Program link
Health Sector Reform and Development Project (Palestinian Flagship)	West Bank and Gaza	Chemionics International	2008-2013	\$85,436,964	<ul style="list-style-type: none"> • Health Information System • Improved management of the health care system • Engagement of community actors 	Program link
Basic Health Services Project (BHS)	Yemen	Pathfinder International	2006-2010	\$21,610,314	<ul style="list-style-type: none"> • Scaled up best practices • Engagement of community actors 	Program link

Methodology. Chemionics, along with the five other ENGAGE IQC holders, undertook a mapping exercise – with each firm assigned a specific region – to identify USAID-funded programs that included anti-corruption elements. USAID reviewed the mapping results and then assigned each firm a specific sector, covering several regions, in order to carry out a more in-depth technical analysis based on the programs identified. Chemionics was assigned global health, which included a limited number of programs uncovered during the mapping, as noted in the box above. For each of these five global health programs project/programs, Chemionics gathered available documentation, including final, quarterly and annual reports, program audits and evaluations, websites, etc. in order to try and draw conclusions regarding anti-corruption aspects of these efforts. Thus, this paper is a desk study based on available information on a limited number of USAID-funded global health projects/programs and does not represent an exhaustive analysis or evaluation.

Key Findings. Many activities were aimed at health systems strengthening and health governance. Though they may not have intentionally been designed to address corruption, these initiatives did serve to strengthen the anti-corruption environment and prevent fraud and waste while establishing transparency in the sector. Several common activities were identified including, health information systems, standard operating procedures, healthcare regulatory environment, and capacity of non-state actors. Based on an analysis of these interventions, this paper identifies challenges and successes, as well as lessons learned and recommendations for future programming such as: choosing the right local partner; implementing sustainable and effective health information systems; scaling up best practices; and involving the community in health governance decisions.

A. Key Targets and Activities

Chemionics reviewed the five global health programs mentioned and, given the limited documentation and resources available, tried to draw helpful lessons learned and provide programming recommendations to

assist USAID’s global health projects to have a potentially long lasting effects on combating corruption. This paper covers the following: A. Key targets and activities; B. Successes, challenges, and neutral results; C. Key impediments; D Program impact; E. Common themes; F. Lessons learned and recommendations for future programming; and G. Conclusions.

A.1 Developing Health Information Systems

One of the most far-reaching activities that has been carried out under multiple projects is the development or reform of integrated and comprehensive health information systems (HIS). The goal of HIS is to allow decisions to be made in a transparent way, based on evidence, and ultimately to improve the population’s health status.⁴ Various forms of HIS were utilized in three of the projects/programs identified under this task order: the **Palestinian** Health Sector Reform and Development (Flagship) Project; the Enabling Equitable Health Reforms (EEHR) Project in **Albania**; and the **Cambodia** Better Health Services (BHS) Project. These systems improved management, administration, and operational efficiencies of hospital and health actors, leading to greater transparency and access to information within the sector. The figure below outlines the World Health Organization’s (WHO) Health Metrics Network (HMN) Framework for HIS.

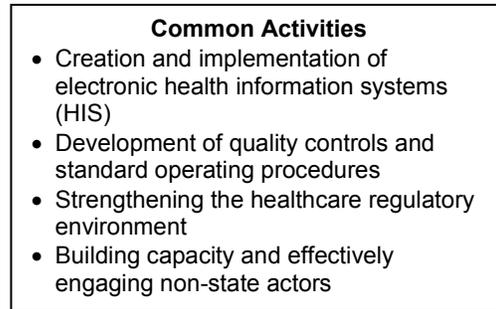
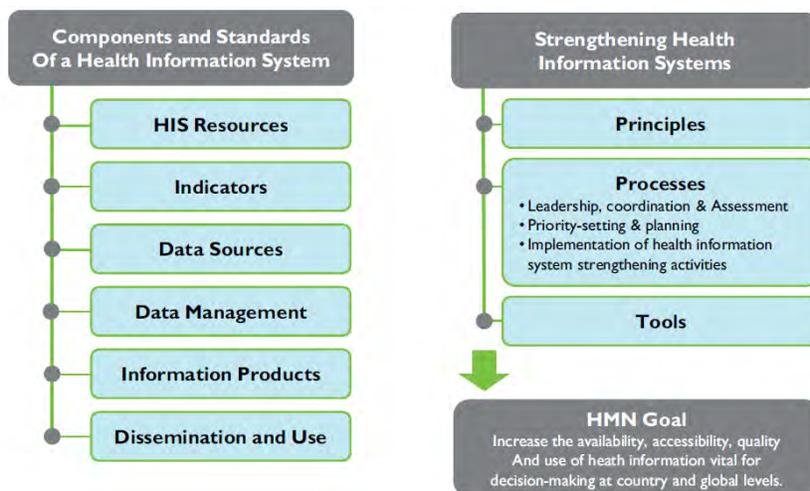


Figure A.1 The HMN Framework for Health Information Systems⁵



The Flagship project, now in its fifth and final year, has developed and implemented HIS⁶ in all Ministry of Health (MOH)-run hospitals and public health facilities in the **West Bank**. The system is helping to drive reform and more efficient service delivery by integrating clinical standards and protocols, patient records, MOH personnel files, and other documents into a central location, allowing hospitals and the **Palestinian** Authority to track records and resources in a much more transparent manner. Traditionally,

⁴ The Health System Assessment Approach: A How-To Manual, Version 2.0. USAID/Health Systems 2020, <http://www.healthsystems2020.org/userfiles/HSAA%20Manual%20Version%202020Sept%202012.pdf>, 08/08/2013.

⁵ HMN Framework and Standards for Country Health Information Systems, Second Edition. World Health Organization, http://www.who.int/healthmetrics/documents/hmn_framework200803.pdf, 08/08/2013.

The Health System Assessment Approach: A How-To Manual, Version 2.0. USAID/Health Systems 2020, <http://www.healthsystems2020.org/userfiles/HSAA%20Manual%20Version%202020Sept%202012.pdf>, 08/08/2013.

⁶ Health Information System, Palestinian Health Sector Reform and Development Project, Short-Term Technical Assistance Report, <https://dec.usaid.gov/dec/GetDoc.axd?ctID=ODVhZjk4NWQtM2YyMi00YjRmLTkxNjktZTcxMjM2NDBmY2Uy&riID=MzI4MjYy&pID=NTYw&attachmnt=VHJ1ZQ==&uSesDM=False&rIdx=MjgyODQx&rCFU=>, 08/16/2013. Also see attached documents.

the **Palestinian** Authority has relied heavily on international donations to acquire the necessary resources to effectively treat patients. Prior to HIS, the procurement of this equipment was tracked on paper, and often times resources disappeared. With HIS, procurement processes of new equipment and resources for hospitals are input into the system and linked to an electronic inventory at MOH facilities, thus creating greater procurement transparency as well. To promote lasting sustainability of HIS, the project has worked closely with information technology (IT) staff at the central level of the MOH to train them in system administration, how to train others in system administration, and end user-training so that non-IT staff are able to manage and work within the HIS system independently.

In their year two annual report EEHR described the HIS modules that the project had piloted in **Albanian** hospitals; these included registration, admissions, transfer and discharge, coding, and human resources to track, manage and optimize the patient flow process. A working group on HIS was established in Lezha, **Albania**, and by September of 2012, the group had defined requirements for the admissions, transfer, discharge, and hospital ward management modules that are needed for successful implementation of the HIS software. When fully operational, the project supported HIS will improve patient satisfaction, reduce waste, increase transparency, and most importantly, improve patient safety through improved monitoring and tracking of patient flows, finances, and human resources. Automated systems such as the one used by the EEHR program lessens human error through accurate and real-time data, while also allowing users to track changes and see those made previously. The systems contribute to anti-corruption by creating greater control over critical data and information and, thus, reducing the opportunity for committing medical fraud.

In **Cambodia**, the on-going BHS project works closely with the MOH to effectively utilize HIS on two levels⁷: patient data and information for individual level records and tracking; and aggregated data and population reporting related to health coverage plans. Prior to reorganizing their HIS, the MOH was using a mix of two different data bases -- a stand-alone database and a Microsoft Access database. The project-supported health informatics team works closely with the hospital improvement program to improve data collection methods, data quality and data use via HIS. Improved data quality reduces the likelihood of corruption by diminishing the ability of individuals to manipulate or falsify records and information.

A.2 Institutional Strengthening through Standard Operating Procedures and Performance Improvement
Institutional strengthening was a key element in combating corruption in the mapped projects/programs. Key activities in this area include the use of the performance improvement methodology (PIM) and the development and implementation of standard operating procedures (SOPs).

Developing protocols and standard procedures. The **Moldova** Governance Threshold Country Program (MGTCP) worked to strengthen healthcare quality assurance through the development and implementation of national clinical protocols. Despite previous donor projects having been involved in preparing protocols for 12 years prior to the project, according to the MGTCP final report, it was evident during the initial MGTCP assessment that they had not been adopted nor fully sustained in either the MOH or in healthcare facilities. The program therefore worked with MOH to create new protocols⁸ that were uniform in structure and required content, and develop a sustainable system for the preparation, approval, and distribution of protocols so that the MOH, the State Medical University, and all healthcare facilities would have libraries of approved protocols in standard formats. As a measure of transparency and public engagement, the draft protocols were posted for comment on the Ministry's website. During 2008, this process enabled the approval of 55 national clinical protocols, with 35 more developed in 2009. An important legacy MGTCP is its sustainable impact through the training of dozens of medical

⁷ "Health Informatics Page," Cambodia BHS, http://www.urccambodia.org/site/contents.php?p=6&k=hi_overview&lang=en, 08/19/2013.

⁸ The MGTCP program closed in 2009. The only information regarding protocols is available in the final report. No further information was available to provide further analysis.

specialists in protocol drafting. This process contributed to reducing corruption by creating publically available, uniform procedures to address healthcare issues, and, thus could potentially have prevented physicians and practitioners from either cutting vital corners, or soliciting illicit payments from patients for unnecessary procedures. Insufficient information was available to determine if this was indeed accomplished after MGTCP ended.

MGTCP also helped issue procurement controls by creating guidelines specially tailored to the circumstances of healthcare facilities in **Moldova**⁹. This was undertaken in collaboration with the National Agency for Material Reserves, Public Procurement, and Humanitarian Assistance, which is responsible for monitoring the implementation of the 2007 Procurement Law.

Similarly, the on-going Flagship project in the **West Bank** also developed a more transparent procurement process, which was adopted by MOH in 2011, as well as SOPs for the Ministry's Procurement Unit. This included the establishment of a procurement committee to ensure a transparent and needs-based approach to the procurement process. Through this more transparent process, more than \$837,000 in medical equipment has been delivered to MOH and NGO clinics and hospitals¹⁰. This process is closely linked to the project supported HIS and its electronic record keeping of resources and procured equipment. This reduced fraud and waste as it provided an avenue for tracking resources and ensuring they are located where they were needed.

Creating performance improvement mechanisms to strengthen the anti-corruption environment. Although not evaluated under this task order since it did not include more specific anti-corruption activities, the **Peru** Quality Healthcare (QH) Project¹¹ utilized the performance improvement methodology (PIM) to create sustainable impact in light of the USAID/**Peru**'s phase-out plan for health funding in the country. PIM is a "systematic combination of three fundamental processes: performance analysis, cause analysis, and intervention selection." It takes into account "the institutional context, identifies gaps between actual and desired performance, determines root causes, implements one or more solutions aimed at closing the gap, and measures the change in performance."¹² Through the use of PIM, the project identified and measured gaps and proposed targeted solutions in the performance of health personnel and the delivery of quality services. While the PIM model is based on international best practices^{13, 14}, the project is working to integrate it with national norms and standards of the **Peruvian** MOH. Two key components of this activity are improving evidence-based planning at the local and regional levels through updating guidelines and norms per international standards, and creating more efficient management information systems by assessing gaps, identifying needs, and generating standards to assist healthcare personnel in the management and evaluation of information for more efficient resource allocation. Thus, while Peru HQ did not include specific anti-corruption activities, its PIM focus did contribute to a more transparent information management that can contribute to reducing corruption.

The **Cambodia** BHS project works on institutional performance improvement throughout public health facilities, hospitals, and NGO-run healthcare centers. The Hospital Improvement Program (HIP) supported by the BHS project develops and tests sustainable and transferable improvements to three levels of hospital operations: patient care, wards, and general hospital operations. The HIP team is made up of doctors, nurses, lab technicians and public health professionals who work in target hospitals to

⁹ Moldova Governance Threshold Country Program, <http://www.millenniumpartners.org/recent-projects/moldova-governance/>, 08/16/2013.

¹⁰ "Institutional Capacity Strengthening – Building Leaders for Change and Reform Within," Palestinian Health Sector Reform and Development Program, http://www.flagshipproject.org/images/stories/Files/capacity_strengthening.pdf, 09/23/2013

¹¹ Project closed in 2013 and website is no longer active. Please see link in table 1.

¹² "Performance Improvement," Healthcare Improvement Project, http://www.hciproject.org/improvement_tools/improvement_methods/approaches/performance_improvement, 09/23/2013.

¹³ "Performance Improvement," Healthcare Improvement Project, http://www.hciproject.org/improvement_tools/improvement_methods/approaches/performance_improvement, 09/18/2013.

¹⁴ "Sistematización de la Implementación y Oficialización de la Intervención de Mejora del Desempeño," Peru QH, <https://sites.google.com/a/usaid.gov/drg/home/about-1/drg-center-teams/governance-and-rule-of-law/anticorruptionmapping>.

develop and test models of improved management and patient care, providing on-the-job coaching to clinical staff to build basic competencies, develop protocols and guidelines for patient care, and standardized tools for managing staff schedules and tracking and ordering medicine and supplies. As previously mentioned, being able to electronically track medical supplies reduces medical fraud and waste through ensuring a transparent procurement process. Additionally the BHS team assisted hospitals in rationalizing patient flow, avoiding unnecessary admissions and decreasing patient waiting time. In order to ensure the sustainability of hospital-level improvements, the team works closely with the MOH at the provincial and national levels to scale-up successful clinical and management models and develop mechanisms to link payment for services to performance quality.

Flagship’s Approach to financial management

1. Improving the financial well-being of MOH by strengthening the capacity of its finance staff
2. Promoting the decentralization of healthcare facilities;
3. Adequately costing health-care services

Improving Financial Management Capacities. Within multiple sectors, poor financial management creates an environment ripe for corruption. Several projects assessed under this task order included targets to improve the financial management of the health sector, including MGCTP, and the EEHR and Flagship projects.

MGCTP made improved financial and performance management a top priority, implementing a five day training course on financial management for 300 technical and financial directors from all public healthcare facilities in **Moldova**. This training was carried out in collaboration with the **Moldova** Association of Professional Accountants and Auditors, MOH, and the State Medical University. In order to address the most pressing needs, the modules were targeted to cover internal and external audit systems and accounting procedures¹⁵. Additionally, MOH and MGCTP collaborated with the newly-formed department of internal audit within the Ministry of Finance to develop training materials to prepare 20 trainers to deliver the program nationwide. MGCTP also supported the creation of a medical audit department at the national level as the main agency for the external auditing of healthcare institutions to ensure that physicians comply with protocols and other healthcare delivery and quality requirements.

The Flagship project conducted targeted trainings to introduce financial best practices to MOH and other key project counterparts. During year two of the project, a total of 82 ministry staff and 15 NGO healthcare administrators received training through the USAID-supported Financial Capacity Strengthening Program (see training documents in link).¹⁶ Additionally, the project developed a methodology that the MOH implemented to track the cost of services and develop financial sustainability for the Rafidia Hospital¹⁷. The results of this pilot exercise will be used to develop a framework for costing services that can be replicated at all healthcare facilities.

A.3 Strengthening Healthcare Policies and the Regulatory Environment

Healthcare reform through legal framework modifications is an important element of creating sustainable institutions and regulations. They have helped to improve the accountability of service providers and healthcare officials.

Creating integrity and ethics through reform. Working closely with the **Moldovan** MOH, MGCTP drafted laws, policy papers, and recommendations to improve healthcare services across the country. The project drafted and submitted to parliament a revised administrative code in order to strengthen the enforcement of the accreditation process of healthcare professionals. The most far-reaching legal reforms supported

¹⁵ Program closed in 2009. Audit system and procedures not available.

¹⁶ “Health Finance Capacity Strengthening Program Launching Training,” Chemonics International, <https://sites.google.com/a/usaid.gov/drg/home/about-1/drg-center-teams/governance-and-rule-of-law/anticorruptionmapping>.

¹⁷ “Materials development for the health sector financial capacity strengthening program (FCSP) and NGO finance management training,” Palestinian Flagship Project, <https://dec.usaid.gov/dec/GetDoc.axd?ctID=ODVhZjk4NWQzM2YyMi00YjRmLTkxNjktZTcxMjM2NDhmY2Uy&rID=MzE2NjAw&pID=NTYw&attchmnt=VHJ1ZQ=&uSesDM=False&rIdx=MjkzMTUw&rCFU=, 09/18/2013>.

under MGTCP were the government order issued to create corruption reporting systems in all ministries, including MOH, and the whistle blower protection law, which was drafted and submitted to Parliament. Legal reforms supported by the program also affected the hiring process in MOH-supported facilities. While it is unknown if these laws passed after the program closed, there has been continued movement on anti-corruption activities in **Moldova** since the end of MGTCP, as is evidenced by the EU-sponsored **Moldova** anti-corruption portal¹⁸. Prior to the program, there was not a competitive process for hiring facility managers, and oftentimes unqualified individuals were selected. MGTCP supported the MOH in issuing a ministerial order that created a competitive hiring process including objective scoring of candidates.

MGTCP also worked through the government of **Moldova** to reform the legal and policy framework in the health sector to improve functionality and monitoring. This included the creation of nine working groups that oversaw 40 action items identified by the government of **Moldova** as part of its MCC Threshold Country Plan (TCP). This allowed for quick decisions and implementation of key interventions, such as the development of a code of ethics that had not previously existed in **Moldova**. In collaboration with a specially created MOH working group, MGTCP supported the drafting, editing, and publication of 15,000 copies of the code to medical professionals, including all physicians in the country. Additionally, in collaboration with another MOH working group, MGTCP helped reform procurement and bidding processes by creating a government-sponsored integrity pact, which all bidders on public tenders were required to sign. More than 500 copies of the pact were printed and distributed and follow up training was provided to two finance officials from each of 100 healthcare facilities in the country. MGTCP closed in 2009 and it is not know if this pact is still in use.

Improved monitoring and oversight in the health sector.

In order to strengthen the healthcare policy and regulatory environment, it is important to assess the gaps and weaknesses within the sector in order to address areas where corruption may be most prevalent. The EEHR project has supported the MOH in **Albania** in solidifying a sustainable process for health planning, policy formulation, and reform implementation. In year two, the MOH with the support of the project, established a Health Reform Implementation Support Group (HRISG) as a national-level reform coordination and implementation support mechanism, with the group's Secretariat housed within the ministry's Monitoring and Evaluation (M&E) department. EEHR solidified engagement of national and regional decision-makers in implementing and monitoring prioritized reforms and strengthened policymaking groups and processes, via the fully established HRISG and its newly formed working groups on hospital reform. The HRISG was able to roll out medication administration and incident reporting on a national level after two successful pilots, which allowed for better monitoring of medical fraud and waste. This allowed for better tracking within hospitals and healthcare facilities across the country, including monitoring potential corruption and transparency measures of healthcare reform and implementation process. In its first year, EEHR conducted three reviews of the health sector, including one on governance, one of the Health Insurance Institute, and one of the monitoring and evaluation function within the MOH. The governance review mapped roles and responsibilities per *existing* policies and regulations, as well as gaps in functions and tasks of various actors. The project supported **Albania** is designing and implementing coordinated interventions (see text box) at the hospital level of the healthcare system. These mechanisms created a new enabling environment that supports improved performance of

MOH - EEHR Priority Intervention Areas

- Clarifying institutional roles and responsibilities
- Strengthening overall health sector governance (anti-corruption)
- Improving the quality of services
- Payment reforms (anti-corruption)
- Improved development of action plans to achieve reforms (anti-corruption)
- Better coordination of activities to achieve goals
- Creating a forum for coordination among health institutions
- Strengthening M&E capacity, especially at the regional level (anti-corruption).

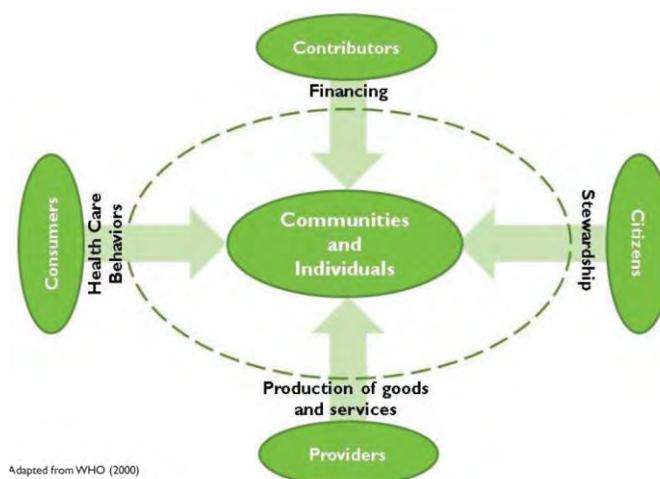
¹⁸ Moldova Anti-Corruption Portal, <http://www.anticorruption-moldova.org/>, 09/23/2013

the health sector, increased access to care and responsiveness to the population, and increased capacity to monitor reform interventions.

A.4 Building capacity and effectively engaging non-state actors.

Increasing the understanding of regulations and protocols, establishing best practices, and implementing targeted training programs enables projects to enhance the ability of beneficiaries to prevent and combat corruption. Such interventions have even greater positive outcomes within the health sector where increased capacity can improve patient care and well-being, and ultimately save lives. As figure A.2 shows, non-state actors and the community play multiple roles in the health sector – from consumers, to providers, to contributors, and are closely interrelated to the performance of each building block of the overall health system.

Figure A.2 The Roles of People in the Health System¹⁹



Creating sustainable NGOs through organizational reform. Although not evaluated under the task order since it did not include specific corruption related activities, the **Bangladesh** Smiling Sun Franchise Project (SSFP)²⁰ was charged with building the capacity of local NGOs to become organizationally and financially sustainable, seeking assistance from banks, foundation grants, or future USAID funding. To do this, SSFP undertook a baseline needs assessment of the institutional capacity of 26 networked NGOs, in order to determine the strengths and identify areas for improvement for each organization. The capacity assessments provided baseline data for a network-wide capacity building plan. SSFP then provided skills-based training to all 26 NGOs in both group and individual settings to improve organizational policies, processes, and systems according to international best practices. Similar targets and interventions were carried out by the **Palestinian** Flagship project, which worked to enhance the financial capacity of NGOs and community based organizations to work in the community health sector.

Utilizing innovative communication approaches to enhance hospital-community relations. The EEHR project took a different approach to capacity enhancement by improving the ability of media to play an effective role in health reform. Hospitals were viewed as being of significant social importance, often placed in the spotlight of national and local news and debates on the population’s health status and the value of social services provided by the government. Challenged by quality and management issues,

¹⁹ *The Health System Assessment Approach: A How-To Manual, Version 2.0*, USAID/Health Systems 2020, <http://www.healthsystems2020.org/userfiles/HSA%20Manual%20Version%202020Sept%202012.pdf>, 08/08/2013.

The World Health Report, World Health Organization, http://www.who.int/whr/2000/en/whr00_en.pdf, 08/13/2013.

²⁰ *Final Report*, Bangladesh SSFP, http://www.chemonics.com/_layouts/chemcom.branding/bangladeshssfp/BangladeshSSFP_AchievementsReport.pdf, 08/19/2013.

public hospitals often find themselves increasingly exposed to situations that can damage their reputation. Thus, solid internal and external communications abilities play an essential role in supporting hospitals as organizations providing services to the public. To support **Albanian** hospitals in this regard, EEHR worked with hospital directors to identify staff with the kinds of skills and experience that would allow them to most likely succeed in building and supporting communication activities. EEHR formed working groups to receive training on internal and external communication techniques and developed hospital communication and public relations strategies, plans, and activities. EEHR prepared a public relations training module that was used to train staff in nine hospitals.

B. Successes, Challenges, and Neutral Results

Quality Management Leads to Improved Patient Care in Moldova

- 90 Clinical protocols developed over two year period
- 2,000 copies of each protocol distributed to health care facilities nation-wide
- Trained medical specialists in protocol drafting to facilitate continued improvements
- 14 pilot quality councils created in 2008 – expanded nationwide in 2009.

B.1 Successes

Project/program successes were varied, and while their sustainability remains to be seen, the immediate results are important for improved health management and governance.

Improving quality management. The Tier 1 MGTCP program has perhaps been the most successful of all the projects/programs identified in the mapping (see box). This may be due its holistic approach of the program that included reforms to the judicial and tax sectors as well as health, and/or the fact that as an MCC TCP program, it had the ownership and clear commitment of the government to

implement reforms within a very specific timeframe. Under MGTCP, approximately 90 clinical protocols were developed over a two year period, more than any other donor project had ever achieved, and 2,000 copies of each of the protocols were distributed to healthcare facilities. In addition to the distribution of the protocols, the program provided training to facilities' personnel, to help ensure that the protocols were properly implemented. MGTCP also trained dozens of medical specialists in protocol drafting, creating a pool of professionals to facilitate continued improvements in health protocols. To strengthen the traditional system of facility level management, MGTCP provided technical advice and support to establish a new participatory mechanism in quality management and improvement via the creation of Quality Councils in all major healthcare facilities in **Moldova**. The MOH piloted 14 councils in 2008 and based on their success, the pilot was expanded nationwide in 2009.

Effectively integrating HIS into ministries and hospitals. HIS remain hugely successful within the health sector. For example, prior to the implementation of HIS in **Cambodia**, the MOH used an offline version of the system and had to wait long periods to get data that was often unreliable or outdated. The BHS project facilitated an innovative way to manage health data through the creation and implementation of a web-based system that is now used by 990 public healthcare facilities, 57 referral hospitals, 24 provincial hospitals, eight national hospitals, two private hospitals, and two NGO-supported hospitals, which all report through this system. Data accuracy has also improved. When evaluated in 2006, the data quality index was ranked at 67 percent. As of May 2011, it had increased to 86 percent. This system is critical to making information available in real time to the MOH and ensuring the quality and accuracy of data.

To promote HIS sustainability, the **Palestinian** Flagship project installed equipment and software for server rooms, data centers, and a data recovery center, increasing the infrastructure capacity of the MOH. Once this was completed, the project trained MOH information technology staff in HIS system administration and end-user training. HIS also allowed the MOH to draft and upload 3,000 job descriptions, which were openly accessible via the centralized system. Additionally, the more than 274,000 patient records have been stored in the HIS system, far exceeding the target of 150,000 set for the

Flagship project.

B.2 Challenges

While many of the projects/programs, including **Yemen** BHS, MGTCP, and Flagship, have been largely successful in many of their activities, there are noticeable challenges that were encountered during implementation. Many of these challenges were related to sustainability and local capacity.

Challenges
<ul style="list-style-type: none">• Low-capacity of counterparts• Shift in donor priorities during program implementation• Increased turnover of program and counterpart staff

Low capacity counterparts. Despite intensive hands-on assistance by MGTCP staff to counterpart working groups in designing new protocols and policies and drafting laws and regulations, the capacity of most agencies to initiate effective policy initiatives and to implement new programs is still weak. Without the framework of MGTCP, the careful monitoring by the government of **Moldova**, and assistance from donor projects, policy development activities move slowly and often result in low-quality drafts. This reflects the lack of properly trained technical staff within the MOH, poor time management, and poor lateral communication within the stove-piped ministries. Similarly, reports on the **Palestinian** Flagship project express concerns about the sustainability of activities after the project ends. Grantees in particular, are ill-equipped to continue the current activity level without additional funding. These issues could potentially have been avoided through more targeted gap analysis in the capacity of beneficiaries, and through earlier interventions to increase the capacity of beneficiaries to sustain changes after projects end.

Donor priorities shifting. The **Cambodia** BHS project struggled to implement one of its three components designed to strengthen the management and control of infectious diseases through surveillance. This component sought to improve case identification, classification, and analysis and make data entry and coding more consistent, enabling more transparency and accuracy in disease coding. Despite training 51 health workers in 16 healthcare facilities in disease surveillance, only one operational district out of 44 actually implemented the training. The 2012 project audit noted that this occurred as attention shifted to monitoring and evaluating bird flu outbreaks over other common diseases. In year two, the project changed the indicator of this component from *Number of people trained in surveillance* to the *Number of people trained in surveillance for H5N1 or H1N1 [strains of bird flu] infections in humans*, deleting the former indicator and its reported results. By the third year, there were no activities reported related to disease surveillance and by the fourth year, the component had been dropped all together. This shift was due in part to increased resources from the Global Fund in 2009 to address the bird flu, but by 2010 when these resources dwindled, so did the project's surveillance efforts. As a result, public healthcare facilities lack the ability to classify infectious diseases properly, identify outbreaks, or effectively respond to them. The audit noted that several health workers interviewed asked for technical assistance in identifying the most common diseases and responding to them but went unanswered by the BHS Project.

Low-rates of counterpart staff retention. EEHR in **Albania** also struggled to implement a component of the project, *Enhance Non-State Actors' Participation and Oversight of Health Systems Performance*, which seemed to be critical to achieving anti-corruption and transparency within the health sector. There have been significant delays in this component due to various programmatic and non-programmatic issues, including turnover of staff and subcontractors, and the revision of the implementation timeline and plan. Despite the fact that activities under this component were to ramp up in year two, very few targets were actually achieved and most have been revised. The largest revision is under the small grants program. According to the year two work plan, the project had received approval of a small grants manual project from USAID in March of that year. It was then supposed to have conducted orientation meetings on small grants for interested and eligible non-state groups at implementation sites by May and June while simultaneously issuing an Annual Program Statement or Request for Applications; however that target was not met. No orientation meetings were held and only one RFA was issued. This has had a

domino effect on the project, with no grantees selected, no awards provided, and no grant implementation to monitor – all further targets of the project. According to its year two annual report, the project now anticipates that this component will be implemented in year three.

B.3 Neutral Results

While MGTCP was largely a success, one area where it made little change was in the implementation of the code of ethics. As MGTCP prepared procedural, rules-based clinical protocols, the program also developed a code of ethics to establish rules of behavior based on moral norms in medical situations. During the life of the program, MGTCP supported MOH in drafting, editing, publishing, and distributing thousands of copies of the code; however, MOH, in part because of the absence of the Minister during the election campaign, failed to designate trainers and issue the necessary order to conduct regional seminars on the code. The project closed before they were able to see the implementation and training on the code of ethics come to fruition.

C. Key Impediments

Key Impediments
<ul style="list-style-type: none"> • Turnover of counterpart staff and stakeholders • Behavior change is a long-term process • Congressional funding can be inconsistent

USAID projects/programs often work in restrictive operating environments, facing a variety of issues including uncooperative (and sometimes hostile) counterparts, limited capacity of local stakeholders, and limited resources to address far reaching challenges. This section addresses key impediments to effective programming that fall outside the manageable interest of the projects/programs.

C.1 Turnover of counterpart staff and stakeholders.

The Flagship, EEHR, and MGTCP program all noted that turnover of key counterpart staff and stakeholders presented an obstacle to effective programming. Rapid turnover of ministers, hospital staff, and other counterparts has the potential to hinder the process of health policy development and the continuity of leadership and training, which are critical to successful health sector reform. Investments were frequently made to build counterpart staff capacities, and then further investments had to be made to train new personnel. In their year four annual report, the Flagship project noted that management changes caused a lack of clear authority which decreased staff commitment to attend trainings. Thus, the effects of top leadership changes trickled down into mid-level and junior staff, affecting employee morale. In these situations, some countries has embarked on establishing better paid, merit based career paths to recruit and retain staff, though this is a long term process and investment that needs to be a critical stated goal from the outset; this was not the case of EEHR.

C.2 Behavioral change is long-term process

Organizational and regulatory changes require more than a change in law; they also require a change in behavior. Real organizational and behavioral change can take years to institutionalize and requires dedicated and continued leadership well beyond the life of the project. For example, the **Yemen BHS** project noted that the MOH had no supervisory system in place and no resources assigned to establish one. Additionally, most district level employees in healthcare facilities are unqualified for the posts they hold and were employed as a result of family or tribal influences. Finally, monies allocated for clinics often end up in the pockets of the clinic director, especially if the land where the clinic is located is family owned. This leads to a lack of clear lines of accountability, compliance enforcement and monitoring. A culture of maintenance is also absent; when equipment is down, it often stays that way, and when new equipment arrives, it remains uninstalled for years until it is obsolete. These are all issues related to the need for greater behavioral change that extends beyond a five-year project window and requires deep-rooted, long-term institutional change. As noted earlier, USAID projects must incorporate behavior

change systems from project outset that can improve the recruitment, training, incentive structures and retaining qualified staff. A long term vision and investment is needed, directly and/or through collaboration with other donors, greater host country contribution, leveraging private sector funds, etc.

D. Program Impact

The lasting impact of several projects/programs still remains to be seen. Currently, the **Cambodia** BHS project is in its final year, slated to end in December 2013, and the **Palestinian** Flagship Project will close in September 2013. Despite impending closing dates, both efforts have demonstrable positive impacts. More notable impacts have been documented in **Yemen** with the BHS project, as well as MGTCPC in **Moldova**, both of which closed several years ago and have left strong legacies. The **Albania** EEHR project is only in year three of its five year timeframe and the project's legacy has yet to materialize.

Key Program Impacts

- Better quality and access to health services
- Improved Ministry of Health (MOH) Capacity to Provide Oversight to the Health Sector

D.1 Better quality and access to health services

Health sector projects have the opportunity to help save lives through providing better quality and increased access to care. This is by far the most important impact any program or project can have. The **Yemen** BHS project increased the number of trained midwives, adding 203 over the life of the project. While it may not seem like a direct correlation with anti-corruption activities, the BHS project has organized many midwives as private clinic owners, creating new service delivery points where women are more at ease coming to get personalized and private services. These midwives are not only trained in proper medical techniques, but also proper management and operations, leaving a legacy of more effective and transparent medical management in a country where familial and tribal allegiances often override patient safety.

The **Cambodia** BHS project has improved clinical care at healthcare facilities and hospitals by helping to develop guidelines, protocols, training, and coaching through the Health Improvement Program²¹. As a direct result of the BHS project, an audit conducted in 2012 noted that the quality of care provided in the healthcare facilities had improved due to better hygiene, sterilization of medical equipment, and proper waste management. As a result of the project's training activities, a quality index measuring related hygiene standards increased from 11.7 percent in 2008 to 29.3 percent in 2011. While it remains to be seen if this impact is long-term and can be maintained after the project closes, to date, the immediate impact is evident. In addition, such BHS efforts as implementing protocols may have contributed to reducing corruption by creating a more transparent process through which health services are delivered, with clear procedures and rules in place. As this was not a stated goal of the project, this potential impact was not measured.

D.2 Improved Ministry of Health (MOH) Capacity to Provide Oversight to the Health Sector

In addition to the most important aspect of health projects – improved patient safety – several projects evaluated had lasting impacts on their respective ministry counterparts. For example, to ensure that physicians complied with the protocols and other health delivery and quality requirements, MGTCPC supported the creation of a medical audit department at the national level as the main agency for conducting external audits. This department came to fruition after MGTCPC organized an observational tour to Lithuania; the tour allowed for the rapid development of an MOH order to create the department based on the model of the Lithuanian Inspectorate for Medical Audits established 10 years earlier. To ensure sustainability, staff of the new department were trained in a follow up visit to **Moldova** by the

²¹ Health Improvement Program, Cambodia BHS, http://www.urccambodia.org/site/contents.php?p=7&k=hip_overview&lang=en, 08/19/2013.

senior management of the Lithuanian Inspectorate for Medical Audits. Through the establishment of this unit within the MOH, MGTCP left a lasting legacy of independent healthcare oversight and monitoring, closing the space for corruption and creating a transparent process for health governance.

The Flagship project revitalized human resource management within the MOH in the **West Bank**. Through the USAID Leadership Development Program, sponsored by Flagship, human resource managers have transformed their management approach into a proactive source of change. The trainings focused on management and administration for employees in key positions at MOH, and worked to increase their leadership and management capacities. Prior to interventions, participants reported that there was little interaction between the ministry and the communities or supervisors of ministry-supported clinics. Additionally, there were issues surrounding time management and often, ministry employees would go months without connecting to field office personnel. After the trainings, senior ministry employees have said that they now value and actively participate in regular communication with the field and the community, enabling the ministry to better handle human resource gaps and needs to ensure standards are met.

E. Common Themes

E.1. Creating Effective Relationships with the Ministries of Health

Forging and maintaining a partnership with the respective MOH is an important step in achieving effective results within these types of projects, as it serves to build relationships and transparency among the implementer, the donor (USAID), and the local partner organization. The most noticeable theme across all the projects researched was that each partnered with their respective MOH or similar ministry (in **Yemen**, it is referred to as the Ministry of Public Health and Population) to achieve project goals. The project that most aligned with its respective MOH was MGTCP. As a MCC Threshold Country Program, the major focus of MGTCP was to work with the **Moldovan** MOH to enhance hospital oversight and governance, develop standard operating procedures and protocols, increase transparency, and prepare the ministry to be an active participant in future MCC programming. The **Palestinian** Flagship project was also more active in working with the MOH across multiple components and activities. This included developing and implementing the HIS within the Ministry, developing clinical guidelines, and improving financial management.

Common Themes

- Creating Effective Relationships with the Ministries of Health
- Engagement of Non-State Actors
- Improving Healthcare Education Standards

E.2 Engagement of Non-State Actors

Every project evaluated found it important to work with non-state actors, including NGOs, civil society organizations, and other non-state stakeholders, such as religious leaders. This often gave the project legitimacy, as communities can at times be insular and distrustful of outsiders, so engaging community leaders and NGOs helped alleviate tensions and opens opportunities. Additionally, in many of the countries in which these projects were implemented, citizens demonstrated distrust of their governments as they are frequently seen as opaque and corrupt. Through engaging non-state actors, projects bridge the gap between the communities they are assisting and the government, gaining legitimacy and support.

Nowhere has this been better exhibited than the **Yemen** BHS project, which targeted religious leaders to assist in project implementation and messaging. The majority of the population in **Yemen** remains rural and poor, and often religious leaders are the most important figures within these rural areas. Providing training to religious leaders and not just healthcare actors reflected the project's orientation toward integration of non-state actors as a strategic choice. The final report for the project noted that this allowed the project to more effectively disseminate information regarding family planning (FP). Such messages from trusted religious leaders were more acceptable as part of a broader health communications package

and prevented misconceptions or accusations that USAID was imposing FP on the population. Working with local informal leaders, such as religious leaders, can give legitimacy to the project and could have helped to more effectively educate and motivate community members to not tolerate nor participate in corruption, if this had been included as a specific component.

As previously mentioned, the EEHR project includes a component dedicated to enhancing non-state actors’ participation and oversight of health systems performance. While the project is delayed in carrying out major activities under this component, it nevertheless plans to prioritize these in year three (the current year), including gathering community input and participation in dialogue regarding health reform and hospital improvements, and implementing a small grants program. Additionally, in year two, the project finalized a media audit, which assessed the capacity of the media to report on health sector issues, and mapped out the relevant media channels in the country. This is important as journalists and media play an important role in open and democratic societies to support transparency and good governance, and provide information to citizens.

E.3 Improving Healthcare Education Standards

Similar to the above, working to increase education standards within the health sector was also a primary theme in multiple projects. By providing continuing education for hospital staff and revamping the medical school curriculum, the projects helped achieve better management and upkeep of both medical and operational records, increased patient satisfaction, and most importantly, increased patient safety. The **Cambodia** BHS project works with the MOH, the **Cambodian** Medical Council, and the University of Health Sciences to develop and implement a comprehensive approach to continuing medical education to improve the quality and impact of maternal, neonatal, and child health services, as well as emergency medical services. The **Palestinian** Flagship project has also supported continuing education efforts through multiple activities. The project has supported the development of a continuing healthcare education (CHCE) framework, which was approved by the **Palestine** Medical Council. It included licensing/re-licensing for 13 professional fields within the health sector, including drafting specific bylaws for community health workers, dentistry, and pharmacy – areas of healthcare that can be particularly affected by corruption and waste²². Through continuing medical education, providers are up to date on the most current standards and protocols in patient care; this can reduce corruption by making certain that medical professionals renew their knowledge of and commitment to ethical practices, anti-corruption principles, etc. and condition licensing on high standards or performance.

F. Lessons Learned and Recommendations for Future Programming

Recommendations and Lessons Learned
<ul style="list-style-type: none"> • Choose the right partner for programming • Involve citizens in the health reform process • Look for scalable best practices • Ensure HIS sustainability after project closes

F.1 Choosing the right health partner is key to program success. Clearly, an active, flexible, and engaged counterpart is important to program success, particularly when it comes to addressing corruption and good governance. However, some projects did encounter resistance at worst, apathy at best, among government counterparts, making project implementation difficult, and found that rather than the government being the best partner, it was an impediment.

Although largely successful, the **Yemen** BHS project acknowledged that its government counterpart, the Ministry of Public Health and Population was fairly weak. The project’s final report mentioned that the ministry did not appear to have a visible commitment to seriously changing the status quo, and in some cases, appeared to have a vested interest in maintaining

²² “Continuing Health Education, Re-licensing, and Accreditation,” Palestinian Flagship Project, http://pdf.usaid.gov/pdf_docs/PNADW212.pdf, 09.23.2013

it. For example, the ministry keeps regular statistics on how many healthcare facilities in **Yemen** offer family planning services in proportion to the total offered by private and public facilities. However, there does not seem to be a policy or a desire within the ministry to act on the lack of MCH and FP services. In addition, the ministry itself is underfunded and what funds are available are often mismanaged. Although there were *some* successes in the relationship with the ministry, the project was successful despite its government counterpart, and not because of it. In contrast, **Yemen** BHS had an active and successful partner in community and religious leaders.

MGTCP had a flexible government counterpart that allowed them to be more effective. The program noted that the government of **Moldova** understood the need for flexibility and was a willing participant in working with USAID and the program implementer. For example, MGTCP noted that when changes were needed in the program as MGTCP and its counterparts reviewed **Moldovan** law and international law, the government counterpart, and the government of **Moldova**'s TCP monitor, proved willing to make formal changes in action items, allowing for the project to move forward with policy and program changes. Additionally, the counterpart was able to move quickly on activities from the outset of the program. MGTCP noted that this was because the government of **Moldova** had effectively prepared for a TCP so that it could work with the implementer and USAID. While it is not always feasible to prepare every government to work with USAID as quickly as MGTCP did, it is worth noting that proper assessments of government ministries and counterparts, as well as providing assistance in preparing them as to what to expect, could prevent the situation in **Yemen** from occurring in other countries. In combating corruption, there are two critical pieces to the puzzle, which includes having both community *and* government support. While **BHS** was able to tackle this from the community side, it appears that the impact was not as widely felt within the government. Commitment to change from the primary counterpart is critical to the success of anti-corruption programs and healthcare programs.

F.2 Community involvement in health governance bridges critical gaps.

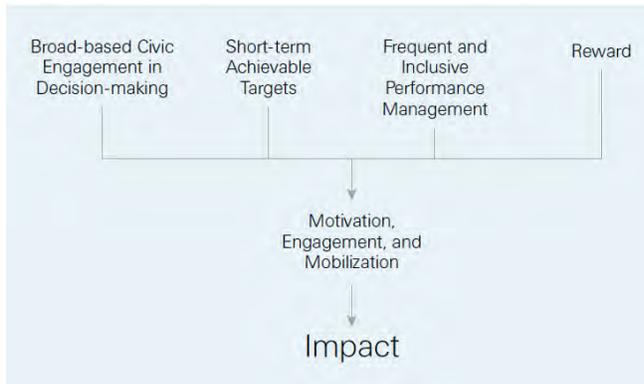
Community engagement is an important aspect of health reform. Governments may not always have the trust of the population that community leaders, NGOs, and civil society organizations enjoy. In 2008, the MOH in the **West Bank and Gaza** recognized a lack of coordination among healthcare providers as one of the major weaknesses of the health system. Seeking to address this, the Flagship project implemented an integrated multi-sectoral approach to healthcare reform. Flagship and the ministry utilized the Champion Communities approach to empower citizens in the health reform process as part of this integrated approach (see figure F.1²³). As explained by the figure below, this approach encompasses broad-based civic engagement, achievable targets, inclusive performance management, and the reward (in this case, results) to further the project goals. By actively engaging communities in the healthcare reform and service process, linkages were created between the community and clinics to better respond to the specific needs of citizens; bringing in non-state actors and community leaders, programs enabled the program to better plan for and address future community needs, while also achieving legitimacy and transparency in the health reform process. In addition, the project also assessed the behavior change communication capacity of the population, and developed guides and resources²⁴ to assist the MOH's Health Education and Promotion Department.²⁵ These approaches brought together all health service providers including the MOH, NGOs, the private sector, health education institutions, and civil society organizations so that they were directly involved in decisions on healthcare services and reform, and to address issues of quality, transparency, and sustainability.

²³ "Champion Communities: Mobilizing to Make an Impact," Chemonics International, <https://sites.google.com/a/usaaid.gov/drg/home/about-1/drg-center-teams/governance-and-rule-of-law/anticorruptionmapping>.

²⁴ "Behavior Change Communication," Flagship Project, http://www.flagshipproject.org/index.php?option=com_content&view=category&layout=blog&id=19&Itemid=106, 09/18/2013.

²⁵ "Behavior Change Communication Guide," Palestinian Health Sector Reform and Development Project, <https://dec.usaid.gov/dec/GetDoc.axd?ctID=ODVhZjk4NWQtM2YyMi00YjRmLTkxNjktZTcxMjM2NDBmY2Uy&rID=MzI4MjU0&pID=NTYw&attchmnt=VHJlZQ==&uSesDM=False&rIdx=MjgyODMz&rCFU=>, 08/16/2013.

Figure F.1 Champion Communities Hypothesis



MGTCP engaged the community in the decision making process through incorporating patient and public feedback in the reformed healthcare system. This was accomplished by designing, testing, and conducting a nationwide survey of patient satisfaction and informal payments²⁶. The survey involved 19,000 patients at 95 facilities. The results were then posted to the MOH website and 300 copies of the final report were distributed. This interaction empowered citizens to vocalize their concerns about the health sector and allowed

the MOH to incorporate citizen feedback into future regulations. This incentivized the ministry to take quick and effective action to address citizen concerns and root out problem areas, including a lack of transparency and corruption. In addition to incorporating patient feedback into the healthcare system, the MOH also posted for public comment the newly developed clinical protocols. These protocols were posted to the MOH website where public and private sector healthcare providers, NGOs, and others, could provide comments. The mapped projects show that by inviting the community into the decision making process, the health governance and systems reforms achieve legitimacy that might not otherwise exist.

The **Yemen** BHS project also worked to engage the community to bridge a critical healthcare gap. Staff, together with community leaders, held regular planning and evaluation meetings, providing the latter with the logistical support needed to continue their involvement. The project gained the trust of religious leaders by respecting and assisting them to strengthen their role within their communities. This enabled the project to be successful in disseminating information to communities, as it came from trusted sources.

F.3 Establish and scale up best practices

Scaling up best practices and program successes is true for all development programs, however understanding the specific aspects of global health initiatives and how to apply and scaled up them up is critical to achieving success. The **Yemen** BHS project provided a solid example of appropriately phasing in best practices in maternal/child health care (MCH) and FP programming. The project team developed a two-phase action plan, initiating activities in the Al Sabeen Hospital in Sana'a as a pilot in 2008. Subsequently in phase two, five more hospitals were selected, one in each governorate, to implement this process in 2009. The success of the first two phases was then replicated in a third phase. By the time the project closed in December 2010, the best practice activities had reached over 130 health facilities in 23 governorates. The success of the scaled up practices was in large part due to a keen focus on pressing host country needs, and selecting the best practices that fit within with the Millennium Development Goals that **Yemen** was trying to meet; thus, the activities were made a priority. Establishing and scaling up the best practices throughout the country also inadvertently uncovered other areas of need, such as quality improvement in essential and emergency care.

²⁶ Project closed in 2009. Survey information not available.

F.4 Ensure beneficiary capacity for HIS

The MGTCP program encountered a serious lack of IT skills within the ministries assisted by MGTCP, due to a combination of low government salaries and private sector demand for IT specialists and system administrators. This left most ministries with too few staff to support new MGTCP-funded hardware and software. By the time the project closed, the MOH was not able to handle the increased demands for IT skills. While this was not explicitly the problem of MGTCP, the project could have done more to address this through earlier assessments of the capacity of staff, increased trainings of current staff, and initiated a training of trainers program that would have allowed greater sustainability of the new software platforms.

HIS for Transparent Decision Making

“Despite the explicit demand for quality health information, HIS performance in many developing countries consistently falls short of requirements. The goal of HIS is often narrowly defined as the production of good-quality data. However, the ultimate goal is more than this – it is to produce relevant information that health system stakeholders can use for making *transparent* and *evidence-based* decisions for health system interventions.” – HMN’s *Framework and Standards for Country Health Information Systems*, Second Edition

In contrast, the Flagship program has managed to build the capacity of MOH IT staff in the **West Bank** by incorporating and supporting a transition to full MOH leadership and ownership of the HIS as an integral part of the program. As of September 2012, 10 MOH IT staff were identified and assigned to support this transition and the implementation of HIS. As the project winds down this year, greater administrative and management privileges will be transferred to the MOH. This slow and gradual transition allows for questions to be answered, bugs to be worked out, and training to occur.

G. Conclusion

Corruption and waste in the health sector has a direct impact on the lives of patients and communities. Whether intentionally or not the global health systems strengthening and governance projects that were reviewed in this mapping exercise have potentially assisted in combating corruption in the countries impacted and thus provide critical lessons learned and best practices for future initiatives. Indeed, health projects have the potential to not only improve lives but to save them. As USAID looks to expand beyond traditional health projects into greater health systems strengthening through anti-corruption activities, it would be useful to continue to look at the successes and failures of the above mentioned projects, and others. The USAID Health Systems 20/20 *Health System Assessment Approach*²⁷ manual is a valuable resource for future USAID health efforts seeking to incorporate anti-corruption activities. Lastly, since both MGTCP and **Yemen** BHS closed in 2009 and 2010 respectively, it would be useful for USAID to do an impact evaluation in those countries to establish whether the projects were able to have a lasting effect on the health sector and to inform future programming decisions.

²⁷ *Health System Assessment Approach: A How-to Manual Version 2.0*, Health Systems 20/20, <http://www.healthsystems2020.org/content/resource/detail/528/>, 09/23/2013.

Annex I: Projects and Reports Used

Projects and programs included in cross-sectoral mapping activity (each program name is a link to the program web page).

- [Moldova Governance Threshold Country Program](#)
 - MGTCP Final Report, 2009, Millennium Partners (available upon request)
 - 2007 – 2009, \$14,64,1172
 - Other information: Millennium Challenge Corporation Threshold Program; Top tier program

- [Yemen Basic Health Services Project](#)
 - BHS Final Report, 2010, Pathfinder International:
http://pdf.usaid.gov/pdf_docs/PDACW754.pdf
 - 2006-2010, \$21,610,314
 - Other information: Predecessor project called Catalyst. Also implemented by Pathfinder International

- [Palestinian Health Reform and Development](#)
 - Flagship Year 3 Annual Report, 2011, Chemonics International:
<https://dec.usaid.gov/dec/GetDoc.axd?ctID=ODVhZjk4NWQzM2YyMi00YjRmLTkxNjkzZTcxMjM2NDhmY2Uy&rID=MzI4MjUy&pID=NTYw&attchmnt=VHJlZQ==&uSesDM=False&rIdx=MjgyODMy&rCFU=>
 - Flagship Year 4 Annual Report, 2012, Chemonics International (available upon request)
 - Flagship Year 4 Quarter 1 Quarterly Report, 2011, Chemonics International (available upon request)
 - 2008-2013, \$85,436,964
 - Other information: Closes September 2013

- [Cambodia Better Health Services](#)
 - BHS project information sites, URC
 - Office of the Inspector General Project Audit, 2011,
<http://oig.usaid.gov/sites/default/files/audit-reports/5-442-13-002-p.pdf>
 - 2008-2013, \$6,812,000
 - Other Information: Closes December 2013

- [Albania Enabling Equitable Health Reforms Project](#)
 - EEHR Year 1 Annual Report, 2011, Abt Associates (available upon request)
 - EEHR Year 2 Annual Report, 2012, Abt Associates (available upon request)
 - 2010-2015, \$8,605,712
 - Other Information: Only in year 3 of 5 year project.

Programs not included in mapping activity

- [Bangladesh Smiling Sun Franchise Program](#) (closed 2013; more information available upon request)
- [Peru Quality Health Project](#) (closed 2013; more information available upon request)

Annex II: Governance Practices and Conceptual Model

See Attachment.

Governance practices	Principles	Governing actions
<p>CULTIVATE ACCOUNTABILITY</p> <p><i>Foster a facilitative decision-making environment based on systems and structures that support transparency and accountability</i></p>	<p>Accountability Transparency Legal, ethical and moral behavior Accessibility Social justice Moral capital Oversight Legitimacy</p>	<ol style="list-style-type: none"> 1. Establish, champion, practice and enforce codes of conduct that uphold the key governance principles and demonstrate the legitimate authority of the governance decision-making processes. 2. Embed accountability into the governing institutions by creating mechanisms for the sharing of information and by rewarding behaviors that reinforce the key governance principles. 3. Make all reports on finances, activities, and plans available to the public, and share them formally with stakeholders, staff, public monitoring bodies, and the media. 4. Set an expectation that stakeholders share similarly. 5. Establish oversight and review processes (internal and external monitoring and evaluation by committees; judicial board) to continuously assess the impact and appropriateness of decisions made. 6. Establish a formal consultation mechanism (open forums, special status at meetings, etc.) through which constituencies may voice concerns or provide other feedback. 7. Sustain a culture of integrity and openness that serves the public interest.
<p>ENGAGE STAKEHOLDERS</p> <p><i>Identify, engage and collaborate with diverse stakeholders representing the full spectrum of interested parties</i></p>	<p>Participation Representation Inclusion Diversity Gender equity Conflict resolution</p>	<ol style="list-style-type: none"> 1. Empower marginalized voices, with emphasis on women’s empowerment, by giving them a place in formal decision-making structures. 2. Ensure appropriate participation of key stakeholders through fair voting and decision-making procedures. 3. Create and maintain a safe space for the sharing of ideas, so that genuine participation across diverse stakeholder groups is feasible. 4. Provide an independent conflict resolution mechanism accessible by all stakeholders and interested parties. 5. Elicit, and respond to, all forms of feedback in a timely manner. 6. Build coalitions and networks, where feasible and necessary, and strive for consensus on achieving the shared direction across all levels of governance. 7. Establish alliances for joint action at whole-of-government and whole-of-society levels.
<p>SET SHARED DIRECTION</p> <p><i>Develop a collective vision of the ‘ideal state’ and a process for designing an action plan, with measurable goals, for reaching it</i></p>	<p>Stakeholder alignment Leadership Management Advocacy</p>	<ol style="list-style-type: none"> 1. Working with the governed (organization, community, country), develop a shared vision of the ‘ideal state’ and a shared action plan to achieve it, oversee the process for implementing this shared action plan, and realize the shared vision. 2. Advocate on behalf of stakeholders’ needs and concerns, as identified through the formal mechanisms; making sure to include these in defining the shared direction. 3. Document and disseminate the shared vision of the ‘ideal state’. 4. Oversee the process of setting goals to reach the shared vision of the ‘ideal state’. 5. Set up accountability mechanisms for achieving goals that have been set, using defined indicators to gauge progress toward goal achievement. 6. Advocate for the ‘ideal state’ in higher levels of governance, other sectors outside of health, and other convening venues with a role to play in its realization. 7. Oversee the process of realization of the shared goals and the desired outcomes.
<p>STEWARDSHIP RESOURCES</p> <p><i>Steward resources responsibly, building capacity</i></p>	<p>Financial Accountability Development Social responsibility Capacity building Country ownership Ethics Resourcefulness Efficiency Effectiveness</p>	<ol style="list-style-type: none"> 1. Champion the acquisition and deployment of resources to accomplish the organization’s mission and plans. 2. Protect and invest wisely those resources entrusted in the governing body to serve stakeholders and beneficiaries. 3. Collect, analyze and use information and evidence for making decisions on the use of resources, including human, financial and technical resources, and align resources in the health system and its design with health system goals. 4. Build the health sector’s capacity to absorb resources and deliver services that are of high quality, appropriate to the needs of the population, accessible, affordable, and cost-effective in their consumption of scarce resources. 5. Advocate for using resources in a way that maximizes the health and well-being of the public and the organization, and invest in communication that puts health on the policy making agenda. 6. Inform and allow the public opportunities to monitor raising, allocation, and use of resources, and realization of the outcomes.

LMG Project Conceptual Model: Leading, Managing and Governing for Results

People and teams empowered to lead, manage and govern

Leading

- Scan
- Focus
- Align/Mobilize
- Inspire

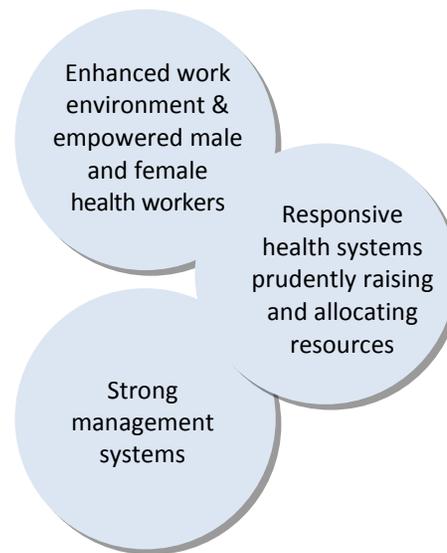
Managing

- Plan
- Organize
- Implement
- Monitor/Evaluate

Governing

- Cultivate Accountability
- Engage Stakeholders
- Set Shared Direction
- Steward Resources

Improved health system performance



Results

- Increased Service Access
- Expanded Service Utilization
- Better Quality
- Lower Cost

Sustainable health outcomes and impact aligned with national health goals and MDGs 3, 4, 5, and 6

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5. Trends in US Government Anti-Corruption Programming in East Asian and Pacific Countries

Trends in US Government Anti-Corruption Programming in East Asian and Pacific Countries

Introduction

This paper broadly summarizes the anticorruption work of development programs funded by the US Government (USG) in East Asian and Pacific (EAP) countries from 2007 or later. Since 2002, the USG has designed, procured, and managed over \$470M of development projects in EAP countries with at least one anti-corruption component. Using publicly available information on USG efforts in the region, DAI identified and reviewed over 250 projects funded by either USAID or the Department of State for their possible anticorruption impact; the list was culled to 69 projects, encompassing approximately 244 activities. For many projects reporting was either not available or did not possess sufficient substantive measurement and evaluation (M&E) information to ascertain results. Thus, DAI found a report with some level of results assessment, such as a final or annual report, or outside evaluation, for about 55% of projects.

About 14% of projects were implemented through IQCs (including the DG Anti-Corruption II, ENGAGE, ADVANCE, Rule of Law II, SEGIR, and SEGIR-MACRO II IQCs), about 25% were implemented through full and open competition for a contract, about 21% were implemented through full and open competition for a cooperative agreement, and about 9% were implemented using a different mechanism. Three projects were funded within the MCC Threshold Country program, including programs in **the Philippines, Indonesia, and East Timor**.

This review yielded a few basic conclusions as well as some general trends. For example, USAID programming with an anticorruption impact in EAP countries has focused on promoting improved governance, aiming to forestall opportunities for corrupt behavior rather than targeting specific actions through deterrence or punishment. USAID has focused on activities that increase transparency, accountability, and the responsiveness of government to citizens. In addition, USAID focused much of its funding on judiciaries and other rule of law actors. We found major reform efforts in only two agencies with a specific anticorruption mission, Indonesia's KPK and the Philippines Office of the Ombudsman.

While less programs worked in the following areas as compared to programs focused primarily on good governance and judicial systems, USG-funded programming also approached the threat of corruption with efforts to improve environmental governance, public awareness media campaigns, combating cross-border crimes, disaster recovery, business-enabling environment, and health systems strengthening.

Distribution of Funding Across Countries

USG funding in projects with anti-corruption activities was not consistent across countries in the EAP region during the period of 2007 to 2013. The USG funded the highest number of projects in **Indonesia, the Philippines, Mongolia, and Cambodia**, with 25%, 19%, 14%, and 12% of projects with anti-corruption components identified occurring in each of these countries respectively. Note that this means that a full quarter of projects with anti-corruption activities that DAI identified were in **Indonesia**. Looking more closely at project focused primarily on anticorruption (versus rule or law or economic growth, for instance), the same trend continues. Of projects DAI identified as "Direct/Primary Anti-Corruption Programs," USAID focused its funding on **Indonesia and the Philippines**, followed closely by **Mongolia**. Of the total 18 projects identified in this category in the period since 2007, five (28%) were in **Indonesia and the Philippines** each, while three were in **Mongolia**. No other country had more than two, and **Vietnam, Lao and Burma** had zero.

In the case of **Burma**, USAID did not have a consistent mission presence in the country over the period examined. With the **Pacific Islands**, USAID has not historically had a significant presence until recently.

In countries with USAID presence, projects worked with the formal judicial sector more frequently in **Mongolia, Indonesia, and the Philippines**. In **Cambodia**, in contrast, the judiciary was not well developed in this time period. In 2008, an independent project evaluation noted that: “public budget for the judiciary was perhaps less than one percent of the total public budget, that judges were poorly paid, poorly trained, and very much under the control of the Cambodian Peoples’ Party, and that there were simply too few lawyers in the country to defend in criminal trials.”¹ Given that the judicial system was unreliable, USAID concluded that, “Effective advocacy and expanded legal engagement would... put pressure on government to be more respectful of rights, and on the judiciary to become more independent....”² Likely because of this, programming in **Cambodia** was more focused on civil society advocacy than direct support to the judicial sector.

Table 1. Percentage of Projects with Anti-Corruption Components per Country

Country	Percentage of Projects with Anti-Corruption Components per Country
Burma	1%
Cambodia	12%
East Timor	9%
Indonesia	25%
Laos	1%
Mongolia	14%
Philippines	19%
Regional	9%
Thailand	6%
Vietnam	4%

***From 69 USG-funded projects identified as having anti-corruption components, since 2007*

Justice System Reform and Rule of Law

During the time period we examined, one key change involving USAID that had an impact on USG-funded anticorruption programming in the EAP region was that the Millennium Challenge Corporation (MCC) began funding projects designed to help move candidate countries ‘over the threshold’ and become ready to receive compact funding.³ The MCC made control of corruption a ‘hard’ (read: mandatory) indicator for compact status. These Threshold programs were designed specifically to help the recipient countries address identified weaknesses in their control of corruption. This was the main type of entrance program that DAI found in the EAP region during this time period. As mentioned, MCC and USAID jointly funded three MCC Threshold programs, one each in **Indonesia, the Philippines, and East Timor**, for a total funding value of about \$55.5 million.

USAID’s judicial system and rule of law programming in EAP included four common activities, such as:

- *Information and technology systems.* In **Indonesia**, USAID’s assistance in this period focused heavily on information and technology improvements to supreme court systems. USAID’s **Indonesia** Anti-Corruption and Commercial Courts Enhancement (IN-ACCE) project⁴ assisted the **Indonesia** Supreme Court in achieving its on-going reform strategies by introducing new information and communication technology to five commercial courts designated as model

courts. The project utilized the automated Case Management System (CMS), a court management tool that records data electronically through specially-designed software. It lessens opportunities for corruption by increasing transparency by providing court staff and the public with the means to track, verify, and locate all files within the court. USAID's **Indonesia** Control of Corruption Program (ICCP) (an MCC Threshold program project)⁵ and its follow-on, **Indonesia** Changes for Justice (C4J),⁶ also supported the **Indonesia** Supreme Court's case management system, playing an integral role in moving the Court toward increased transparency. **Indonesia** C4J's support was integral to the Supreme Court developing an automated case management system, and at the point of its midterm evaluation had buy in from the Supreme Court on implementing the system in more than 300 general courts.⁷ The **Mongolia** Judicial Reform Project (JRP)⁸ assisted in the first-ever adoption of caseload standards for the judicial system of **Mongolia** in 2007, and also upgraded the judicial system infrastructure by procuring over 1,500 computers for courthouses.⁹ E-procurement systems are an additional IT system that can increase transparency of government activities, as they facilitate public access to procurement information. Potential vendors for government procurements register and submit online responses to public tenders for specific procurements. The **Indonesia** CCP established this type of regional e-government procurement (e-GP) center with five governments; throughout the life of the project, a total of 232 tenders were launched across the five centers, with a budgeted value of approximately 46 million USD. The total estimated cost savings of all tenders as of March 2009 was about 15%. The project found that, while national buy in for the e-GP systems was important, perhaps even more important was demonstrating their value to local governments and leaders.¹⁰ If other countries aim to install similar systems, the experience of **Indonesia** CCP suggests that projects must secure the commitment of provincial leaders. The project also suggested that an area for future programming would be targeting women-owned businesses in particular,¹¹ since the e-GP system creates a procurement system that is open to anyone who can use the online registration system.

- *Capacity building within judicial system.* In addition to upgrading the systems of country judicial systems, US government-funded programs in EAP achieved results in building the capacity of judges. USAID's **Indonesia** CCP trained over 2,000 judges in the Judicial Code of Conduct under its judicial reform component; following the training, the proportion of respondents saying they had "expert" knowledge of the Code of Conduct rose from 10 to 40 percent.¹² **Mongolia** JRP trained almost 6,000 judges, prosecutors, advocates, investigators, and court administrators on judicial sector reform topics over the life of the project.¹³
- *Capacity building in the legal community and advocacy support.* USAID also extended its capacity building into the general legal community. Results in this type of activity – outside of the government judicial system - were seen in different countries than those countries where we found results in formal judicial capacity building; we found results from advocacy and legal-community building activities more frequently in **Mongolia** and **Cambodia** than **Indonesia** and **the Philippines**. The USAID **Mongolia** JRP did significant work in the area of lawyer capacity building, helping to create the National Legal Center, the first **Mongolian** institution mandated to provide continuing legal education.¹⁴ In **Cambodia**, where institutional support within agencies needing reform is weak, USAID funded an innovative effort to increase pressure for reform through legal advocacy. USAID's **Cambodia** Public Interest Legal Advocacy Project (PILAP)¹⁵ supported the opening of the country's first public law firm in 2009, a major achievement in a country where there was little understanding of the role of public interest law.¹⁶ Following this work, an external evaluation concluded that **Cambodia** PILAP created a "general awareness of land disputes in **Cambodia** that was not in place prior to the organization's legal and advocacy interventions."¹⁷ A lesson learned by **Cambodia** PILAP, though, was the burden this advocacy places on the part of the lawyers themselves: as public interest law work relies on the individual advocacy on the part of lawyers, public interest lawyers who were involved in cases carried a significant burden of potential vulnerability to negative attention following their participation in cases.¹⁸ Between 2004 and 2007, **Cambodia** PILAP handled eight high-impact cases, designed to

apply “demand” on the government and private sector for greater accountability and transparency, and received a favorable outcome in two of the cases.¹⁹ Another USAID project in **Cambodia**, the Program on Rights and Justice (PRAJ),²⁰ also worked on legal advocacy in Cambodia, successfully enhancing the concept of advocacy in the country. The project observed the most success when local civil society organizations were able to obtain “remedial justice” from local leaders instead of only targeting national-level authorities.²¹ Although an external evaluation found that **Cambodia** PRAJ had strengthened the capacity of legal aid NGOs and lawyers, it also found that there was no evidence of legal aid NGOs becoming more effective in advocating on behalf of their clients in court.²² This highlights the challenge of working in an environment where the judicial sector is not accountable.

- *Capacity building of anti-corruption commissions.* In addition to supporting country supreme courts, USAID projects provided direct support to anti-corruption commissions. As mentioned above, this occurred primarily in **Indonesia** and **the Philippines**. The **Indonesia** CCP supported the **Indonesian** anti-corruption commission largely through public service announcements and media activities (detailed below), but also delivered six workshops for 400 money changers, representing nearly 200 authorized money changing business, on monitoring techniques for possible money laundering activity on the part of their customers.²³ In **the Philippines**, the USAID-funded Millennium Challenge Account - **Philippines** Threshold Program (MCA-PTP)²⁴ provided training, research, and equipment support to the Ombudsman (OMB) and other anti-corruption agencies, showing the focus of this type of activity on **Indonesia** and **the Philippines**, but impact results were not available.²⁵

Local and National Institutional Reform

USAID good governance programs in EAP have also focused on building more transparent, accountable and responsive institutions outside the judicial sector. Working with local, sub-national, and national institutions, USAID has sought to improve the governance and performance of agencies with environmental and health missions as well as local government entities.

- In **the Philippines**, USAID funded the Transparent Accountable Governance programs (TAG I, II, III, and IV), which worked at both the national and local levels to strengthen governance, with particular emphasis on local government capacity building. One of the major results of TAG I & II²⁶ was partnering with the Government of **the Philippines** to draft the Government Procurement Reform Act (R.A. 9184), which provided a legal basis to reduce corruption, cut delays, and limit discretion in the procurement process.²⁷ Two major lessons learned of the TAG I & II projects were that tri-sectoral partnerships between the government, the private sector, and civil society organizations contributed significantly to achieving project goals, and that it is crucial to invest in building organizational capacity of all sectors and stakeholders in order to sustain project initiatives.²⁸ For instance, TAG I & II provided logistical and operational support to the Transparency and Accountability Network (TAN), which was an association of anti-corruption civil society organizations; five years after its formal organization, by 2007 TAN was at the forefront of counter-corruption advocacy in the country.²⁹ Collaboration with the private sector was also crucial to tackling corruption on the TAG projects; TAG supported the Coalition Against Corruption, and its accomplishments included monitoring of government procurements of over \$150,000.³⁰
- In **the Philippines**, where natural resources are vital to the national economy, environmental governance at the national and local level has benefitted from USAID programming. The USAID **Philippines** Environmental Governance Phase 2 (EcoGov 2) project³¹ provided local governments with a self-assessment tool to gauge weaknesses in their environmental governance of forest/forestland, coastal resources, and urban environments. Per the project evaluation, “Used in over 115 partner [local governments] since 2005, the [self-assessment tool] has been widely

appreciated for its comprehensiveness, participatory nature, ease of administration, and usefulness as a tool for promoting the adoption of good practices in environmental governance....It can be used by other projects and organizations (national government, provincial [governments], nongovernment organizations) involved in the promotion and advocacy for environmental governance.”³² The goal of the self-assessment tool was to increase the accountability of LGU personnel because it created clearer lines of responsibility and systems of checks and balances and promoted the adoption of simple and transparent procedures for issuing permits and licenses, and the project found positive results in this approach. **Philippines** EcoGov 2 conducted three GSAs between 2005 and 2009 in order to track the impact of EcoGov 2 assistance. From the baseline in 2005, when only 23% of LGUs tracked were in the well-performing category, by 2009 there were no more LGUs in the low-performing category and 94% of LGUs were in the well-performing category.³³ In addition, the 2009 GSA revealed remarkable improvement in transparency; while results differed between regions, across four LGUs measured, scores on transparency increased by an average of 128%.³⁴ These results suggest that the use of the tool not only measures strengths and weakness of a governmental unit, but that its presence increases performance, including in the area of transparency.

Finally, USAID has also supported national, sub-national, and local government accountability and transparency reform in countries affected by conflict.

- **Indonesia** experienced eruptions of separatist violence in many areas as it attempted to transition to democracy following the end of authoritarian rule in 1998. The USAID-funded **Indonesia** Support for Peaceful Democratization (SPD) project³⁵ worked with over 50 communities – representing about 32,000 people, or about eight percent of the affected population – on a community-based approach to overcoming violence and effects of the tsunami in Aceh through the project’s Community-Based recovery initiative. This demand-driven approach was based on communities determining their own recovery plans based on their assessment of their community’s needs, in coordination with local governments.³⁶
- Working in an areas currently dealing with threat of conflict, in **the Philippines** and **Thailand** respectively, USAID supports **the Philippines** TAG3 Local Governance in Mindanao project³⁷ and the Sapan – Strengthening Thai Democracy program.³⁸ **Philippines** TAG3 aims to strengthen local governance and capacity for conflict resolution and business environment in cities and municipalities in Mindanao. The project observed that success was found most frequently when working with local government units that expressed interest in **Philippines** TAG3 assistance, and so followed a “demand-driven” model of intervention. **Philippines** TAG3 provided direct technical assistance to 30 Mindanao municipalities with the goal of improving service delivery, including a series of improvements to the business permit and licensing system; between 2008 and 2009, 10 out of 11 municipalities reduced the processing time of permits from an average of three days to three hours or less.³⁹ **Thailand** Sapan promotes cooperation between civil society and agencies of the Royal Thai Government to promote civic reconciliation.⁴⁰ The project has targeted transparency in the Thai government through outreach activities with the Office of the Auditor General, including an open house event in 2012 attended by over 2,000 people, including government officials, civil society leaders, media professionals, and youth. Participant statements communicated that attendees felt that the outreach event increased their understanding of what the Office of the Auditor General was doing.⁴¹

Raising Public Awareness of Corruption through Media

USAID has engaged civic society to deter corruption in the EAP region. USG-funded civil society projects in EAP during this period focused heavily on training and capacity building, though, versus direct funding to local organizations; of the 21 projects we categorized as having civil society activities, we only found one – the Support for Peaceful Democratization in **Indonesia** – that provided direct

funding to an organization. These types of activities attempt to decrease corruption by increasing pressure for change within government institutions by increasing awareness of corruption in the public. USAID has worked through media-institution building projects to increase coverage of corruption and public service campaigns that raise awareness of unacceptable corrupt behaviors.

- Supported by a grant from the **Indonesia** SIAP I project,⁴² Transparency International **Indonesia** (TII) conducted a campaign to develop short films on corruption, collaborating closely with the government's Corruption Eradication Commission (KPK). A competition for best anti-corruption short film script, leading online activists actively covered the competition's progress through social media. The high level of participation was shown by the almost 3,000 online votes selected the winning entry.
- **Indonesia** SIAP I also created a public education campaign for the KPK using social and visual media. More than 5 million **Indonesian** Twitter users sent more than 47 million tweets regarding the campaign as of March 2010.⁴³ These new social media approaches support USAID's USAID Forward strategy, since it emphasizes innovation and a focus on results.
- USAID's MCC-funded **Indonesia** CCP also supported an awareness-raising campaign in Indonesia, in this instance to raise awareness about money laundering. Named "Know Your Customer" (KYC), it included public service announcements on national television and as well as training for five categories of non-bank financial institutions, including money changers, securities brokers and insurance companies. Following the campaign, the percentage of suspicious transaction reports filed by non-bank financial institutions as a percentage of total filings went from 3.2% (baseline in 2006) to 27% (2009), indicating increased monitoring and understanding of suspicious activity, and the number of **Indonesian** Financial Intelligence Unit (PPATK) cases transmitted for investigation increased by between approximately 15 and 340 percentage points between 2006 (baseline) and 2009.⁴⁴
- The Mainstreaming Anti-Corruption for Equity (MAE) program under the **Cambodia** USAID Strengthening Governance and Accountability (SGA) project⁴⁵ worked at the civil-society level to raise awareness of corruption. Similar to **Indonesia** CCP, **Cambodia** SGA also engaged the private sector to expand awareness of corruption in business transactions; it introduced a "Clean Business" campaign, which had 176 bank branch offices signed on at time of tracking at the end of 2007.⁴⁶
- On the **Philippines** TAG I & II projects, the project supported the *Ombudsman Watch* campaign; it launched in July 2002 and incorporated civil society in the Ombudsman selection process by inviting the public to cast votes for Ombudsman candidates. The campaign resulted in the selection of a credible, independent Ombudsman.⁴⁷

Disaster Recovery

During disasters, countries experience an influx of funding, which can create an opportunity for corruption. As countries in Asia and the Pacific are more prone to natural disasters than those in other parts of the world,⁴⁸ this will be an important area going forward for the region.

Following the disastrous tsunami in December 2004 in **Indonesia**, communities needed assistance not only with reconstruction, but with the threat of corruption in their government. The USAID **Indonesia** Aceh Technical Assistance Recovery Project (A-TARP)⁴⁹ provided assistance to counter corruption in Government of **Indonesia** institutions, working in coordination with the Agency for the Rehabilitation and Reconstruction (BRR). **Indonesia** A-TARP worked with the **Indonesian** anti-corruption unit to receive, investigate, and resolve corruption claims; the project earned a reputation for countering and deterring corruption. A key piece of this program was a complaints management system, used to track and analyze complaints. Between its inception in September 2005 and December 2007, the anti-corruption unit (SAK) received 1,372 complaints, and 98% were investigated and resolved. Of those investigated,

over 75% were forwarded to the BRR, suggesting that an overwhelming number of complaints had some level of validity. A lesson learned on by **Indonesia** A-TARP was that the most important qualitative aspect of running an effective anti-corruption program is reliably executing day-to-day operations in order to bring credibility to the program. A challenge faced by the anti-corruption unit in the urgent context of disaster recovery, though, was dealing with complaints about investigations of corruption slowing the reconstruction process.⁵⁰

Business-Enabling Environment

In addition to engaging the private sector in awareness-raising campaigns, USAID projects in the EAP region also targeted corruption through reforms to regulations covering business practices.

- USAID's **Vietnam** Support for Trade Acceleration projects (STAR I, II, and STAR+)⁵¹ were highly impactful programs that assisted the Government of **Vietnam** in reforming its legal code, particularly commercial codes. In addition to working on commercial code reform, the projects also targeted corruption in **Vietnam** through working directly with the court system to make court decisions accessible to the public.⁵² Legal reforms were an important step for **Vietnam**'s transition from a relatively closed economy into a market-based economy, and other projects in the region trying to move away from closed economies may find its activities replicable. The USAID-funded **Lao-U.S. International and ASEAN Integration (LUNA)** project⁵³, for instance, is modeled after the STAR projects in **Vietnam**. The project is providing technical assistance to the Government of **Lao PDR** in support of its goal of developing new regulations and accession to the World Trade Organization.⁵⁴
- We found the integration of anti-corruption activities and business-enabling environment activities most frequently in **Mongolia**. USAID's **Mongolia Business Plus Initiative (BPI)**⁵⁵ showed that business-enabling environment and anti-corruption reform can be tandem goals when the project worked on construction permit reform. By streamlining government construction permitting processes, the project reduced opportunities for corruption by decreasing the number of government officials involved in the process through simplified procedures.⁵⁶ Also in **Mongolia**, the USAID Economic Policy Reform and Competitiveness (EPRC) program⁵⁷ supported the government of **Mongolia**'s second-generation reforms to continue its transition from a Soviet-planned economy to an open-market system. The project assisted government institutions in support the **Mongolian** market economy and helped combat corruption by helping the Government of **Mongolia** adopt and implement a National Program for Single Electronic Window (SEW) in business processes.⁵⁸ In addition, **Mongolia** EPRC worked with the judicial system; due to its assistance in establishing a special investigative unit, more judicial crimes were reported in 2005 than in the previous four years combined.⁵⁹

Combating Cross-Border Crimes

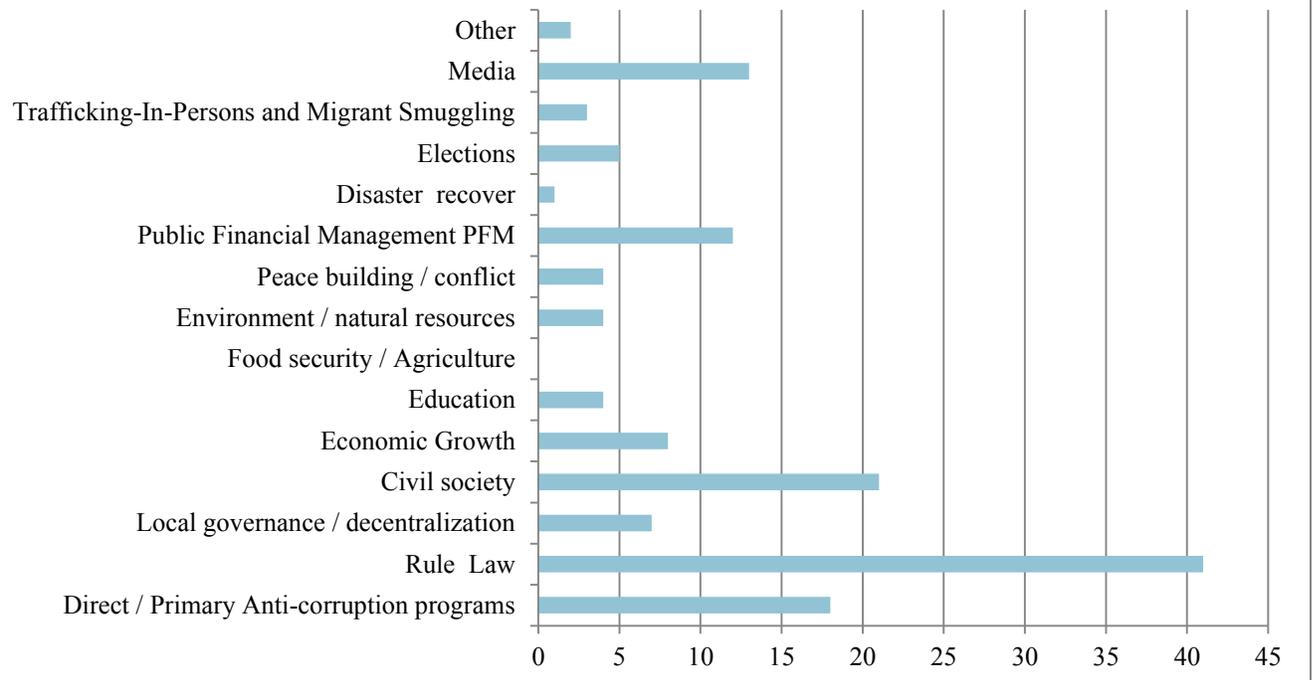
Corruption is closely integrated with human trafficking and money laundering, and US-government-projects in EAP countries have frequently addressed them in unison.

- *Human Trafficking*. USAID defined its approach to combating human trafficking in its 2012 Counter-Trafficking in Persons (C-TIP) policy,⁶⁰ and is structured around the "Prevention, Protection, Prosecution, and Partnership paradigm." C-TIP projects target corruption under the "Prevention" component, as programs must address conditions that allow trafficking to thrive, which include the inter-related problems of corruption and weak governance and rule of law. USAID has funded C-TIP programs under this paradigm in multiple countries, including **Cambodia**. An Inspector General report found that **Cambodia** C-TIP⁶¹ showed success in the areas of prevention, including facilitating a national trafficking awareness-raising campaign.

- *Money Laundering.* The US Government funds activities in several countries in this region targeted at combating money laundering. The Bureau of International Narcotics and Law Enforcement Affairs under the US Department of State (INL) funded the Trans-Pacific Symposium in 2009,⁶² which included workshops on alien smuggling and cross-border crimes. Participants included law enforcement officials from the **Pacific-island nations, East Timor, Indonesia, and the Philippines.**⁶³

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Table 2. Recurrence of Activities in USG-Funded Projects in East Asia and Pacific since 2007



* Projects can fall in multiple categories; 143 project areas of activity from 69 projects

Table 3: Recurrence of Activities in USG-Funded Projects in East and Pacific Asia Implemented Since 2007, by Country

Row Labels	Count of a. Studies	Count of b. Direct / Primary Anti-corruption programs (i.e. it was a full-fledged anti-corruption program)	Count of c. Rule of Law	Count of d. Local governance / decentralization	Count of e. Civil society	Count of f. Economic Growth	Count of g. Education	Count of h. Food security / Agriculture	Count of i. Environment / natural resources	Count of j. Peace building / conflict	Count of k. Public Financial Management PFM	Count of l. Disaster recover	Count of m. Elections	Count of n. Trafficking-In-Persons and Migrant Smuggling	Count of o. Media	Count of p. Other
Burma			1		1					1				1		
Cambodia	1	1	4		2				1					1	2	1
East Timor	1	1	5	1	3		1								2	
Indonesia	3	5	7	3	4	2	1			1	2	1	1		2	
Laos			1			1										
Mongolia	1	3	7		6	2	1				1		1		2	
Philippines		5	9	3	2	1			1	1	6		3	1	3	
Regional	2	1	3		1				2		3				1	
Thailand	1	2	1		2		1			1					1	
Vietnam			3			2										1
Grand Total	9	18	41	7	21	8	4		4	4	12	1	5	3	13	2

* Projects can fall in multiple categories; 143 project areas of activity from 69 projects

Table 4. Transparency International and Work Bank Corruption Indicators, EAP Countries

Country	Number of USG-sponsored projects with anti-corruption activities	TI Corruption Perception Index										WB Control of Corruption Index											
												Difference 2004-12											Difference 2004-11
		2007-2013	2004	2005	2006	2007	2008	2009	2010	2011	2012		2004	2005	2006	2007	2008	2009	2010	2011			
Burma/Myanmar	1	17	18	19	14	13	14	14	15	15	-2	-1.67	-1.56	-1.73	-1.57	-1.56	-1.67	-1.69	-1.69	0.0			
Cambodia	8	N/A	23	21	20	18	22	21	21	22	1	-1.02	-1.19	-1.23	-1.09	-1.20	-1.14	-1.22	-1.10	-0.1			
East Timor	5	N/A	N/A	26	26	22	22	25	24	33	-7	-0.53	-0.79	-0.86	-0.92	-0.90	-1.00	-0.97	-1.05	-0.3			
Indonesia	17	20	22	24	23	26	28	28	30	32	12	-0.90	-0.86	-0.81	-0.59	-0.56	-0.81	-0.74	-0.66	0.2			
Laos	1	N/A	33	26	19	20	20	21	22	21	12	-1.24	-1.32	-1.31	-1.28	-1.21	-1.12	-1.08	-1.06	0.2			
Mongolia	11	30	30	28	30	30	27	27	27	36	6	-0.38	-0.58	-0.58	-0.66	-0.66	-0.76	-0.73	-0.67	-0.3			
Philippines	13	26	25	25	25	23	24	24	26	34	10	-0.60	-0.60	-0.81	-0.71	-0.75	-0.79	-0.83	-0.78	-0.2			
Thailand	4	36	38	36	33	35	34	35	34	37	-1	-0.15	-0.11	-0.35	-0.37	-0.42	-0.31	-0.34	-0.37	-0.2			
Vietnam	3	26	26	26	26	27	27	27	29	31	5	-0.75	-0.76	-0.74	-0.58	-0.68	-0.44	-0.59	-0.59	0.2			

Table 5. Doing Business Index Trends Table, EAP Countries

Country	Number of USG-sponsored projects with anti-corruption activities	Overall Country Rank							Number of Reforms				
		2007-2013	2007	2008	2009	2010	2011	2012	Difference 2007-12	2010	2011	2012	Difference 2010-11
Burma/Myanmar	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Cambodia	1	159	150	135	145	147	138	21	0	1	1	-1.0	
East Timor	8	174	170	170	164	174	168	6	1	1	2	-1.0	
Indonesia	5	135	127	129	122	121	129	6	3	3	1	2.0	
Laos	17	159	162	165	167	171	165	-6	1	1	0	1.0	
Mongolia	1	45	55	58	60	73	86	-41	0	0	1	-1.0	
Philippines	11	126	136	140	144	148	136	-10	3	2	1	2.0	
Thailand	6	18	19	13	12	19	17	1	1	1	1	0.0	
Vietnam	4	104	87	92	93	78	98	6	2	3	1	1.0	

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¹ Evaluation of the Program on Rights and Justice (PRAJ), http://pdf.usaid.gov/pdf_docs/pdacl459.pdf, 2008.

² Evaluation of the Program on Rights and Justice (PRAJ), 2008.

³ For background on MCC Threshold Programs, see: <http://www.mcc.gov/pages/program/type/threshold-program>.

⁴ Indonesia Anti-Corruption and Commercial Courts Enhancement Project, TT, Success Story, http://indonesia.usaid.gov/en/USAID/Article/435/Five_Model_Courts_Modernized, 2010.

⁵ Indonesia Control of Corruption Program (ICCP) Project, Final Report, http://pdf.usaid.gov/pdf_docs/pdaen906.pdf, 2009.

⁶ Indonesia Changes for Justice (C4J) Project, TT, Mid-term Evaluation, http://pdf.usaid.gov/pdf_docs/pdacu720.pdf, 2012.

⁷ Indonesia Changes for Justice (C4J) Project, Mid-term Evaluation, 2012.

⁸ Mongolia Judicial Reform Project (JRP), Final Report, http://pdf.usaid.gov/pdf_docs/pdaco255.pdf, 2009.

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¹⁷ Evaluation of the Program on Rights and Justice (PRAJ), http://pdf.usaid.gov/pdf_docs/pdacl459.pdf, 2008.

¹⁸ Evaluation of the Program on Rights and Justice (PRAJ), 2008.

¹⁹ Evaluation of the Program on Rights and Justice (PRAJ), 2008.

²⁰ Cambodia Program on Rights and Justice (PRAJ), Final Project Evaluation, http://pdf.usaid.gov/pdf_docs/pdacl459.pdf, 2008.

²¹ Evaluation of the Program on Rights and Justice (PRAJ), 2008.

²² Evaluation of the Program on Rights and Justice (PRAJ), 2008.

²³ Indonesia CCP Final Report, Final Report, 2009.

²⁴ Millennium Challenge Account - Philippines Threshold Program (MCA-PTP), Project Description, <http://www.msiworldwide.com/project/msi-in-the-philippines/>, 2009.

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6. Anti-Corruption and Service Delivery



USAID
FROM THE AMERICAN PEOPLE

ANTICORRUPTION AND SERVICE DELIVERY

AUGUST 2013

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ANTICORRUPTION AND SERVICE DELIVERY

LESSONS LEARNED

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ACRONYMS AND ABBREVIATIONS

ACC	Anti-Corruption Commission (Bangladesh)
ATARP	Aceh Technical Assistance Recovery Project
CSC	Citizen Service Center (Afghanistan)
CSO	civil society organization
EU	European Union
GDT	General Directorate of Taxation (Albania)
INL	Bureau for International Narcotics and Law Enforcement (U.S. Department of State)
IT	information technology
LGCD	Local Governance and Community Development (Afghanistan)
MCATA	Millennium Challenge Account Threshold Agreement (Albania)
NGO	nongovernmental organization
OCAG	Office of the Comptroller and Auditor General (Bangladesh)
PACE	Palestinian Authority Capacity Enhancement
PPAO	Public Procurement Advocate’s Office (Albania)
PROGATI	Promoting Governance Accountability, Transparency, and Integrity
RAMP UP	Regional Afghan Municipalities Program for Urban Populations
SAK	<i>Satuan Anti Korupsi</i> (Indonesia Anti-Corruption Unit)
SDU	Strengthening Decentralization in Uganda
TAF	The Asia Foundation
TAG	Transparent and Accountable Government
TAN	Transparency and Accountability Network (Philippines)
VAT	value-added tax
VGd	Vulnerable Groups Development (Bangladesh)

EXECUTIVE SUMMARY

Over the past decade, the overseas development assistance community has substantially refined and improved its understanding and approaches to improving government service delivery. A major focus of this analytical process has been developing a greater understanding of corruption as it impacts government services.¹ USAID's work in service delivery began with a strong focus on decentralization, but continues to evolve.² In some respects leading other development donors, USAID also invested in understanding and improving programming to counter the impact of corruption.³ Today, USAID programming for government service delivery, with a focus on minimizing opportunities for corruption, encompasses various approaches. This paper discusses these programmatic methods and lessons learned from USAID programming, and aims to identify useful research and experiential bases upon which USAID development practitioners can continue to improve good governance outcomes.

The coming decades will bring accelerating challenges in government-citizen relationships. USAID will apply a growing body of practical experience to the design and implementation of programming to meet increasingly complex development objectives. As USAID noted in its recent *Strategy on Democracy, Human Rights, and Governance*, participatory and accountable governance is crucial to the goal of improving citizens' lives and prospects for a healthy, prosperous future free from extremism, poverty, and corruption. Its forthcoming *Sustainable Service Delivery in an Increasingly Urbanized World* policy statement succinctly frames the need for USAID's integration and evidence-driven development agenda. In the future, urban growth will occur primarily in developing countries as the percentage of the world's population living in urban areas approaches 60 percent. This urban population will primarily be young, undereducated, and at risk. The governments presiding over the cities and states where they will be born, grow, and live are ill-prepared to manage the resulting demand for services.

As USAID devises programming to meet increased demand for government services, especially in urban centers and by previously disenfranchised populations, it can draw on decades of programming with government-citizen participation, service delivery, and corruption challenges. Indeed, the last decade saw a focus on decentralizing authority give way to an understanding of the importance of more national programming and the growing use of data in aid decision making and impact evaluation. As USAID sought to consolidate democratic transitions and improve economic prospects by supporting improved governance, it began with the premise that democratic elections and fiscal decentralization would bring government closer to the governed, resulting in more responsive government service delivery driven by

¹ See, e.g., *Integrity in Statebuilding: Anticorruption with a Statebuilding Lens* (OECD, 2009)

² See, e.g., *USAID's Experience in Decentralization and Democratic Local Governance* (USAID, 2000) (PN-ACH-302) (discussing service delivery as a focus for decentralization and local governance programming in various countries and tracing USAID's similar work back to the 1960s); see also, *Sustainable Service Delivery in an Increasingly Urbanized World* (USAID, forthcoming).

³ *USAID Anticorruption Strategy* (USAID, 2005) (PD-ACA-557); see also *Transparency, Accountability, Prevention, Enforcement, Education (TAPEE): An Analytical Framework for Combatting Corruption and Promoting Integrity in the Europe and Eurasia Region* (USAID, 2005) (PN-ADD-630)

local need and popular choice. In addition, programs encouraging civic engagement with government and more efficient administration would further consolidate a democratic relationship between government and citizen, and strengthen the legitimacy and stability of the state. And all of these would provide a stable and certain political platform for simultaneous economic growth. Corruption impacted these assumptions significantly, and negatively.⁴

Although these programs yielded successes, they did not produce the anticipated outcomes of more responsive and efficient government. Evidence now suggests that the democratization-decentralization set of goals may have been too much for any developing country to achieve. However, USAID's efforts have helped define what works and why, which in turn will enable more narrowly focused, evidence-driven efforts. As academics theorized on quality public service – encouraging better governing, reducing corruption, and supporting political legitimacy – USAID tried several of these ideas in its programs.⁵ Examining USAID reporting on a series of projects with service delivery components showcases differences in the provision of expert technical assistance and the use of various civic advocacy and engagement strategies. USAID has coached and incentivized governments at every level—national, regional or subnational, and municipal or local—to be more responsive to their constituents. It has also sought, through training, mentorship, study tours, and new information technology (IT) platforms, to improve the efficiency of internal government processes. While the desired major changes in government openness and responsiveness have not been as durable as hoped, USAID has nevertheless unpacked the relationship between local authorities, citizens, corruption, and legitimacy. It has created a basis upon which to derive more refined interventions that show greater promise of yielding desired outcomes and greater impact.

⁴ *Foreign Aid in the National Interest: Promoting Freedom, Security, and Opportunity* (USAID, 2002) (PD-ABW-900) (discussing the importance of good governance and the severe impact of “bad governance”); see also *U.S. Foreign Aid: Meeting the Challenges of the Twenty-First Century* 11-12 (USAID, 2004) (PD-ABZ-322) (discussing lessons learned and challenges ahead)

⁵ See discussion of USAID's Service Delivery Improvement and Anticorruption Approaches, Chp 1, pp 12-14, *infra*.

CHAPTER ONE: BACKGROUND

USAID’S GOVERNMENT/CITIZEN CONTEXT

USAID programming at the nexus of government action and citizen need is undergirded by the assumptions inherent in social contract exchange theory.⁶ From civil society to decentralization to national government programming, USAID efforts sought to bring government and the citizens together around common goals and goods.⁷ When government authority is more locally exercised, citizens and government representatives have greater access to one another. Citizen preferences become better and more easily known to their representatives. Soon, government policies and service outputs better match citizen needs. Citizens are better able to hold local public managers accountable for the quality and quantity of services provided.

In contrast to the linear logic of the social contract, governing is a messy, time-consuming endeavor, involving the constant effort to translate abstract goals, such as better schools, into concrete action steps. Governing responsively is technically, financially, and administratively complex and constantly evolving in a manner that challenges the vertical nature of the social contract. Actually keeping up with civic needs would place governments in a continuous state of self-improvement that most developing countries find difficult to achieve as they struggle with poverty, strife, extremism, crime, illicit power structures, and other challenges.

USAID’s efforts engage citizens as well as governments, recognizing that citizens are not passive participants in the notion of the social contract. It is a fundamental assumption of the concept of governance that citizens can and should hold government accountable for the manner in which public goods are delivered.⁸ By exercising their collective voice, citizens can motivate government to improve the responsiveness, adequacy, and quality over time of the services government provides.⁹ This voice is

⁶ See *USAID Anticorruption Strategy* (USAID, 2005); see also “Timor-Leste Democracy and Governance Strategy” (USAID/Timor-Leste, 2012) (<http://timor-leste.usaid.gov/node/11>); “Toward a 21st Century Social Contract,” USAID Blog (<http://blog.usaid.gov/2012/12/toward-a-21st-century-social-contract-making-all-voices-count/>); Robert A. Dahl, *Democracy and Its Critiques* (Yale, 1989) (The idea of the social contract presumes that when a population cedes individual rights to a collective political government, it should then exercise its powers to facilitate and maintain stability and safety and manage public resources for collective social and economic goods).

⁷ Shaw, J, and Huther, A, “A Simple Measure of Good Governance,” in *Public Service Delivery* (World Bank, 2005), 49.

⁸ Ringold, D., *Citizens and Service Delivery: Assessing the Use of Social Accountability Approaches in Human Development* (World Bank, 2012); O’Neill, T., Foresti, M., and Hudson, A., *Evaluation of Citizens’ Voice and Accountability: Review of the Literature and Donor Approaches* (DfID, 2007); see also *Strategy on Democracy, Human Rights, and Governance* (USAID, 2013) (inclusion and discussion of Development Objective 1 illustrates the importance of citizen voice and participation).

⁹ See, e.g., Province of New Brunswick Public Engagement Initiative, *It’s More Than Just Talk: Learn, Listen, and Act, a New Model for Public Engagement* (Province of New Brunswick, Canada, 2008).

heard in a variety of ways, including directly through participation, advocacy, community engagement, social auditing, and freedom of information activities; and indirectly through collective action, notably voting in elections, but also labor unions, political party activism, and religious participation.

USAID's decades-long struggle to obtain improved performance from and greater citizen satisfaction with developing country government has always involved combatting corruption's influence. Corruption distorts the desired representative relationship between citizen and state, warping normal institutions and processes to benefit a few at the expense, either directly or indirectly, of many. Correlating strongly with poverty, violence, weak states, popular disaffection, and violence, it impairs the ability of emerging economies to establish and maintain democratic citizen-government interactions, exacerbating already difficult circumstances. As such, corruption intensifies state fragility, because even the perception of its prevalence can quickly and fundamentally delegitimize the state.

USAID'S SERVICE DELIVERY IMPROVEMENT AND ANTICORRUPTION APPROACHES

Building on years of decentralization and democratization programming, USAID began around 2005 to move toward the idea of improving national-level governance. The focus on national-level institutions and performance was in part driven by the desire to make aid more effective, and to reward "good performers," measuring performance with "hard data" at the national level.¹⁰ At the same time, a debate arose about how to measure the impact of aid spending, and with it a focus on poverty, aid programming measurement and impact, and the definition and impact of corruption.¹¹ After decades of work with local governments, USAID's inclusion of national authorities recognized the impact and nature of corruption as integrally related to the national political context in which it occurs.¹²

Through these various programs and theories, USAID has amassed a considerable practical reservoir of information. USAID and its partners have tested means of promoting civic engagement with government; tested off-the-shelf and customized IT platforms to improve government data collection and usage; and continued to innovate ways of reducing opportunities for corruption and enhancing the government-citizen relationship. These types of activities can be grouped into three broad categories: prevention, detection and deterrence, and decreasing tolerance for corruption.

CORRUPTION PREVENTION

Increase Transparency

Corruption is clandestine. When government activities are open to increased public disclosure, fewer vulnerabilities to corruption are likely to arise. When government agencies provide information to the

¹⁰ See, e.g., "Selection Criteria," Millennium Challenge Corporation (<http://www.mcc.gov/pages/selection>) (this trend is perhaps best exemplified by the 2004 creation of the MCC and the nature of its selection criteria).

¹¹ See Center for Global Development, *When Will We Ever Learn? Improving Lives Through Evaluation* (CGD, 2006).

¹² USAID *Anticorruption Strategy* 12-13 (distinguishing "real" progress in combatting corruption from data regarding perceptions of corruption).

public – such as the size and disaggregation of their budgets, the number and nature of arrests, tax payments, or licenses, and the number and assignments of personnel – they provide the means for the public to hold government accountable. In addition, when government decision making involves the public there is increased accountability and greater responsiveness to public needs.

One frequent programmatic goal in this regard focuses on government fiscal management, namely the preparation and execution of government budgets. During decentralization programming, USAID efforts often focused on how local governments exercise their policy-setting, budget-creating, and public-spending powers. Several USAID projects aimed to raise public awareness of budget processes and the direction of public spending. For example, USAID’s Transparent and Accountable Government (TAG) projects in the **Philippines** aimed to increase public knowledge of government actions, especially budgeting.¹³

The successive TAG projects (I through IV) supported civil society engagement with local governments through coalition building and the crafting of anticorruption agendas. In each locality, a civil society organization (CSO) served as the project coordinator to maintain progress and keep records. The project also supported civil society/government partnerships to host regular mayoral dialogues and radio and television talk shows. In addition, the project supported production and publication of informational materials for easy and widespread dissemination of good practices, including a local government transparency resource kit and manuals on public service ethics and participatory local planning and budgeting.¹⁴

USAID’s Strengthening Decentralization in **Uganda** (SDU) projects sought to open government budgeting at the local level to the public. The SDU projects worked in 33 subnational governmental units (26 districts and seven municipalities) to facilitate local government use of new systems and tools (provided as part of SDU’s institutional capacity-building efforts) to transparently develop budgets and workplans. In addition, USAID asked SDU to help these local governments respond to supplemental requests for assistance to improve service delivery.¹⁵ In one of USAID’s more ambitious projects, the **Afghanistan** Regional Afghan Municipalities Program for Urban Populations (RAMP UP), facilitated community meetings around municipal budget priority-setting and final budget figures. All of these projects have cited increased transparency as a factor in reducing corruption and promoting legitimacy of

¹³ For more information, see The Asia Foundation, *Transparent Accountable Governance (TAG) Project Final Report*, (TAF, 2008) (PD-ACL-328); The Asia Foundation, *Transparent Accountable Governance (TAG 3): Local Governance in Mindanao*, Final Report (TAF, 2010) (PD-ACR-176); The Asia Foundation, *TAG 4: Local Governance in Mindanao, Annual Report FY2011* (TAF, 2011).

¹⁴ The Asia Foundation, *Transparent and Accountable Governance: TAG Tools* (TAF, 2010) (PN-AEA-175).

¹⁵ Associates in Rural Development, *Strengthening Decentralization in Uganda Phase 2 (SDU II): Lessons Learned Review* (USAID, 2007) (PD-ACL-741); see also Management Systems International, *Review of the Implementation of the Decentralization Policy, Final Report* (USAID, 2005) (PN-ADE-095) (discussing Uganda’s local government structure and the goals of the decentralization policy).

the local government. The RAMP UP projects (there were four, one in each regional command in the country) also sought to help municipal governments respond to citizen service needs.¹⁶

Improve Institutional Capacity

Government capacity is programmed by aid donors in two directions: projects build new skills, knowledge, and capacities within government agencies; and they seek to improve the means by which those agencies police themselves and each other. In many developing countries, the capacity of government to positively translate policy into actions that reach citizens is limited. Donors respond with programs that deliver training, new equipment, and process re-engineering to increase that capacity. These same efforts may simultaneously seek to ensure that developing country government workers are better trained, educated, and compensated. They focus on development of clear roles, rules, and responsibilities for government personnel. Where possible, incentives for positive behavior and public service are improved and discretion limited. Very often, these measures are relatively straightforward, involving the “right sizing” of internal incentives for promotion and professionalism.

Weak as they are, those same developing countries are not able to take full advantage of the service delivery-legitimacy nexus. Their inefficiencies open the door to self-interest and corruption. So, donors also help build or improve the operations of internal and intra-governmental government systems designed to overtly restrain power, detect noncompliance with existing rules, and impose deterring and punishing sanctions. These accountability structures can take many forms, including laws, regulations, independent agencies, courts, parliamentary reviews, auditing agencies, anticorruption commissions, and ombudspersons.

USAID’s SDU projects aimed to develop an integrated and uniform operating system to improve budgeting and planning capacities of local governments and public procurement processes. In **Albania**, a USAID Millennium Challenge Corporation Threshold Program (MCATA) aimed at improving government information sharing as a means of minimizing corruption, fraud, and abuse, and also increasing government tax revenue.¹⁷

More recently, USAID became involved in government capacity building when conflict, famine, or disaster (or a combination) all but destroyed government capacity. Before the 2004 tsunami, local government in Aceh, **Indonesia** had a poor citizen service orientation and weak management and planning skills. A 30-year civil conflict had stymied economic development and government service

¹⁶ See, e.g., Development Alternatives Inc., *Regional Afghan Municipalities Program for Urban Populations – Regional Command East, Annual Report 9 June 2010 – 8 June 2011* (USAID, 2011); Development Alternatives Inc., *Regional Afghan Municipalities Program for Urban Populations – Regional Command North, Annual Report February 2011 – September 2011* (USAID, 2011); Chemonics International, Inc., *Regional Afghan Municipalities Program for Urban Populations – Regional Command South, Annual Report Year 1 June 2010 – June 2011* (USAID, 2011); Chemonics International, Inc., *Regional Afghan Municipalities Program for Urban Populations – Regional Command South, Annual Report Year 2 June 2011 – June 2012* (USAID, 2012); Development Alternatives, Inc., *Regional Afghan Municipalities Program for Urban Populations – Regional Command West, Base Year Annual Report, November 2010 – November 2011* (USAID, 2011).

¹⁷ Chemonics International, Inc., *Strengthening Governance in Albania: Support to Albania’s Millennium Challenge Account Threshold Agreement Final Report* (USAID, 2008) (PD-ACM-504).

delivery. The tsunami exacerbated an already poor situation, and afterward, government operations were barely present. Housed in temporary buildings, the government struggled to provide only intermittent electricity to ameliorate poor infrastructure, including water systems and roads. If government offices had computers, they were not used, either because personnel lacked the skills or electricity was unpredictable. This resulted in unsatisfactory delivery of public services and an inability to actively participate in both reconstruction and post-conflict development programs. USAID's Aceh Technical Assistance Recovery Project (ATARP) developed and implemented a capacity-building project for 15 government offices to strengthen their ability to plan and budget, with an eye toward improving their involvement in reconstruction and post-conflict activities.¹⁸

In **Afghanistan**, the Local Governance and Community Development (LGCD) project began its efforts on the relatively blank slate that was Afghan municipal governance with assessments of local government institutions, using teams of local and expatriate staff. The project teams found that during the past three decades government provided only negligible local services, and many government office-holders had little or no experience with public service delivery and meeting the needs of their constituents. LGCD combined the assessment analysis with local institutions' baseline surveys of service delivery performance. The project worked with the Provincial Governors' offices, Provincial Development Committees, Ministry of Education, Ministry of Public Health, and Ministry of Women's Affairs.¹⁹

Later, the **Afghanistan** RAMP UP projects enhanced government capacity with new equipment and training. At the mid-point of the projects, up to 100 percent of municipal governments assisted by RAMP UP projects were compliant with national government process requirements for budget preparation. USAID took this capacity development farther in Afghanistan, facilitating citizen dialogue with municipal government on priorities, supporting government actors to design new initiatives, and then funding them toward completion. These projects included public latrines, trash collection, and water well construction.²⁰

USAID's **West Bank and Gaza** Palestinian Authority Capacity Enhancement (PACE) project focused on service delivery to help Palestinian Authority institutions be more responsive. Working with Ministries of Finance, Interior, Public Works and Housing, Telecommunications and Information Technology, and Transportation, the project used a combination of facility renovations, business process analysis, IT

¹⁸ Chemonics International, Inc., *Building Back Better: Aceh Technical Assistance Recovery Project Final Report* (USAID, 2008) (PD-ACM-003).

¹⁹ Development Alternatives, Inc., *Local Governance and Community Development: Final Report* (USAID, 2011); see also Checchi and Company Consulting, Inc., *Final Report Local Governance and Community Development Program (LGCD) Evaluation* (USAID, 2009).

²⁰ See, e.g., *supra*, footnote 16; see also Development Alternatives, Inc., *Regional Afghan Municipalities Program for Urban Populations – Regional Command East, Performance Management Plan* (USAID, 2010); Development Alternatives, Inc., *Regional Afghan Municipalities Program for Urban Populations – Regional Command North, Performance Management Plan* (USAID, 2011); Chemonics International, Inc., *Regional Afghan Municipalities Program for Urban Populations (RAMP-UP) – South, Performance Management Plan* (USAID, 2011); Development Alternatives, Inc., *Regional Afghan Municipalities Program for Urban Populations (RAMP-UP) – South, Municipal Capacity Index (MCI) 2012* (USAID, 2013).

upgrades, and training in customer service. The **Palestinian** Authority’s Ministry of Interior issues changes of address, passports, identification cards, and marriage, birth, and death certificates. PACE refurbished offices, provided new equipment and training, and achieved a reduction in wait times and increase in service level that increased citizen satisfaction by 19 percent at targeted offices.²¹

Standard Setting and Compliance Monitoring

While the notion of “enforcement” conjures images of arrests and prosecutions, it also includes more mundane work such as standard setting and compliance monitoring. Standard-setting activities include legislative and legal reform to bring national laws and regulations into accord with, for example, the United Nations Convention Against Corruption or the Organisation for Economic Co-operation and Development Anti-Bribery Convention. In Uzbekistan, for example, the U.S. Department of State’s Bureau for International Narcotics and Law Enforcement (INL) worked with the United Nations Office on Drugs and Crime to improve the nation’s foundation to prevent corruption. Through a series of initiatives, INL helped Uzbekistan create a national anticorruption action plan, develop NGO-government consensus on good governance, and improve knowledge of ethics rules.

Prior to USAID’s MCATA, **Albanian** public procurement was notoriously opaque. Businesses paid for tender documents and participated in rigged bidding processes with no recourse for complaints. Using European Union (EU) accession obligations as the standards to meet, MCATA helped Albania create an electronic procurement system (EPS) that ensures fairness and accountability in government procurement. The EPS also offers substantial cost savings to procurement bodies and bidders by eliminating the need to print and distribute tender documents, photocopy supporting documents, and deliver offers. Today, government agencies and municipalities post tender notices on a public website from which firms can download bidding documents free of charge and submit bids via an e-procurement system that meets EU standards. In the first nine months of 2008, government agencies procured more than \$29 million worth of goods and services through more than 70 separate electronic procurement actions.

In addition, and also in compatibility with EU practices, MCATA helped the government create the Public Procurement Advocate’s Office (PPAO). The PPAO has the dual responsibility of investigating procurement complaints and recommending remedial action and monitoring the procurement system. In 2007, the government staffed the new organization and renovated office space for the PPAO. MCATA assisted by purchasing furniture, office equipment, and public signage; developing standard operating procedures for complaint processing; and providing investigative and customer relations training to PPAO staff.²²

In **Indonesia**, ATARP worked with the national tax authorities to change the cultural standard. Previously, estimates set government unpaid taxes at 90 percent of tax due, and some claimed that more than 60 percent of registered taxpayers did not file taxes. The government rarely went after taxpayers who failed to file, and only periodically penalized taxpayers who filed incorrect or false returns. The lack of

²¹ Chemonics International, Inc., *Palestinian Authority Capacity Enhancement Project: Creating A More Effective, Efficient, And Responsive Government For The Benefit Of The Palestinian People, Final Report 2008 – 2013* (USAID, 2013); *see also* Chemonics International, Inc., *Palestinian Authority Capacity Enhancement Project: Creating A More Effective, Efficient, And Responsive Government For The Benefit Of The Palestinian People, Case Study Report* (USAID, 2013).

²² Chemonics International, Inc., *Strengthening Governance in Albania*.

serious consequences was well known, so few bothered to comply with the law. Changing both the public's and government's perspective on tax compliance requires a significant paradigm shift. The government set about helping citizens and government staff better understand how tax fraud affects government's ability to provide services. In addition to education, one of the more significant efforts involved fostering interagency cooperation, which Indonesian government agencies are traditionally reluctant to do. Several USAID projects, including ATARP, aided Indonesian political and governmental structures to implement major changes, including a comprehensive reform and counter-corruption program. Following those policies, the Ministry of Finance initiated aggressive plans to overhaul key departments and decided to take decisive measures to counter criminal tax fraud.²³

DETECTION AND DETERRENCE OF CORRUPTION

Increase Social Accountability

Democratic (and aspiringly democratic) governments exercise only limited power. Their otherwise unfettered authority is checked and balanced by accountability mechanisms, which can be societal or governmental. This public oversight on government power has long been a key component of USAID service delivery and anticorruption programming, on the notion that organized and specific public demands will obtain compliance from government providers. Social accountability involves promoting a citizen-centered, direct mode of holding government to account. The precise vehicle for directly engaging government could include nongovernmental organizations (NGOs) (such as unions, professional associations, business groups, and faith-based organizations), political parties, media, and think tanks. Donors can also help create these fora as part of a process to build greater dialogue and thereby improved accountability, as the United Kingdom's Department for International Development is doing in **Pakistan** (see textbox, right).

Social accountability approaches have a variety of end goals. Getting access to information through right-to-information campaigns, notably those related to public budgeting, focus mainly on transparency on the theory that access will enable citizens to better

Making More Voices Count

To help women and other minority groups in two regions in **Pakistan** become better able to demand improved service delivery and hold government accountable, DAI's DfID-funded AWAZ program works to break patron-client relationships and increase avenues for citizen participation in government decision making. The project supports local collaborative forums at each level of Pakistani society: Village, District, Province, and National.

The AAWAZ Village Forums (AVF), for example, are approximately 15 – 20 people and our basic programming tier. The AVF include representatives from local schools and/or health clinics (reflecting key policy issues the project is addressing). In addition, each forum designates one or two persons to keep records of meetings and focal points for three key issues: women's political participation, dispute resolution, and social services.

The AVF structure creates a collaborative platform to address locally prioritized service delivery concerns. AAWAZ supports AVF activities in a variety of ways, including providing orientation on basic standards, understand their budgets, and using federal Freedom of Information laws in their monitoring and advocacy efforts. The AVF collects data on health and education from its community, which it uses to inform demand among community for improved services. The collected data can also be used in School Development Plans, which serve as a check list to measure improvement. The AVF also plans and organizes awareness raising initiatives to promote social harmony and discourage discrimination against women and girls.

²³ Chemonics International, Inc., *Building Back Better*.

evaluate government plans and performance. Other approaches, such as participatory budgeting and public hearings, maximize citizen engagement with, and input to, government policy making and implementation. Still others enhance citizen ability to report problems and seek redress through whistleblower laws or complaint systems. Finally, social accountability mechanisms can also be used to monitor government performance, such as assessing if citizens' experience improved services.

Today, in **Afghanistan**, USAID's RAMP UP North continues to assist municipalities to establish Citizen Service Centers (CSC). The centers – sometimes referred to as “one-stop shops” – grew in part from the expressed desire of citizens and businesses to contact a single municipal office to obtain all the necessary paperwork and approvals for licenses and permits commonly issued by the municipality.

In addition, it is possible to pay property-related taxes, file complaints, and ask questions regarding pressing concerns. As designed, the CSCs provide citizens and businesses with a venue to address their issues and obtain services in a streamlined and coordinated fashion.

Benefits include: 1) reduced time to obtain business and construction licenses and permits; 2) higher citizen satisfaction with municipal customer services; 3) greater transparency and reduced opportunities for corruption; and 4) increased citizen confidence and trust in municipal government.

By making the actual licensure process public, RAMP UP raised awareness of how best to navigate and oversee it. The CSCs now represent a new and replicable model for citizen-municipality relations. They create a welcoming environment in the municipal building. Citizens, businesses, and government officials are able to have durable and collaborative access to one another, along with all the regulations, laws, and forms needed to deliver services quickly and effectively.²⁴

In **Bangladesh**, USAID's Promoting Governance Accountability, Transparency, and Integrity (PROGATI) project integrated social accountability mechanisms into its efforts to combat corruption. PROGATI introduced community scorecards as a method for monitoring public services at the local level and starting dialogue between civil society and government officials about corruption issues. More than 400 community scorecards, with associated civil society/government consultation forums were conducted. In 2012 (Year 5), PROGATI supported development of citizen charters for local public services. These charters were developed in a partnership between citizen groups and local officials

How to Set Up a Citizen Information Center

Citizen Information Centers have been used successfully in Romania, Albania, Macedonia, Afghanistan and Bangladesh to strengthen local government citizen engagement. Establishing a center involves seven key steps:

1. Obtaining commitment to develop a CIC
2. Inclusion of a CIC in the organizational chart
3. Allocation of resources
4. Organization of a CIC within local government structures
5. Creation of a database
6. Establishing internal and external communication system
7. Promoting the CIC to government and civil society

²⁴ See “Citizen Information Center Brings More Transparency and Accountability to Kabul Municipality” accessed August 2013, http://afghanistan.usaid.gov/en/USAID/Article/2837/Citizen_Information_Center_Brings_More_Transparency_and_Accountability_to_Kabul_Municipality; Development Alternatives, Inc., *Governance Reform and Sustainable Partnerships Final Report* (USAID, 2005) (PD-ACF-055); Development Alternatives, Inc., *Citizen Information Centers: An Operators Guide* (DAI, 2004); Development Alternatives, Inc., *Improving the Analytical Capacity of Citizen Information in Macedonia* (USAID, 2003) (PN-ADC-091).

through a series of meetings. A total of 35 charters were developed for health, education, and local government services.²⁵

Improve Enforcement

A primary goal of anticorruption programming is to make corruption an “out-of-bounds” activity. Making the risk of prosecution and incarceration in countries beset by systemic and pervasive corruption a viable deterrent is difficult. Anticorruption agencies often suffer from insufficient funding, staffing, and mandate to accomplish their tasks. When agencies do not have prosecuting authority, they run the substantial risk of appearing locally to be a “paper tiger” and failing in their basic documentation and deterrence mission.

USAID’s ATARP addressed the deterrence issue by helping to create an anticorruption-focused agency. In recognition of the billions of dollars of aid flowing into Aceh after the tsunami, ATARP worked with the **Indonesia** coordination agency (BRR) to create the *Satuan Anti Korupsi* (SAK) (Anti-Corruption Unit) and build a robust mechanism to counter corruption. SAK

collects complaints from citizens and organizations, and conducts preliminary investigations to extract intelligence, but does not prosecute cases or discharge penalties against violators. ATARP helped map the scope, role, and responsibilities of the new unit and implement its anticorruption plan. The project trained SAK staff to effectively establish and manage an anticorruption program, including how to handle complaints, how to maintain a complaint database, and how to coordinate with other key government agencies. From September 2005 to December 2007, the unit received 1,372 complaints, investigated and resolved 1,348 of them, and earned a reputation for countering and deterring corruption.²⁶

ATARP also worked with the Ministry of Finance to establish the first department in Indonesia devoted solely to criminal tax investigations, the Directorate of Intelligence and Investigation. This unit focuses on high-profile cases with the potential to recoup lost revenue and garner significant media coverage to

Defining Better Security Outcomes through Advocacy

In the **Democratic Republic of Congo**, DAI’s DFID-funded Security Sector Accountability and Police Program (SSAPR) has addressed enforcement questions from a more citizen-centric angle.

The project aims to create new models of engagement between police and citizens, a necessary step toward security sector accountability. Using citizen score cards, community meetings, and a targeted Advocacy and Planning Tool, DAI is helping citizens and their representatives to articulate their needs and preferences for improved security and access to justice, and to act together with security and justice providers—whether in the state or non-state domain—to improve the delivery of security and justice services.

SSAPR external accountability programming targets multiple levels of government:

- Supporting the national parliament and three provincial parliaments to improve their oversight of the military, police, and justice agencies;
- Working with civil society, researchers, and media to develop understanding and knowledge of the security and justice system;
- Improving the advocacy and management effectiveness of civil society organizations to maximize their impact on policy makers and providers of security and justice services; and
- Helping individuals and community groups in three pilot provinces create new relationships with the local security and justice institutions in order to advocate and collaborate for improved local security through ‘police de proximite’ and local police-community partnerships.

²⁵ Development Alternatives, Inc., *USAID Promoting Governance, Accountability, Transparency, and Integrity (PROGATI) Project* (USAID, 2013).

²⁶ Chemonics International, Inc., *Building Back Better*.

increase public awareness of the consequences of not complying with tax laws. Because the concept of investigating tax fraud was new to Indonesia, ATARP developed and delivered rigorous training for investigators and administrative staff on the basics of identifying and investigating tax fraud. The project also worked with directorate officials to create an intensive train-the-trainer course, so it could continue to deepen staff understanding of criminal tax investigations, tax law, coordinating with the judiciary, interviewing and interrogation techniques, forensic analysis, and public relations and media outreach. The project and directorate officials also painstakingly promoted dialogue on cooperation among key government agencies, including the police, prosecutor's office, and judiciary.

The results of this work have been significant. The Directorate of Intelligence and Investigation's management, investigators, and support staff are located in regional tax offices around the country. In 2007, the directorate initiated 45 investigations involving 107 companies. Nineteen people were convicted and received criminal penalties and fines, and eight received prison terms.²⁷

DECREASING TOLERANCE FOR CORRUPTION

Education and Awareness

This aspect of anticorruption work builds on social accountability, using awareness of the consequences to and inappropriateness of corrupt behavior as a means of fostering values antithetical to corruption, strengthening citizen participation, and disseminating understanding of professional standards. Tools such as regulatory maps ("how to pay your traffic fine" or "how to file your court case"), plain language guidance for everyday rights and obligations (such as posting customs duties), and citizen scorecard efforts for public agencies can be very powerful, and often relatively low-cost, anticorruption mechanisms that work well with a wide variety of government services.

USAID's ATARP encountered a public awareness challenge in **Indonesia** relating to sourcing legal timber for reconstruction efforts. With the prevalence of illegal timber in Indonesia and unclear, as well as complex, government regulations on how to ensure its authenticity, those involved in reconstruction found it impossible to purchase legitimate building materials. ATARP helped decipher the complex government requirements and produced comprehensive guidelines on procuring timber from legitimate Indonesian sources. They established clear procedures on how to meet government requirements to prove the timber was purchased legally, developed an approved list of Indonesian timber providers, and offered other assistance to help NGOs secure legal, locally sourced timber for the reconstruction. The information, published in both English and Indonesian, was provided at a Timber Help Desk, staffed by the government's forestry department. NGOs can call or visit the help desk for assistance on how to navigate through these complex procedures to ensure they purchase legal Indonesian timber.

To increase public awareness of citizen services and government reform efforts, USAID's PACE project engaged **West Bank** ministries to strengthen their communication departments to. At first, PACE's government counterparts required substantial assistance, but by the end of the project were independently designing and initiated new campaigns and distributed informational citizen guides to specific government services.²⁸

²⁷ Chemonics International, Inc., *Building Back Better*.

²⁸ Chemonics International, Inc., *Palestinian Authority Capacity Enhancement Project Final Report*; Chemonics International, Inc., *Palestinian Authority Capacity Enhancement Project Case Study*.

USAID's support to **Albania's** MCATA project transformed the taxpaying relationship in the country by implementing e-filing systems and defining the authority of tax inspectors. The success of tax reform, however, depended heavily on successful engagement of the public and the business community. The project worked with the Ministry of Finance to organize first-ever public hearings with business associations and owners to solicit opinions on the draft tax procedures law, which was also published on the ministry's website, and to correct deficiencies in the draft. During 2008, MCATA helped the government mount a multimedia campaign to roll out the electronic tax services to small and medium taxpayers, including direct mailings to value-added tax (VAT) taxpayers in Tirana, print ads in Tirana newspapers, radio spots, and outdoor advertising. To build the image of the remade Albanian General Directorate of Taxation (GDT), television spots emphasized its commitment to transparency and fair and equal treatment of all taxpayers; and news articles, brochures, and website notices were used to showcase taxpayer rights, changes in key procedures, and improvements in tax administration and enforcement.²⁹

USAID's anticorruption and service delivery programming has been effective and, in many cases, innovative. However, as a new era of urbanization dawns in the developing world, there remains a need for a wider lens and a deeper focus. With respect to the former, much of USAID's prior anticorruption - service delivery efforts grew indirectly out of larger local and/or municipal governance capacity development work. Future efforts will need to directly include a focus on decreasing corruption as a constituent part of increasing service delivery capacity. In this regard, USAID can continue to promote innovation, including (perhaps especially) through trial and error. USAID can support the development of new and adapted measurement tools for both institutional development and citizen satisfaction. And, with respect to the latter, there is much that USAID can explore as it develops its inclusive, participatory, citizen-centric programming. For example, where once information and communication technology (ICT solutions) meant complex process management programs such as those used in public finances and court automation, future efforts can be more discrete and capitalize on mobile technologies and/or social media. Below are some early conclusions and recommendations on how to promote integration, experimentation, and success in its future service delivery-anticorruption programming.

CHAPTER TWO: GUIDANCE FOR NEW PROGRAM DESIGN

It is difficult to summarize USAID's anticorruption and service delivery programming, in part because these projects were not conceived from an integrated strategy. Instead, they evolved: lessons learned along the route of implementation were cultivated back into the overall structure and focus of individual projects. Moreover, some of the more successful projects had multiple iterations. SDU, Philippines TAG, and **Afghanistan** LGCD/RAMP UP spanned multiple separate projects and nearly a decade of work in some cases.

²⁹ Chemonics International, Inc., *Strengthening Governance in Albania*.

In addition, having begun with a binary, principal-agent exchange organizing principle at the core, USAID has come to understand the inherent complexities in this type of programming. First, it has recognized that no single theory of citizen-state engagement will be consistently applicable. Informal, and often more legitimate, structures exist alongside formal government systems. Competing principles complicate the agency relationship, just as unelected agents – bureaucrats who are usually not technocrats – frustrate the operation of the machinery of the state. And, the corrupting influence of newfound power, patronage, and money too often voids any effort to deliver public goods as such.

Second, USAID has come to realize that corruption is part of the social/political/economic fabric of many developing countries in a manner that would be unacceptable in developed democracies or stated in international instruments. USAID has recognized that the aspirational need not be the enemy of the operational. Each society is different, possessing a unique understanding of what behaviors in the context of their state, history, and status, may be “corrupt.” Understanding such on-the-ground realities provides a starting point for slow movement toward compliance with international standards.

SUCCESSSES AND LIMITATIONS

USAID’s many efforts have produced successful impact, though few have been robustly documented. During the implementation of these projects, USAID’s own approach to managing for results began to change, albeit slowly. Projects gauged success in qualitative and quantitative terms, but over the short term. For example, Indonesia made progress investigating tax cheating and claims of corruption; in the West Bank, a survey found significant increases in satisfaction following the PACE project’s refurbishment of waiting rooms and offices in government buildings servicing large numbers of people; and, the modified Municipal Capacity Index used by RAMP UP showed movement by government staff from not complying with existing laws and obligations to demonstrating a minimum level of compliance.

Municipal Capacity Index (MCI)

Developed originally by DAI, the MCI is a weighted index that can be adapted to measure government performance across categories of indicators. The MCI converts a complex set of qualitative data and presents it in a summary score.

Developed after a review of similar indices developed by the World Bank, Transparency International, Price Waterhouse Coopers and other organizations, the MCI encompasses five categories of government performance: Financial Management, Internal Municipal Operations, Communal Enterprises, Citizen-Municipality Interaction – Transparency and Participation, and Citizen-Municipality Interaction – Improved quality of services

Within each category, various indicators can be used and each can be valued appropriately.

Projects yielding gains in transparency and increased openness seem to have had some durability. In **Bangladesh**, CSOs and the media more regularly engage in criticism of cronyism in the government. In Uganda, decentralization and devolution of administrative power to local governments has increased citizen participation, especially in public planning, budgeting, and procurement processes. In **Afghanistan** and Indonesia, reconstruction efforts prominently featured organized and regular citizen consultation and increased advocacy. In addition, thanks in part to project efforts, these reforming institutions also demonstrated increased responsiveness to their citizens.

The deployment of new IT systems has significant impact. In **Uganda**, prior to USAID’s projects, every local government had a different format for planning and budgeting. Today, the formats are uniform, helping government to analyze and compare data at the central and local levels. SDU’s software training and mentoring approach also improved planning and budgeting practices. Prior to SDU II support, budget framework papers were voluminous and contained information not needed at the central government

level. The budget framework papers have since been simplified and decreased dramatically in size. SDU developed a uniform and user-friendly operating system that allows local governments to develop budgets and workplans.

In **Albania**, USAID's project confronted an IT system used by the GDT that had been built over a period of years in an Oracle operating environment that required expensive vendor licenses. In addition, the system consisted of separate databases for each tax office, with no connectivity between offices and GDT headquarters or between GDT and the Treasury, where tax payments are received. Using an iterative and collaborative process, the project devised a cost-effective, web-based e-system acceptable to the GDT and business taxpayers of all sizes. Following the project's efforts, 30,000 business taxpayers quickly began using e-services, downloading 75,000 forms per month. Similarly, 1,000 monthly VAT returns were e-filed, which accounted for 15 percent of VAT returns and 25 percent of VAT revenues.

But, the durability of reforms and the sustainability of government and citizen capacity for mutual engagement remain unresolved issues. Sustaining public interest in government reform without project support remains a challenge and further study is needed to see what has worked and what has not. Media coverage of corruption issues in **Bangladesh** continues, as does government agency pursuit of corrupt actors in Indonesia. But, is this activity endemic of a change in culture and government practice? Connecting responsiveness and accountability to specific programmatic interventions and then testing their durability is an area where much remains to be done. Ongoing work that shows promise includes: in the **West Bank**, a continuation of PACE plans to develop a public service delivery measurement tool; in **Rwanda**, a project leveraging USAID's Human Capital and Institutional Development manual is cataloging steps with government actors to "define" acceptable performance and incorporate it into standard operating procedures,³⁰ and, in **Afghanistan**, the data collected by the Municipal Capacity Index can be a tool for measuring intermediate results on the path to more permanent change.

Moreover, new IT platforms are far from a panacea. Some governments continue to resist the trend toward e-government and increased openness. In Bangladesh, the Anti-Corruption Commission (ACC) has failed to capitalize on opportunities to increase its efficiency. Despite its potentially critical role in combating corruption, the ACC has not developed its usage of IT for either the investigative or preventive components of its responsibilities. USAID's PROGATI, working through a local organization, organized a high-level seminar on the use of IT in combating corruption. The event included the ACC Chairperson, Finance Minister, senior Ministry on Information and Technology and the Information Commission officials, as well as Transparency International/Bangladesh and members of Parliament. But, little subsequent progress was made, and public perception surveys show that awareness of and confidence in the capacity of the ACC to combat corruption declined since PROGATI's baseline study in 2008.

LESSONS LEARNED

As USAID's learning agenda and more rigorous, evidence-driven approaches to project design take shape, the lessons of its programmatic past remain relevant. This relatively small sampling of USAID efforts with partner governments to improve their service delivery while promoting a culture of integrity, demonstrates a track record of effectiveness and innovation. As a whole, these projects leaned on a few basic concepts, which have abiding durability in development programming. Each of these projects built

³⁰ Development Alternatives, Inc., *Human And Institutional Capacity Development Project In Rwanda (HICD/R) Year 1 Annual Progress Report* (USAID, 2013).

from what existed where they worked; changed course multiple times to adapt to successes and learn from failures; painstakingly built connections between citizens and government; and diligently communicated goals and progress over time, even when it was limited. As such, several of them learned similar lessons, summarized below.

LIBERALLY USE ANALYSIS, ASSESSMENT, AND COLLABORATIVE DESIGN

USAID's service delivery and anticorruption programming prominently features significant and diverse efforts to involve counterparts in determining project activities and setting project priorities. In **Bangladesh**, PROGATI involved government partners in development of project strategies and annual workplans. For example, the project engaged the Office of the Comptroller and Auditor General (OCAG) representatives throughout formulation of the project's Public Institution Component activities, and helped to identify priorities. This led to ownership of the workplan and commitment to moving forward with some of the more difficult initiatives. The Comptroller and Auditor General could quote from the PROGATI workplan about what activities had been completed and what was still left to do.

In **Afghanistan**, the RAMP UP projects followed a systematic approach to developing CSCs to ensure that they meet the demands and needs of both citizens and municipal officials. The project conducts a citizen survey to ascertain the issues citizens face when they enter the municipal hall, such as the time it takes to resolve an issue and the level of satisfaction with municipal officials. Municipal officials are surveyed to understand the municipality's existing processes and systems. Then, an Advisory Board is established, which includes civil society and business representatives to help the center on an ongoing basis identify services they can provide, the type of information that should be offered at the center, etc. Only after these and other steps will the project prepare and sign a memorandum of understanding with the municipality.

In **Albania**, before the project attempted to tackle the readily identifiable problems with how the nation implemented its taxation system, it surveyed 300 large business taxpayers and learned that 85 percent had regular internet access and were interested in conducting tax transactions online. It developed and tested e-filing and e-payment modules on a group of large taxpayers in Tirana before rolling them out to the 400 Tirana-based businesses in the Large Taxpayers Office. The project engaged multiple agencies to establish daily automatic data exchanges between those registering businesses and those receiving tax payments.

Recommendation: USAID should encourage iterative learning. Every project seeks to produce good results, but the reality of development is that it is time consuming. The broadly successful service delivery and anticorruption projects discussed above involved multiple projects over several years. They also benefited from efforts to undertake local political economy analysis, subsequent assessments, and collaborative design of activities. Each of these took time, but built trust.

CALCULATED RISKS MAKE PROGRAMMING MORE SUCCESSFUL

USAID has long sought to acknowledge the challenges and obstacles to its programming. Unfortunately, risk-avoidance behavior is inevitable in projects focused on government service delivery and public integrity. The problem may originate in the host government, such as in **Bangladesh**, where the government's NGO Bureau, concerned by the anticorruption focus on the project, took an average of 140 days to approve grants to PROGATI's civil society partners. Staff in **Indonesia** (ATARP) and **Albania** (MCATA) likewise recounted that feeling "free" to remain flexible and test approaches before committing to them broadly was the difference between success and failure.

USAID also recognizes that progress is likely to be incremental. PROGATI understood that anticorruption champions could be vulnerable and worked with them to set realistic timeframes and design activities to expand commitment within their institutions. For example, the Comptroller/Auditor General was committed early on to opening a Media and Communications Cell, but there was not a consensus within his office. Rather than move quickly to achieve this “good,” the project supported several activities, including workshops presenting best practices, training for OCAG staff and demonstrations, to build support. Though it took time, this strategy ultimately paid off and the Comptroller and Auditor General launched the Media Cell as his own initiative.

Recommendation: Consistent with USAID’s learning agenda and more rigorous evaluation goals, it should temper ambitions to roll out large interventions across multiple localities. The result may be weaker programming as a whole. Instead, USAID should encourage implementers to try a wider variety of smaller activities with solid measurement plans, including grants, mentoring and technical assistance, and information campaigns.

Interagency collaboration should be encouraged. PROGATI established Financial Oversight Working Groups in a total of four public institutions: the two PROGATI partner ministries, the Ministry of Health and Family Welfare, and the National Board of Revenue. Financial Oversight Working Groups are venues for officials from OCAG and respective institutions to meet and discuss issues related to audits and implementing audit findings. The establishment of these working groups represented the first time OCAG and principal accounting officials met to discuss audit procedures and improved communication.

PROMOTING CONSTRUCTIVE ENGAGEMENT WITH GOVERNMENT ALLOWED FOR GREATER IMPACT

In **Bangladesh**, PROGATI was frequently complimented for working differently, and more effectively, with government at national and local levels than other donor-funded projects. PROGATI’s government counterparts were diverse—OCAG, ministries, ACC, Information Commission, *Upallizas*, and union *Parishads*. Across these counterparts, PROGATI was able to engage government in setting priorities, collaborate on implementation, and create new venues for productive interaction between government and citizens. The following approaches defined how PROGATI successfully engaged government.

Undertake government institution-building initiatives alongside civic engagement activities. Prior delineation of areas of technical focus, especially in anticorruption programming, unfortunately separated institutional reform from work with elections, CSOs, and media. The successes of the above programs nearly demand that such efforts should be planned and conducted in tandem. Policy reforms typically require years to work their way through government, and a standard sequential model of legislative reform followed by administrative reform, training of public servants, public outreach, and training of citizen end users incorrectly places emphasis on citizens at the end of the process rather than at the beginning when their support and input is needed. The work of MCATA to garner the input of large taxpaying businesses, that of RAMP UP and PACE to collect citizen input on needs and priorities, and that of PROGATI and MCATA to analyze interagency citizen constituencies all demonstrate the importance of a parallel approach.

Indeed, several of these projects went to lengths not only to garner opinions, but also to create new administrative structures (PROGATI, RAMP UP, TAG), as well as new physical environments (PACE, RAMP UP, MCATA) for citizens and government to interact. PROGATI’s success with its social audit is a good example. The project piloted a social audit of the national government’s Vulnerable Groups Development (VGD) support program, which revealed a series of accountability issues, from recipients

not receiving the required amount of food aid, to bribes being required for program participation. Working with 28 CSOs and the responsible government ministry, PROGATI sponsored a full-scale social audit of the VGD program across the country, interviewing approximately 20 percent of the nation's VGD participants, more than 4,000 members of vulnerable groups. More than 150 ministry officials participated at some stage of the audit, and PROGATI and its civil society partners spent considerable time gaining government buy-in to the methodology and approach. The larger study's findings confirmed corruption and mismanagement in key areas of the program. A CSO later presented the findings to several key government ministries, including the Secretary of the Ministry of Food and Disaster Management, who subsequently ordered the full audit report be distributed widely among relevant ministries along with information on how these audits could be conducted in other social sectors.

Recommendation: USAID should actively encourage projects that engage civil society early in the process on government integrity and service delivery reform objectives. They should employ the same risk-taking and approach-testing methodology mentioned above.

Build government capacity with hands-on practice. Too often, the seemingly straightforward approach to government capacity development emphasizes training over other methodologies. Training, mentorship and advisory assistance, and train-the-trainer sessions are all crucial to any capacity development project. PROGATI, for example, had only a limited scope for direct public institution capacity development. To ensure that key skills were transferred throughout the organizations it worked with, PROGATI focused on train-the-trainer events. It developed ethics trainers at OCAG able to present the OCAG Ethics Manual to subnational government units. RAMP UP, ATARP, MCATA, and TAG did likewise.

However, those projects offering government counterparts the opportunity to develop their skills in real situations enjoyed more durable results. The SDU and RAMP UP projects both paired small amounts of funding with technical assistance and mentoring. SDU's small grant program funded projects aimed at decreasing the spread of HIV/AIDS. The funds supported community organizations to take on greater advocacy roles, initiate new interactions with local governance institutions, and expand health service delivery. As USAID has experienced repeatedly, oversight remains a crucial aspect of any formula for success: in **Uganda**, 50 percent of SDU's grants were cancelled as a result of accountability issues and engaging in activities "not consistent with the principle of zero tolerance to corruption." In Aceh, **Indonesia**, ATARP wanted to do more service delivery and government capacity enhancement programming to ensure that newly trained government officials would build on their training, but, funding was scarce and few such efforts were initiated.

In **Afghanistan**, the RAMP UP projects have been notably ambitious. Each project promotes improved government service delivery by funding small-scale projects that both build municipal government service delivery capacity and improve the quality of community life. Collecting trash, repairing roads, and sprucing up community spaces like parks and walking areas are all popular examples of such projects. USAID requires a strong oversight role and recognizes the extra effort involved: the projects are designed and negotiated with providers, municipal officials, and local business and civic representatives. Projects are suspended when municipalities fail to provide their contributions on time, but resume once a municipality realizes there are consequences to their (non-)actions. The projects also seize opportunities for integration of overlapping activities: they will support community engagement at public budget hearings where using municipal resources as co-funding for such projects is discussed; provide on-the-job training to municipal officials in the obligations in the Afghan Labor Code to streamline contracting efforts; and, support radio campaigns, such as "the citizen's role in municipal affairs." A full analysis of

the impact of such efforts lies ahead, but the work closely tracks recommendations made by completed anticorruption and service delivery projects.

Recommendation: USAID should actively support implementers to build on-the-job experiences into projects with government integrity and service delivery reform objectives, and it should support those implementers to track the effectiveness of different initiatives in this regard.³¹ Initiatives and data collection should explore the benefits (or lack thereof) of different combinations of government, media, and civic organization direct and indirect collaboration. Given the likely continued need for regulatory, human capital management, and business process re-engineering—which have limited direct benefit to citizens, but substantial potential for producing a public service culture of integrity within government—it will be beneficial to explore how best to structure engagement with the public on these types of capacity development reforms.

Educate the media. Elections in new and emerging democracies are not always a true exercise of “public will” oversight of politicians. More often than not, they are more of a referendum on media coverage of government, which can range from the sensational to the speculative to the fanciful. When governments struggle with reform, one of the quickest ways for spoilers to stymie progress is through bad media coverage. One tested means of forestalling such negative impact on reform is to educate the media and civil society on how to discuss, promote, and analyze reform objectives, progress, and successes. In **Albania**, the MCATA project recognized the inherent vulnerability of anticorruption initiatives - and anticorruption reformers – and the complexity of the policy and operational changes involved. The project trained the media and counterpart agency public affairs officials together and separately on reform processes and goals. **Bangladesh**’s PROGATI did likewise and promoted a motto of “government and citizens working together against corruption” in its civic events. The Asia Foundation (TAF) took a more direct role in the **Philippines** on the TAG projects. When Ombudsman Marcelo resigned in 2005, TAF and the local Transparency and Accountability Network (TAN) launched Ombudsman Watch 2 to increase awareness and generate public involvement in the appointment process for the next Ombudsman. TAF and TAN engaged CSOs and the media to advocate for a transparent selection process and convinced the government to extend the nomination period to allow the public to pose questions to the aspiring candidates. A national video conference was conducted to raise public awareness of the selection process, and it contributed to the high turnout of media and civil society during the various applicants’ subsequent public interviews.

Recommendation: USAID should support implementers in media education efforts. It should recognize that media education is not synonymous with media development or public relations, but a constituent skill for civil society advocacy organizations and public institutions. It should explore how media can be both a part of the civic nongovernmental sphere and objectively cover it. And, it should explore the differences for programming when dealing with state media organizations.

³¹ The distinction between on-the-job training and the familiarity that comes from simply performing new duties is difficult to quantify, as it lies in the nature and efficacy of the support program that accompanies the work. For example, a mentorship program may be more effective than an apprenticeship program in one country context because of the work, social and/or cultural norms, and the design of the program. These aspects of the support provided in SDU, RAMP-UP, ATARP, MCATA, and PROGATI were not rigorously tested or reported; thus, much remains to be explored in this regard.

7. Anti-Corruption and Cross-Sectoral Program Mapping - Part I: Trends and Common Activities in South and Central Asia



USAID
FROM THE AMERICAN PEOPLE

ANTI-CORRUPTION AND CROSS- SECTORAL PROGRAM MAPPING

PART I: TRENDS AND COMMON ACTIVITIES IN SOUTH AND CENTRAL ASIA

July 2013

This document was produced for review by the United States Agency for International Development. It was prepared independently by Elizabeth Gabster and Keith Henderson on behalf of The QED Group, LLC, under Task Order AID-OAA-TO-13-00023 of the Encouraging Global Anti-Corruption and Good Governance (ENGAGE) IQC, contract number AID-DFD-I-00-08-00073. The author's views expressed in this document do not necessarily reflect the views of USAID or the United States Government.

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ACRONYMS

ABA ROLI	American Bar Association Rule of Law Initiative
AC	Anti-corruption
CIPE	Center for International Private Enterprise
CPI	Transparency International's Corruption Perception Index
CSOs	Civil Society Organizations
DAI	Development Alternatives Inc.
DG	Democracy and Governance
DOS	US Department of State
DRG	USAID's Center of Excellence on Democracy, Human Rights, and Governance
GBV	Gender-Based Violence
ICITAP	Department of Justice's International Criminal Investigative Training Assistance Program
IFES	International Foundation for Electoral Systems
INL	US Department of State's Bureau of International Narcotics and Law Enforcement
IP	Implementing Partner
IRI	International Republican Institute
MDGs	Millennium Development Goals
MOU	Memorandum of Understanding
NDI	National Democratic Institute
NED	National Endowment for Democracy
OPDAT	Department of Justice's Overseas Prosecutorial Development, Assistance and Training
ROL	Rule of Law
TI	Transparency International
TIP	Trafficking in Persons
UNDP	United Nations Development Programme
USAID	United States Agency for International Development

TRENDS AND COMMON ACTIVITIES IN SOUTH AND CENTRAL ASIA

In April and May 2013, the QED Group, LLC, conducted an in-depth analysis of direct and indirect anti-corruption programming in South and Central Asia as part of the Encouraging Global Anti-corruption and Good Governance Efforts (ENGAGE) IQC Task Order to Conduct Anti-Corruption and Cross-Sectoral Program Mapping. As defined by the U.S. Department of State, the countries considered in this review of South and Central Asia were: **Afghanistan, Bangladesh, Bhutan, India, Kyrgyzstan, Kazakhstan, Maldives, Nepal, Pakistan, Sri Lanka, Tajikistan, Turkmenistan, and Uzbekistan**. Programs were examined from 2007 through the present.

Overview of Findings

Per guidance from USAID's Center of Excellence on Democracy, Human Rights, and Governance (DRG), QED employed a broad definition of anti-corruption, considering explicit anti-corruption programming – which directly provided trainings, oversight, or technical assistance to private citizens, CSOs, the business community, or government officials/departments for the express purpose of combating and reducing corruption. We also considered implicit programming, which formed the majority of our findings, particularly any programs with a focus on transparency, accountability, and equitable access. This included a sub-focus on issues such as, but not limited to, decentralization, legislative and judicial independence, access to justice, economic development, and media independence.

Employing this broad understanding of indirect anti-corruption work, QED reviewed approximately 200 projects that were implemented in South and Central Asia between 2007 and 2013, and of these, found 147 with an anti-corruption component. Within these 147 programs, we found over 300 activities, resulting in a total of over \$1.96 billion¹ in development projects with an anti-corruption component in this region. While this figure represents the total amount obligated for each project, information on the amount of those funds within the projects that were set aside for anti-corruption work was not publicly available. However, we found a significant lack of direct or explicit anti-corruption programming or activities in this region, and thus we assume that the amount of funding within this sum spent directly on anti-corruption work is minimal in comparison to the total amount.

Our initial search focused on broadly considering all of the players and partners in the anti-corruption field, including private sector partners, NGOs,² and government, particularly USAID Missions, US Department of State Bureau of International Narcotics and Law Enforcement Affairs (DOS/INL), and the Department of Justice's International Criminal Investigative Training Assistance Program (ICITAP) and Overseas Prosecutorial Development, Assistance and Training (OPDAT) program. Per guidance from the DRG, we further focused our research on USAID-funded projects, but we did not exclude the previously

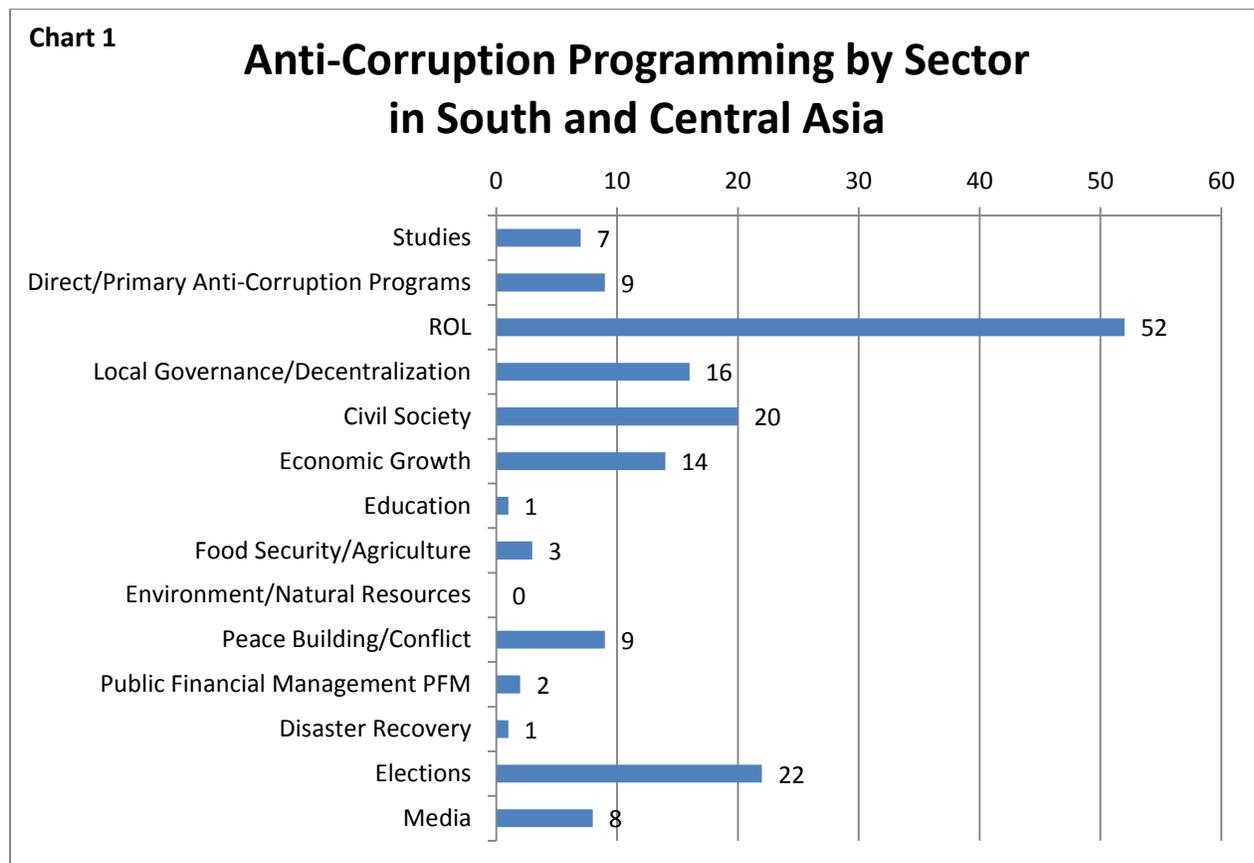
¹ Note that over \$1.5 billion of this total sum was obligated for projects in **Afghanistan**, with the remaining \$460 million spread across the other states of South and Central Asia.

² Among NGO partners, we focused on the programs of the American Bar Association Rule of Law Initiative (ABA ROLI), Transparency International (TI), Freedom House, International Foundation for Electoral Systems (IFES), National Endowment for Democracy (NED), Center for International Private Enterprise (CIPE), National Democratic Institute (NDI), and International Republican Institute (IRI).

found programs which we funded by other U.S. agencies. However, public information on the programs funded by other agencies or implemented by NGOs proved limited, with little published information on mechanisms used or final reports. Approximately half of our 147 programs were not funded by USAID, with the Department of State (particularly DOS/INL) providing the majority of funding after USAID.³ Of the USAID-funded projects, we found that approximately 30% were implemented through Indefinite Quantity Contracts (IQCs), with the remaining 70% of USAID-funded projects were either full and open or did not provide information about the mechanism.

When information on the project (funding, results, mechanism, etc.) was not publically available, QED contacted the organization for more information. We repeatedly found that implementers and USG partners generally proved hesitant to define their programs as having an anti-corruption component. The majority defined their work in terms of a sector (e.g. economic growth or democracy and governance), but unless there was direct work with an Anti-Corruption Commission or other explicit anti-corruption activities, partners generally hesitated to apply the term anti-corruption to the project and thus to provide additional information. This speaks to a difficulty with the cross-cutting concept of anti-corruption a lack of wider policy discussions with contractors, NGOs, and other implementing partners in terms of how their individual programs may fit the wider goal of reducing corruption.

When addressed sectorally, the majority of QED’s findings fell into the sector of Democracy, Human Rights, and Governance (DG). Sub-dividing this sector, QED’s found the following number of programs addressing each category (note that programs with multiple components may be counted multiple times):



³ Within the scope of this research, the exact number of USAID-funded projects remained an estimate; many NGOs did not provide funding information and several projects were comprised of both USAID and non-USAID funding.

(For a full breakdown of programs by sector and country, see Annex II. Note that for Annex II, programs operating in multiple countries would be counted for each country).

In order to examine the measured levels of corruption in each country at the time of these interventions, we have compiled data from Transparency International's Corruption Perception Index (CPI) and the World Bank's Control of Corruption and Ease of Doing Business scores (see Annex III). Generally we found that most USG-funded anti-corruption programs were targeted at countries experiencing an opening, transitioning to stronger democratic values, or otherwise demonstrating a willingness to decrease in corruption. Outside of **Afghanistan**, USAID in this region primarily operated anti-corruption interventions in **Bangladesh, Kazakhstan, Kyrgyzstan, Nepal, Pakistan, and Sri Lanka** (note that these are also the only countries in which any direct anti-corruption programming took place; see full list on next page). All of these countries have shown positive improvement in the perceived level of corruption (CPI score), and all but **Kazakhstan** and **Sri Lanka** have improved positively as measured by the World Bank's Control of Corruption.

Few, if any, anti-corruption interventions were targeted at either end of the corruption spectrum—very closed, autocratic states with very high measured levels of corruption (**Turkmenistan, Tajikistan, Uzbekistan**)⁴ or mostly democratic, open societies with relatively low measured levels of corruption in comparison to their neighbors (**India, Bhutan**). We conclude that this may be due to instead focusing on countries in the middle of the spectrum in which foreign assistance could provide the most change and impact. The **Maldives** also received very few USG-funded interventions, possibly as a result of little political will, despite worsening corruption scores.

Bangladesh improving a dramatic 9 points since 2004, from formerly the most perceived corruption in the region; while still at high levels of perceived corruption (score of only 26 in 2012), **Bangladesh** has shown the greatest improvement toward mitigating levels of perceived corruption in the region. However, the ease of doing business, as measured by the World Bank, has decreased. Conversely, perhaps the greatest failure in terms of measured levels of corruption and the number of USG-funded interventions in this region is **Afghanistan**. By far, **Afghanistan** received the largest number of USG-funded anti-corruption programs 2007-2013; however, every one of **Afghanistan's** corruption scores has declined since 2007; the CPI declined a dramatic 17 points since 2005, and **Afghanistan** is currently tied with **Somalia** and **North Korea** as having the highest level of perceived corruption in the world.⁵ **Afghanistan's** Control of Corruption and Ease of Doing Business scores have also declined significantly since these indexes were first measured (2004 and 2007, respectively).

For the purposes of this summary, we will further detail common trends and findings broken out by the main sectors which we found to be prevalent in the region of South and Central Asia: Direct/Primary Anti-Corruption Programming; Democracy, Human Rights, and Governance (including Elections, Civil Society, Media, and Local Governance/Decentralization); Rule of Law; Economic Growth and Trade; Agriculture, Education, and Local Services.

⁴ Note that the majority of programs in **Turkmenistan, Tajikistan, and Uzbekistan** were funded by INL for law enforcement training, counter-narcotics, anti-trafficking, etc. or implemented by ABA ROLI for access to justice issues.

⁵ Measured by Transparency International, this is indicated by the lowest number per year in the CPI.

Direct Anti-Corruption Programming

QED defines direct anti-corruption programming as projects with the explicit and typically public mission statement of reducing the environment of corruption; as noted above, indirect programs typically contributed to improving the environment without this explicit mission guiding the work. Direct anti-corruption programming was minimal in the region of South and Central Asia, with notable exceptions such as the Assistance for **Afghanistan's** Anti-Corruption Authority (4A) Project,⁶ implemented by MSI; ABA ROLI's Anti-Corruption and Public Integrity project in **Kyrgyzstan**;⁷ and the USAID-funded Anti-Fraud hotline set up by Transparency International in Pakistan.⁸ The full list of direct anti-corruption programs that we found are as follows:

- **Afghanistan:** Assistance to Anti-Corruption Authority (4A) Project, MSI
- **Bangladesh:** Promoting Governance, Accountability, Transparency, and Integrity (PROGATI), DAI⁹
- **Bangladesh:** Advice and Information Desks, Transparency International¹⁰
- **Kyrgyzstan:** Anti-Corruption and Public Integrity Project, ABA ROLI
- **Kyrgyzstan:** Support to National Budget Transparency, USAID/UNDP¹¹
- **Nepal:** Promoting Integrity and Accountability (IA), Transparency International¹²
- **Nepal:** Advocacy and Legal Advice Centers (ALAC), Transparency International¹³
- **Pakistan:** Anti-Fraud Hotline, Transparency International
- **Sri Lanka:** Anti-Corruption Program, Tetra Tech ARD¹⁴

Though often not USAID-funded, Transparency International generally offers some of the most direct anti-corruption programming around the globe, focused on working with CSOs and government to promote transparency, accountability, open governance, and protection of whistleblowers. In South and Central Asia, TI currently operates in **Kazakhstan, Kyrgyzstan, Pakistan, India, Bangladesh, Nepal, Sri Lanka**, and the **Maldives**.¹⁵ Its work varies country by country, but typically focuses on advice and legal

⁶ Assistance for Afghanistan's Anti-Corruption Authority (4A) Project, MSI, TT, 2010-2013:

<https://dec.usaid.gov/dec/content/Detail.aspx?ctID=ODVhZjk4NWQtM2YyMi00YjRmLTkxNjktZTcxMjM2NDNmY2Uy&rID=MzMzMzA2> (ongoing)

⁷ Kyrgyzstan Anti-Corruption and Public Integrity project, ABA ROLI, 2006-2007:

http://www.americanbar.org/advocacy/rule_of_law/where_we_work/europe_eurasia/kyrgyzstan/programs_past.html

⁸ Pakistan Anti-Fraud Hotline, Transparency International, 2010-present: <https://www.anti-fraudhotline.com/> (ongoing)

⁹ Bangladesh Promoting Governance, Accountability, Transparency, and Integrity, DAI, TT, 2007-2012:

http://pdf.usaid.gov/pdf_docs/PDACU912.pdf

¹⁰ Bangladesh Advice and Information Desks, Transparency International, 2003-present: <http://www.ti-bangladesh.org/index.php/activity/aidesk> (ongoing)

¹¹ Kyrgyzstan Support to National Budget Transparency, USAID/UNDP, 2012-2014:

<http://centralasia.usaid.gov/kyrgyzstan/1061> (ongoing)

¹² Nepal Promoting Integrity and Accountability, Transparency International: <http://www.tinepal.org/On-going-Programs.html> (ongoing)

¹³ Nepal ALAC, Transparency International, 2008-present: <http://www.tinepal.org/On-going-Programs.html> (ongoing)

¹⁴ Sri Lanka Anti-Corruption Program, Tetra Tech ARD, TT, 2005-2007:

http://pdf.usaid.gov/pdf_docs/PDACK636.pdf

¹⁵ Note that in this region, TI does not currently have chapters in: **Afghanistan, Bhutan, Tajikistan, Turkmenistan, or Uzbekistan.**

information centers, right to information advocacy, youth engagement, and electoral monitoring. However, due to its status as an international NGO, with the exception of **Pakistan's** Anti-Fraud hotline, this study was unable to confirm the exact funding source and which of these programs are primarily funded by the US Government. As such, we included Transparency International in our review in order to avoid overlooking this major player but did not mark these programs as Top Tier.

MSI's Assistance to the Anti-Corruption Authority in **Afghanistan** (4A) project provides a model of technical assistance and support to an anti-corruption government agency.¹⁶ Working alongside **Afghanistan's** High Office of Oversight and Anti-Corruption (HOO), MSI has helped the HOO develop toolkits and trainings to encourage other ministries to design and implement anti-corruption plans and to sign MOUs with the HOO to help it achieve its mandate. Though primarily working with the Government of **Afghanistan**, 4A has also provided CSOs with support and training. By the end of year 2 (October 2012), 39 ministries of the Government of **Afghanistan** had submitted acceptable anti-corruption plans, the HOO with CSOs or the private sector had implemented 7 reform initiatives (with 25 discrete activities), and the project exceeded its target by achieving 13 anti-corruption measures. Though these results demonstrate the success of the project in improving the capacity of the HOO, the project cited continued inter-agency challenges (only 3 MOUs with other agencies have been signed, thus marking HOO's continued limited scope). Furthermore, per the scope of the project, this direct intervention is focused specifically on the HOO in a country which has some of the worst levels of corruption in the world; while the HOO's capacity is essential to reversing this trend, this project's scope does not include addressing the larger environment of corruption in **Afghanistan**. As measured by Transparency International, the perception of corruption is in **Afghanistan** quite dire, declining sharply since 2005 (score of 25) to the abysmal 2012 score of 8. The World Bank's Control of Corruption and Ease of Doing Business also consistently rank **Afghanistan** as the lowest and thus most corrupt country in the region.¹⁷ Despite 4A's work, the World Bank has only measured 4 reforms in **Afghanistan** since 2010 that affect the ease of doing business. While 4A has achieved marked progress, levels of corruption in **Afghanistan** appear to be accelerating more rapidly than efforts to combat it.

Of all of the direct anti-corruption programming, the most direct and encompassing program model was the Promoting Governance, Accountability, Transparency, and Integrity (PROGATI) project in **Bangladesh**, implemented by DAI.¹⁸ This project included not only government support, through public financial management assistance and the creation of oversight mechanisms, but it also supported developing the capacity of investigative journalism and civil society organizations (CSOs) to monitor public expenditures and hold their government accountable. PROGATI also had a significant component devoted to training female entrepreneurs in methods to avoid corruption in their professional work. PROGATI seized the window of opportunity with **Bangladesh's** passage of a Right to Information Act to further build upon their legislative anti-corruption support. PROGATI has been particularly commended for the success of providing sustainable and lasting skills and tools to civil society and NGOs, thus strengthening the capacity of the CSO community to provide oversight on corruption. However, the effect on CSOs, media, and individual beneficiaries remains difficult to measure with precision due to a failure of the program to set up clear indicators at the onset of the program. When utilizing international measurements to examine the changing environment, **Bangladesh's** Corruption Perception Index (CPI), as measured by Transparency International, has significantly risen from 20 at the program's inception in 2007, to 27 in 2011,¹⁹ though the causality of this improvement cannot be concluded. Indeed, of all the

¹⁶ See footnote 4.

¹⁷ See Annex III for Transparency International and the World Bank's various measurements of corruption.

¹⁸ See footnote 7.

¹⁹ Full results can be found here: <http://www.transparency.org/cpi2012/results>.

countries in the South and Central Asian region, **Bangladesh** has demonstrated the most positive results in reducing the levels of perceived corruption: Beginning with the low score of 17 from the CPI in 2004, the lowest in the region at that time, **Bangladesh** improved by 9 points by 2012, the most dramatic positive change of all countries in this region. The ambitious and direct scope of PROGATI provides a model for direct anti-corruption programming in the region, though this would perhaps best be suited to other countries that are experiencing a window of opportunity, for example, through new legislation toward open governance.

Democracy, Human Rights, and Governance (DG)

Indirect anti-corruption programming in the DG space generally focused on areas such as media and civil society capacity building, legislative capacity building, political party support, electoral training and monitoring, decentralization, and rule of law. Key players in this region included DG non-governmental organizations, particularly Freedom House, the National Endowment for Democracy (NED), the National Democratic Institute (NDI), the International Republican Institute (IRI), and the International Foundation for Electoral Systems (IFES). Though the divisions blur country by country, in South and Central Asia Freedom House typically has filled the space of human rights advocacy, particularly providing humane treatment of prisoners, and media freedom of speech; NDI and IRI typically focus on political party support and legislative capacity building; and IFES provides electoral support. All of the players have provided support to civil society organizations and media to increase their capacity to provide oversight of the government and government spending.

Through implementing partners, USAID has also provided crucial support to local governments in order to encourage decentralization. QED found 16 programs with a primary focus or significant component on supporting local government capacity building, sharing of best practices between municipalities, and decentralizing the local budget to ensure fiscal independence. Key examples of this work in South and Central Asia are the Decentralization and Local Government Program in **Kyrgyzstan**²⁰ and Local Government Initiative Project in **Kazakhstan**,²¹ both of which worked to improve the capacity of local governments to transparently manage their resources and distribute services, improve their responsiveness to citizens, and promote economic development; Strengthening Democratic Local Governance in **Bangladesh**,²² focused on decentralization, reform, and capacity building of sub-national units; and **Sri Lanka** Supporting Regional Governance Program (SuRG),²³ which focuses on **Sri Lanka's** conflict-affected areas to promote civic and social infrastructure and local governance capacity building. In **Afghanistan**, decentralization has been a significant area of focus for USAID, including programs such as the Kabul City Initiative,²⁴ **Afghanistan** Local Governance and Community Development (LGCD),²⁵ and Regional Afghan Municipalities Program for Urban Populations (RAMP UP) – divided into four

²⁰ Kyrgyzstan Decentralization and Local Government Program, Urban Institute, 2006-2009: http://pdf.usaid.gov/pdf_docs/PDACN799.pdf

²¹ Kazakhstan Local Government Initiative Project, ICMA: <http://icma.org/en/international/regions/Country/32/Kazakhstan> (final report not available)

²² Bangladesh Strengthening Democratic Local Governance, Tetra Tech ARD, 2011-2014: <http://www.sdlg-bangladesh.com/> (ongoing)

²³ Sri Lanka Supporting Regional Governance Program (SuRG), Tetra Tech ARD, TT, 2008-2013: http://www.tetrattechintdev.com/intdev/index.php?option=com_k2&view=item&id=528 (ongoing)

²⁴ Afghanistan Kabul City Initiative, Tetra Tech ARD, 2010-2013: http://www.tetrattechintdev.com/intdev/index.php?option=com_k2&view=item&id=442 (ongoing)

²⁵ Afghanistan Local Governance and Community Development, DAI, TT, 2006-2011: http://pdf.usaid.gov/pdf_docs/PDACM816.pdf

separate projects in different geographic regions.²⁶ However, in the Afghan environment, implementers have encountered many challenges; in the southern provinces, Chemonics noted in their Year 1 report (2011) that many local government positions remain unfilled or the individual officials, including the mayor, change frequently, thus making it difficult to establish relationships and provide training. The final evaluation of LGCD found that the project did not achieve its overarching objective of increasing stability by improving the legitimacy of the Afghan government and the responsiveness of the government to the people, and delays and staffing changes from the implementing partner significantly harmed the project. LGCD did achieve some success in improving the capacity of provincial and district government officials, such as through instructing in the writing of a community's Development Action Plan. This program was marked as a Top Tier for the express purpose of encouraging a deeper analysis of its failings – though it was a failure, closer examination of its challenges will provide lessons learned for future programs.

Rule of Law (ROL)

As a subset of Democracy and Governance programming, partners such as the American Bar Association Rule of Law Initiative (ABA ROLI), U.S. Department of Justice, and U.S. Department of State's Bureau of International Narcotics and Law Enforcement (INL) provide significant support throughout South and Central Asia in Rule of Law programming. Though this programming, partners provided programs on law enforcement training and reform, prosecutor training, and access to justice. While a limited number of these programs are funded by USAID, such as individual ABA ROLI programs and the Judicial Assistance and Judicial Education Programs in **Kazakhstan** (Chemonics),²⁷ the majority of Rule of Law programming in this region is funded by the U.S. Department of State.

The U.S. Department of Justice's International Criminal Investigative Training Assistance Program (ICITAP) and Overseas Prosecutorial Development, Assistance, and Training (OPDAT) programs are particular indirect anti-corruption players. ICITAP currently funds law enforcement programs in **Afghanistan, Bangladesh, Nepal, Pakistan, Sri Lanka, and Kyrgyzstan**, and previously support programs in **Kazakhstan** and **Tajikistan**. OPDAT currently funds a Resident Legal Advisor (RLA) in **Kyrgyzstan** as well as counterterrorism programming in **Bangladesh** and **Pakistan**. Results from these programs were generally not publicly available.

Across all sectors, there is minimal USAID work in **Turkmenistan, Tajikistan, and Uzbekistan**; however, programs funded by ABA ROLI, NED, and INL (ICITAP) were often the notable exceptions, providing legal and law enforcement support to strengthen the justice sector and rule of law capacity in these countries.

In **Kyrgyzstan**, the USAID-administered Millennium Challenge Corporation Country Threshold program served as an entrance program to work with the MCC in this region. From 2008 to 2011, MCC provided approximately \$16 million in funding for work with **Kyrgyzstan's** rule of law sector, through Criminal Justice, Judicial, and Law Enforcement Reform projects. While final reports and results are not publicly

²⁶ RAMP-UP South, Chemonics, 2010-2014: http://pdf.usaid.gov/pdf_docs/PDACT609.pdf (ongoing)

RAMP-UP North, West, and East, DAI, 2010-2014:

http://afghanistan.usaid.gov/en/USAID/Activity/183/Regional_Afghan_Municipalities_Program_for_Urban_Populations_RAMP_UP (ongoing)

²⁷ Kazakhstan Judicial Assistance Project, Chemonics, 2005-2009:

<http://www.chemonics.com/OurWork/OurProjects/Documents/Kazakhstan%20Justice.pdf>

Kazakhstan Judicial Education Project, Chemonics, 2009-2011:

<http://www.chemonics.com/OurWork/OurProjects/Documents/Kazakhstan%20Justice.pdf> and

http://pdf.usaid.gov/pdf_docs/PDACU795.pdf (final report unavailable)

available for this work, the MCC has indicated that another South and Central Asian country, **Nepal**, is eligible for consideration of the Country Threshold program in 2013.²⁸

In **Afghanistan**, the USAID Rule of Law Stabilization Program was divided out to focus separately on the formal and informal sectors. While the formal component, implemented by Tetra Tech ARD,²⁹ focused primarily on the justice sector and civil society, the informal component, implemented by Checchi Consulting,³⁰ focused on traditional dispute resolution, particularly with women and elders. Both programs were found to have achieved marked success, particularly in providing formal legal training and conflict resolution methodology. These programs complemented each other to more fully encompass the entire justice system, formal and informal structures, and serve as a model for lessons learned for countries with a similar traditional justice model.

Economic Growth and Trade (EG)

Economic Growth and Trade programs with an indirect focus on anti-corruption generally focused on providing equal access and economic opportunity and improving the business-enabling environment throughout this region. As such, gender was an important component of EG programming. While PROGATI in Bangladesh³¹ focused directly on training women entrepreneurs in methods to avoid corruption, most programs focused on empowering women by providing them with a trade or a network.

Various projects in **Afghanistan** (Trade and Accession Facilitation for **Afghanistan**,³² Economic Growth and Governance Initiative,³³ **Afghanistan** Economic Growth and Private Sector Strengthening Project³⁴) have embraced not only job-training but also the crucial intersection between legislative and fiscal policy and the business-enabling environment. However, outside of **Afghanistan** such a business policy component is rarely a key priority in large economic growth projects, and this work generally falls to local CSOs.³⁵ The Center for International Private Enterprise, a US NGO that typically receives its funding from USAID or the National Endowment for Democracy (NED), operates numerous programs in South and Central Asia to support these local NGOs with efforts to improve federal policies for business.

The Center for International Private Enterprise (CIPE)'s mission is focused on opening markets and creating civil society oversight on policy affecting businesses, thus also often providing indirect anti-

²⁸ See press release from December 2012: <http://www.mcc.gov/pages/press/release/release-12192012-boardmeeting>

²⁹ Afghanistan Rule of Law Stabilization Program - Formal Component (RLS-Formal), Tetra Tech ARD, TT, 2010-2012: http://pdf.usaid.gov/pdf_docs/PDACU496.pdf

³⁰ Afghanistan Rule of Law Stabilization Project (AROLP) -- informal component (RLS-I), Checchi Consulting, TT, 2011-2012: Final Report: <https://dec.usaid.gov/dec/content/Detail.aspx?ctID=ODVhZjk4NWQtM2YyMi00YjRmLTkxNjktZTcxMjM2NDYyMjUy&rID=MzI4NDQ4> and Impact Evaluation: http://pdf.usaid.gov/pdf_docs/PDACW029.pdf

³¹ See footnote 7.

³² Trade and Accession Facilitation for Afghanistan, Chemonics, 2009-2013: Mid-Term Evaluation: http://pdf.usaid.gov/pdf_docs/PDACU292.pdf (ongoing)

³³ Afghanistan Economic Growth and Governance Initiative, Deloitte, TT, 2009-2014: Mid-Term Assessment: http://pdf.usaid.gov/pdf_docs/PDACU495.pdf (ongoing)

³⁴ Afghanistan Economic Growth and Private Sector Strengthening Project, Deloitte, 2005-2009: http://pdf.usaid.gov/pdf_docs/PDACS874.pdf

³⁵ One non-Afghanistan project was found that included this policy support: Kazakhstan, Kyrgyzstan, Tajikistan Business Environment Improvement (BEI), Pragma Corporation, TT, 2006-2011: http://pdf.usaid.gov/pdf_docs/PDACW265.pdf

corruption programming in the sector of economic growth. Throughout Central Asia, CIPE programs have worked to create networks of businesspeople to petition government for more effective open market policies. Furthermore, in **Kazakhstan**, CIPE worked with a shantytown settlement outside of Almaty to work to reduce informal business markets and strengthen property rights.³⁶ Localized programs such as this can provide valuable keys to unlocking the stranglehold of corruption from the bottom-up, rather than a top-down approach that is typically employed by DG programs. In **Afghanistan** and **Pakistan**, CIPE has worked on access to information, business advocacy, and economic reform. In South Asia, CIPE has generally focused their economic advocacy on work with women and youth, particularly in **Bangladesh** and **Nepal**,³⁷ encouraging professional networks for women and entrepreneurs. In **Bangladesh**, CIPE supports the **Bangladesh** Women Chamber of Commerce and Industry (BWCCI), a network of women entrepreneurs; through advocacy to the Central Bank, CIPE and BWCCI achieved \$30 million allocated as low-interest loans that do not require collateral specifically for women entrepreneurs. In **Nepal**, graduates from the CIPE-sponsored youth entrepreneurship camp Arthalaya launched Entrepreneurship Clubs at universities across the country, hosting dozens of events for students each year.

Agriculture, Education, and Local Services

Anti-corruption work in other sectors has generally been cross-cutting but limited. Anti-corruption education has typically been tied to economic growth projects, and most education and agriculture programs in South and Central Asia are only very distantly and indirectly contributing to decreasing corruption. In **Afghanistan**, this programming increases the literacy, civic knowledge, and financial skills of micro-entrepreneurs, and the Alternative Development Project³⁸ provides agricultural training and infrastructure support to provide alternatives to poppy cultivation and the narcotics market.

Work with local services may provide the most effective opening toward indirect anti-corruption programming in this sector. The District Delivery Program³⁹ in **Afghanistan** is an example of fulfilling a basic public need - providing basic public services - and thus increasing the credibility of the government. Programs such as the DDP can serve a crucial role in cultivating trust in formal sectors, yet this will require programs of a longer duration. The majority of the local services projects were tied together with local governance/decentralization projects.

Outside of **Afghanistan**, anti-corruption interventions in the sectors of agriculture, education, and local services have been largely neglected in this region. However, the corruption in these sectors is often the type of petty corruption that most citizens might encounter on an everyday basis – for example, paying a fee to access health care or another public service or needing to bribe an education administrator to take a class. Anti-corruption programming in this sector should be further explored and expanded to target other countries in South and Central Asia.

³⁶ See CIPE's website for more details on this ongoing project: http://www.cipe.org/sites/default/files/publication-docs/flyerEurasia_061611.pdf

³⁷ For more details on ongoing work throughout South Asia, see CIPE's website: <http://www.cipe.org/publications/detail/programs-south-asia>

³⁸ Afghanistan Alternative Development Project South, Chemonics, 2005-2009: http://pdf.usaid.gov/pdf_docs/PDACS236.pdf

Afghanistan Alternative Development Project Southwest, Tetra Tech ARD, 2008-2011: http://www.tetrattechintdev.com/index.php?option=com_k2&view=item&id=560

³⁹ Afghanistan District Delivery Program, Independent Directorate of Local Governance, 2010-2013: http://pdf.usaid.gov/pdf_docs/PDACT900.pdf

Conclusion

In summation, direct and explicit anti-corruption programming is relatively rare in South and Central Asia. Though numerous programs across sectors exist which serve to improve upon the environment and decrease the likelihood of corruption, it is crucial to address corruption not only as a periphery goal but as a direct target in programming. As most implementing partners did not consider their project to be oriented toward addressing corruption, the reduction in corrupt activities was not a focus of the work nor measured as a result. QED recommends that anti-corruption activities be further mainstreamed into all sectors, particularly those such as education and health care, and to address anti-corruption more directly within these cross-cutting programs, including developing clear measurements from the program onset. Furthermore, we recommend that reducing corruption be highlighted as an objective within large democracy and governance and economic growth programs, particularly those that already encourage transparency, accountability, and equitable access, in order to encourage implementing partners to build an underlying anti-corruption focus into their work.

The effectiveness of broad interventions, addressing the full environment of corruption, versus targeted interventions (such as explicit work only with women entrepreneurs of an Anti-Corruption Commission) varies by country, but countries should be considered for both types of programs in order to address specific areas of concern and also the overall environment affected by and contributing to corruption. While the situation in some countries will not be conducive to direct, broad, and explicit anti-corruption programming, mainstreaming anti-corruption awareness, training, and prevention across all sectors will help to further the goal of reducing corruption to create more accountable and transparent governments and markets.

ANNEX I: REPORTS EXAMINED

- **Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, Uzbekistan**, Gender assessment, USAID/Central Asian Republics (2009): http://pdf.usaid.gov/pdf_docs/PNADS880.pdf
- **Afghanistan**, Political Party Assessment (2012): http://pdf.usaid.gov/pdf_docs/PNADZ833.pdf
- **Afghanistan**, Performance Evaluation of Support to Sub-National Governance Structures (SNG) (2013):
<https://dec.usaid.gov/dec/content/Detail.aspx?ctID=ODVhZjk4NWQtM2YyMi00YjRmLTkxNjktZTcxMjM2NDBmY2Uy&rID=MzMyMjUw>
- **Afghanistan**, Assessment of Corruption in Afghanistan (2009):
http://pdf.usaid.gov/pdf_docs/PNADO248.pdf
- **Afghanistan**, Assessment of political party programming by USAID in the Islamic Republic of Afghanistan (2008): http://pdf.usaid.gov/pdf_docs/PDACM817.pdf
- **Afghanistan**, Municipal governance strategic framework for municipalities in the Islamic Republic of Afghanistan (2008): http://pdf.usaid.gov/pdf_docs/PNADO251.pdf
- **Afghanistan**, Afghanistan Parliamentary Assistance Program Evaluation (2012):
http://pdf.usaid.gov/pdf_docs/PDACU416.pdf

ANNEX II: PROGRAMS BY SECTOR AND COUNTRY

Chart 2	Studies	Direct / Primary Anti-Corruption	Rule of Law	Local Government / Decentralization	Civil Society	Economic Growth	Education	Food Security / Agriculture	Environment / Natural Resources	Peace Building / Conflict	Public Financial Management	Disaster Recovery	Elections	Media
Afghanistan	6	1	5	10	2	4	1	3		1	2		3	1
Bangladesh		2	4	1	4	1							2	1
Bhutan					1									1
India					1								1	
Kyrgyzstan	1	2	9	2	3	3				2			3	1
Kazakhstan	1		11	1	2	3							2	2
Maldives					1					1	1		1	
Nepal		2	5	1		1				2			3	
Pakistan		2	4			2				1			2	
Sri Lanka		1	3	1	2					2		1	3	
Tajikistan	1		8		1	1							1	
Turkmenistan	1		8		1	1								1
Uzbekistan	1		2		2								1	1

Note: Multi-sectoral and multi-country programs are counted multiple times for each country or sector which the program significantly supported.

ANNEX III: MEASUREMENTS OF CORRUPTION IN SOUTH AND CENTRAL ASIA

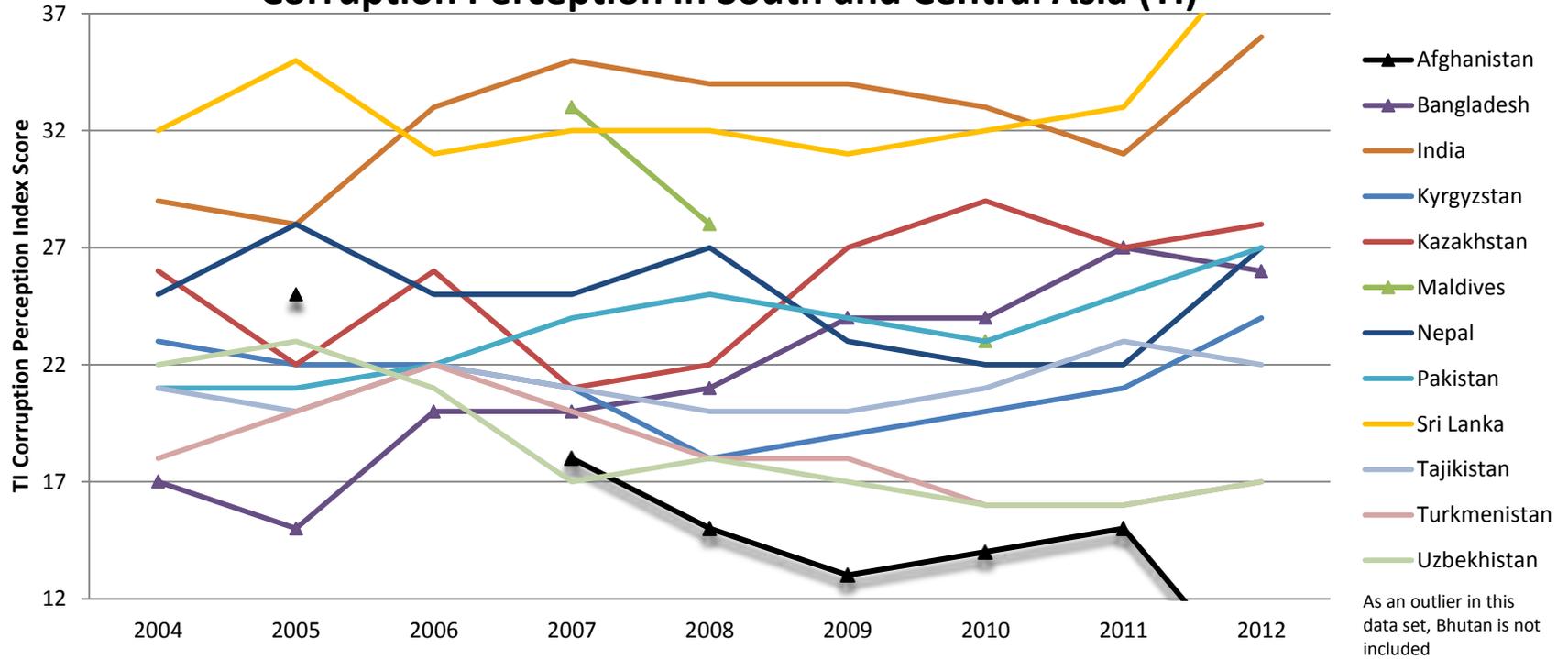
1. Transparency International's Corruption Perception Index (Source: <http://www.transparency.org/research/cpi/overview>) and graph visualization
2. World Bank Control of Corruption (Source: <http://info.worldbank.org/governance/wgi/index.asp>)
3. World Bank Ease of Doing Business (Source: <http://www.doingbusiness.org/reports/global-reports>)

Country	No. of examined US-sponsored A/C projects 2007-2013		TI Corruption Perception Index										Difference 2004-12
	All USG	USAID only	2004	2005	2006	2007	2008	2009	2010	2011	2012		
			Afghanistan	31	25		25		18	15	13	14	
Bangladesh	14	3	17	15	20	20	21	24	24	27	26	9	
Bhutan	1	0			60	50	52	50	57	57	63	3	
India	2	0	29	28	33	35	34	34	33	31	36	7	
Kyrgyzstan	23	7	23	22	22	21	18	19	20	21	24	1	
Kazakhstan	18	5	26	22	26	21	22	27	29	27	28	2	
Maldives	3	1				33	28		23			-10	
Nepal	12	4	25	28	25	25	27	23	22	22	27	2	
Pakistan	12	6	21	21	22	24	25	24	23	25	27	6	
Sri Lanka	7	3	32	35	31	32	32	31	32	33	40	8	
Tajikistan	10	1	21	20	22	21	20	20	21	23	22	1	
Turkmenistan	11	1	18	20	22	20	18	18	16	16	17	-1	
Uzbekistan	3	0	22	23	21	17	18	17	16	16	17	-5	

Blank spaces indicate that data was not gathered from that country for that particular year.



Corruption Perception in South and Central Asia (TI)



Country	WB Control of Corruption Index								
	2004	2005	2006	2007	2008	2009	2010	2011	Difference 2004-11
Afghanistan	-1.38	-1.46	-1.44	-1.59	-1.64	-1.52	-1.63	-1.55	-0.17
Bangladesh	-1.49	-1.41	-1.42	-1.05	-1.01	-1.00	-1.00	-1.00	0.49
Bhutan	0.62	0.75	0.66	0.74	0.77	0.82	0.83	0.74	0.13
India	-0.41	-0.39	-0.30	-0.42	-0.37	-0.50	-0.52	-0.56	-0.15
Kyrgyzstan	-1.10	-1.00	-0.90	-0.91	-0.90	-0.91	-1.00	-1.01	0.08
Kazakhstan	-1.03	-1.17	-1.26	-1.24	-1.12	-1.24	-1.11	-1.13	-0.10
Maldives	-0.17	-0.30	-0.53	-0.83	-0.87	-0.69	-0.63	-0.63	-0.45
Nepal	-0.81	-0.63	-0.63	-0.71	-0.72	-0.67	-0.69	-0.77	0.04
Pakistan	-1.06	-1.05	-0.76	-0.73	-0.81	-1.09	-1.11	-1.00	0.06
Sri Lanka	-0.14	-0.37	-0.18	-0.10	-0.19	-0.40	-0.45	-0.42	-0.28
Tajikistan	-1.20	-1.09	-0.92	-0.91	-1.07	-1.14	-1.20	-1.13	0.07
Turkmenistan	-1.38	-1.43	-1.49	-1.47	-1.41	-1.48	-1.45	-1.46	-0.08
Uzbekistan	-1.07	-1.18	-0.89	-0.92	-0.96	-1.25	-1.27	-1.34	-0.27

Control of corruption captures perceptions of the extent to which public power is exercised for private gain, including both petty and grand forms of corruption, as well as "capture" of the state by elites and private interests.

Country	WB Ease of Doing Business: Overall Rank								WB Doing Business: Number of Reforms				
	2007	2008	2009	2010	2011	2012	2013	Regional Rank*	2010	2011	2012	2013	Sum of Reforms 2010-13
Afghanistan	162	159	162	160	167	160	168	12	3	0	1	0	4
Bangladesh	88	107	110	119	107	122	129	6	3	2	0	1	6
Bhutan	138	119	124	126	142	142	148	9	1	1	2	0	4
India	134	120	122	133	134	132	132	8	1	2	1	1	5
Kyrgyzstan	90	94	68	41	44	70	70	2	7	1	0	0	8
Kazakhstan	63	71	70	63	59	47	49	1	3	4	1	3	11
Maldives	53	60	69	87	85	79	95	3	0	1	0	0	1
Nepal	100	111	121	123	116	107	108	7	1	0	1	0	2
Pakistan	74	76	77	85	83	105	107	4	1	1	0	0	2
Sri Lanka	89	101	102	105	102	89	81	5	1	0	2	4	7
Tajikistan	133	153	159	152	139	147	141	10	5	3	1	1	10
Turkmenistan	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Uzbekistan	147	138	138	150	150	166	154	11	2	0	1	4	7

*Regional rank calculated by taking the sum of each country's rankings 2007-2013 (in comparison to its neighbors) and ranking the summed rank from lowest (#1) to highest

8. Anti-Corruption and Cross-Sectoral Program Mapping - Part II: Gender and Corruption



USAID
FROM THE AMERICAN PEOPLE

ANTI-CORRUPTION AND CROSS- SECTORAL PROGRAM MAPPING

PART II: GENDER AND CORRUPTION

August 2013

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REEXAMINING CORRUPTION

A GENDER PERSPECTIVE

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ACRONYMS

ABA ROLI	American Bar Association Rule of Law Initiative
AC	Anticorruption
CIPE	Center for International Private Enterprise
CSOs	Civil Society Organizations
DAI	Development Alternatives Inc.
DG	Democracy and Governance
DOS	US Department of State
DRG	USAID's Center of Excellence on Democracy, Human Rights, and Governance
GBV	Gender-Based Violence
INL	US Department of State's Bureau of International Narcotics and Law Enforcement
IP	Implementing Partner
IRI	International Republican Institute
MDGs	Millennium Development Goals
NDI	National Democratic Institute
ROL	Rule of Law
TI	Transparency International
TIP	Trafficking in Persons
UNDP	United Nations Development Programme
UNIFEM	United Nations Development Fund for Women
USAID	United States Agency for International Development

EXECUTIVE SUMMARY

Background. Women, representing approximately one-half of the population in most countries, are dynamic and innovative leaders in community development, yet barriers from various forms of corruption continue to hinder their full empowerment. Tasked by USAID with examining the intersection between gender and corruption, our team examined 20 USAID-funded anticorruption programs (from 2007 to present) that included key issues related to gender.¹ Our main objective was documenting lessons learned and best practices in program design and implementation to aid future gender and corruption interventions. Initially a geographic study of corruption programs in South and Central Asia (Part I), our study widened to a global review of gender and corruption as the project's second phase.

Case study methodology. Our review revealed that in virtually all cases, only tenuous programming links exist, at best, between issues related to both gender and corruption. In general, about half of the programs examined focused on women's political participation. Two related to sectoral reform, i.e., health and education, had a clear focus on gender issues but none had a clear and explicit tie to corruption issues. Most of the other programs examined related to economic issues, with only one program identified that explicitly addressed gender and corruption.

After fairly extensive regional and global research, including interviews with other USAID contractors and corruption and gender specialists with considerable USAID experience, we concluded there were very few existing programs that attempted to explicitly integrate corruption and gender issues.² Given this reality, our team decided the most useful approach would be to highlight those programs that attempted to even indirectly link-up the issues and to flag research gaps and key issues that require further research and program consideration.

Hopefully some of the highlighted programs will lead to further research and related pilot programs in the future, toward the development of model programs and best practices to help push this important reform agenda forward.

Key research conclusions. Empirical and applied research in this important area is still embryonic and beyond the scope of this paper, but case studies in some regions, including South Asia, as well as global studies, have identified and resolved at least one key issue that makes more integrated programming in

¹ See Chart 1 (page 6) for the identified programs by sector and by country; see Annex I for the process of program identification and methodology.

² Our conclusions are based on our ability to readily access programming details on the DEC, USAID websites, and other public resources. Programs were identified and provide to us by other contractors, USAID, and through experienced anti-corruption and gender specialists. Many other programs may exist; however, we would surmise that most are smaller civil society oriented programs that are not readily identifiable or accessible.

More information on other anticorruption programs of note from specific sectors can be found in the following reports:

- Business environment issues and e-technologies (MSI, 2013)
- Service Delivery (DAI, 2013)
- Natural Resources and Land Tenure (Tetra Tech/ARD, 2013)
- Health (Chemonics, 2013)
- Crime and Youth (Casals, 2013)

this area more important than ever: Corruption, broadly defined, disproportionately impacts women in various ways as well as the overall economic and political development of a country.³

Women make up a larger percentage of the world's poor and are thus often more vulnerable to the impact of corruption than men.⁴ Often the primary family caregiver, impoverished women are reliant on the availability of public services for themselves and their families, including water, electricity, sanitation, health, and education. Women in many countries also earn less than their male counterparts and lose a larger percentage of their income in everyday bribes that must be paid for basic public services or credit.⁵

Based on the dearth of research and programming that exists in this area, we offer some ideas for future research and programming:

1. **Support more training programs** that link-up corruption and gender issues that mandate proportionate numbers of qualified female participants in key sectors and institutions.
2. **Support more research**, lessons learned, and best practices reports that link-up corruption and gender issues, including a more comprehensive review and analysis of existing USAID and donor programs. Support academic and applied research on the direct and indirect links between corruption, governance, and gender issues, including defining specific indicators and toolkits to provide a gender and corruption focus. Special attention should be given to civil society programs at the local and national levels. To that end:
 - **Gather more sex disaggregated data.** Collect reliable data disaggregated by sex, including explicit study of women's experiences in all anti-corruption research and disaggregating this information by country/region and programs
 - **Develop impact indicators and accessible toolkits** for policymakers, practitioners, implementers, and users. Develop comprehensive toolkits and consistent anticorruption indicators and progress measurements for purposes of designing, implementing, monitoring, reporting, and evaluating programs
 - **Expand research to establish causalities.** Misunderstood causality can lead to misdirected program design; as such, continue to fund research to deepen the understanding of the linkages between gender and corruption
3. **Support an expansive view of the forms of corruption.** Sexual exploitation, absenteeism, and other non-financial corrupt acts must be included in the broader perception of corruption. More programming must be designed with a focus on and understanding of the varied forms of corruption faced by disenfranchised populations in order to work to address this need.
4. **Support more anticorruption programming across sectors.** Focus on piloting programs in key sectors and institutions that link-up corruption and gender issues in both the governmental and non-governmental spheres.⁶

³ For example, see UNIFEM. "Who Answers to Women? Gender and Accountability". Progress of the World's Women (2008).

⁴ UNIFEM (2008).

⁵ Chetwynd, Eric, Frances Chetwynd, Bertram Spector. "Corruption and Poverty: A Review of Recent Literature". USAID (2003).

⁶ For example, case studies in Mexico and Peru have demonstrated marked success in integrating women into the police force to reduce corruption. The PROGATI program in Bangladesh implemented a direct anticorruption training for women

REEXAMINING CORRUPTION

A GENDER PERSPECTIVE

Gender and Corruption. Gender remains a relatively unexplored and overlooked aspect of anticorruption programming. While USAID and the US Government have worked ardently to mainstream a gender focus into many development programs, our summary global review of USAID and USG donor programming reveals that gender anticorruption programming remains in a nascent phase. Lessons learned and best practices from specific USAID women’s anticorruption programs are limited because direct programming is limited, yet emerging research and case studies provide windows into women’s and men’s different experiences with corruption and regional differences.

Key objective and scope. Funded by USAID’s Center of Excellence on Democracy, Human Rights, and Governance (DRG), our team was tasked with examining the intersection between gender and corruption in USAID’s programming with the main objective of documenting lessons learned and best practices. Initially tasked with a geographic study of corruption programs in South and Central Asia (Part I), our study widened to a global review of gender and corruption as the project’s second phase. Anticorruption programs were examined geographically by six different teams, and these separate teams identified programs with a gender and corruption focus in Afghanistan, Bangladesh, Indonesia, the Philippines, East Timor, and Mongolia. Our team widened this study to also examine USG gender activities, gender assessments, and non-USG gender and corruption projects in Cambodia, India, Kyrgyzstan, Pakistan, Mexico, Peru, South Sudan, and Yemen.

Examining programs from 2007 to present, our survey of programming models revealed only a few programs that attempted to directly integrate these important often related issues. However, our survey also revealed there are examples of some programs that either indirectly address or demonstrate the potential of gendered anticorruption programming activities. We have done our best to capture some of these programs but realize that more may exist, particularly those oriented toward civil society, that we could not readily access within the limited timeframe and scope of this report.⁷ One of our hopes is that this report will result in others sharing their programming experiences and ideas in this important emerging field of study and practice.

Indeed, USAID’s Anticorruption Strategy (2005) acknowledges that “not enough is known about the differential impact of corruption on women and men, nor are the ways in which women cope with or attempt to reduce it well understood”. Eight years later, the research and programming tools appear to remain quite limited by all donors. As such, our report is necessarily geared towards sharing examples of

entrepreneurs and significant sustainable support to a network of women entrepreneurs. Building upon the research of this report, more studies should be funded to examine the linkages explored in such program cases and many others in order to build more effective programming that addresses the unique intersection of gender and corruption.

⁷ For further explanation of the methodology employed for this research, see Annex I.

USAID, USG, and non-USG anticorruption interventions with the goal of understanding how these examples may help guide future USAID anticorruption and gender programs.

Cross-cutting issue. Gender concerns in anticorruption programs cut across many sectors. Yet past anticorruption initiatives appear to have generally focused mainly on a few areas or sectors, such as economic development, the environment, natural resources and more recently health. While a number of programs can be found in these areas, relatively few programs have included a comprehensive approach on the experience of women and corruption and good governance. In the programs that we examined, sex disaggregated corruption data has often historically not been collected or publicly shared. More recent programs tracked the number of women participants or survey respondents, but generally we found virtually no consistent indicators across programs to conclusively measure an aspect of gender and corruption.

Corruption and Gender Definition. We employ USAID’s broad definition of corruption, the “abuse of entrusted authority for private gain,”⁸ to encompass both public and private sectors; corruption that focuses on financial gains (particularly through bribes and embezzlement); and types of corruption that are more likely to affect women, such as sexual extortion or denial or obstruction of services because of gender.

Historically researchers and development practitioners have concentrated on examining corruption directly in commerce and politics,⁹ realms to which women may be excluded due to societal and gender norms. We found many examples of USAID programs addressing this exclusion and women’s lack of access – especially women’s political participation and economic empowerment programs – but few programs went further to directly provide anticorruption training as part of these ventures. In our search for

anticorruption programming in this aspect of the USAID study, we found no examples of USAID programs that integrated gender concerns into water, sanitation, or infrastructure projects. Law enforcement interventions—most notably through ABA ROLI and INL-funded projects—addressed the unequal access to justice and the challenges of gender-based violence and human trafficking, but we

Box 1: Key Resource Publications on Gender and Corruption Issues and Programming

- [Corruption, Accountability and Gender: Understanding the Connections](#), UNIFEM and UNDP, Primers in Gender and Democratic Governance (2010)
- [State of Research on Gender and Corruption](#), U4 Expert Answers (2009)
- [Gender and Corruption: Understanding and Undoing the Linkages](#), Transparency International working paper (2008)

Human Trafficking: [Corruption and Human Trafficking](#), Transparency International, Transparency International working paper (2011)

Service Delivery: [Corruption and Gender in Service Delivery: The Unequal Impacts](#), Transparency International working paper (2010)

Humanitarian Assistance: [Gender and Corruption in Humanitarian Assistance](#), U4 Expert Answers (2009)

Health: [Gender, Corruption, and Health](#), U4 Expert Answers (2009)

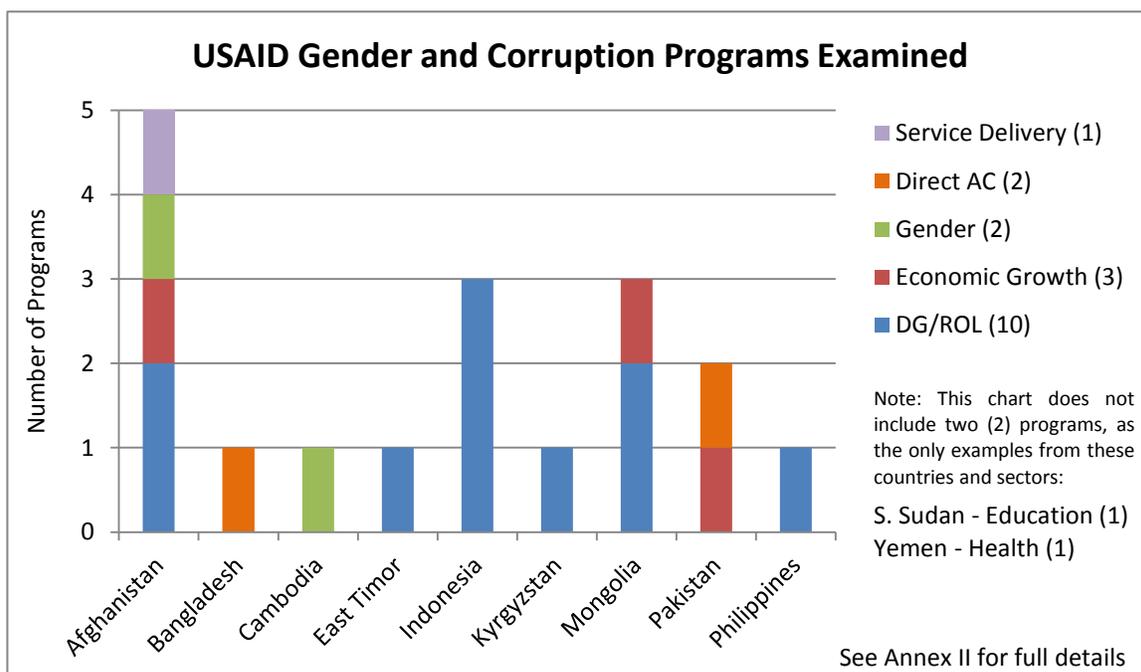
Education: [Corruption in the Education Sector: Common Forms of Corruption](#), U4

⁸ USAID Anticorruption Strategy. USAID (2005). <http://transition.usaid.gov/policy/ads/200/200mbo.pdf>

⁹ See discussion offered by Samini, Ahmad Jafari and Haniyeh Hosseinmardi. “Gender and Corruption: Evidence from Selected Developing Countries”. Middle East Journal of Scientific Research (2011).

found no USG-funded programs worked to integrate women and women’s voices into the justice system itself.¹⁰

Overall, we examined 20 USAID programs with a focus on transparency, accountability, or equitable access and a gender component. In general, we found them to be focused on a specific narrow aspect of gender and corruption – such as women’s political participation or access to justice. Very few programs explicitly identified their work as addressing corruption, and thus very few explicitly linked gender concerns with anticorruption interventions. Ten (10) of these programs were Rule of Law or other Democracy and Governance initiatives with an activity addressing women’s political participation. Three (3) programs included activities for women’s economic empowerment. Of the two (2) direct anticorruption (AC) interventions, only one (1) had an explicit and direct focus on women.¹¹



Disproportionate impact. In addition to facing barriers from corruption in government and business procedures, there is general agreement that women are typically disproportionately more affected than men in gaining access to public services, information, and government institutions. As such, women ironically may not experience the same degree of corruption in business and politics simply because they may not have the same degree of access to participate in government and business activities. The net result is they are exposed to fewer opportunities for corruption to occur altogether.

Services/Commerce/Justice/Governance. In an effort to align research and issues and to examine in more depth corruption with a gendered perspective, we examined areas where USAID has undertaken anticorruption and gender programming and the UNDP’s existing divisions of the areas where women

¹⁰ For further explanation, see Annex I: Methodology

¹¹ See PROGATI Bangladesh and the discussion of professional networks (box 6). While the Anticorruption Hotline project in Pakistan was a direct anticorruption intervention, it did not include any explicit incorporation of gender differences.

frequently encounter corruption.¹² We identify this as working toward a comprehensive approach by defining the areas where women or men may lack equitable access, and then training and empowering those who achieve access to work toward transparency and hold their government and private sectors accountable. Based on our findings, we have revised these divisions into the following sectors to explore women's experience with corruption in each:

- i) Access to basic services, including water, sanitation, infrastructure, health, and education
- ii) Access to commerce, credit, markets, and other forms of economic empowerment
- iii) Access to justice and protection by law enforcement
- iv) Access to and participation in policymaking and governance

We examine these four divisions in an effort to roughly reflect women's experiences with service delivery, commerce, the judiciary, and governance. They reflect an individual's most basic needs, her economic well-being, her legal rights and protection, and her ability to contribute to policymaking. While she relies on basic public services to survive, she needs to be able to access commerce, licensing, and financial services to climb out of poverty, and thus also needs a functioning and non-discriminatory law enforcement system that works for her rather than extorting her. Finally, she needs to be able to participate in governance in order to shape policy that is inclusive of her needs.

STATE OF RESEARCH

A summary review of key research in this area dating back to 1999 reveals that research is still in its nascent stage and that the answers to some key policy questions and impact issues are still under debate. While any serious analysis of the research in this emerging research area would require far more resources and time than allowed in this report, we have outlined in Box 2 some of the key studies for possible reference. Short descriptions of this research can be found in the Annotated Bibliography.

While there is general agreement on the importance of greater female participation in governance and gender equality as a key to improving the prosperity and equality of developing nations, the conclusions of Dollar and Swamy have sparked a decade-long debate over the causality of their findings. Are women by their nature less corrupt, or does the political/social system not present women with the same opportunities as men to be corrupt? When examining traditional petty corruption, Transparency International's annual Global Corruption Barometer does consistently reveal across the globe that women are less likely to pay or accept bribes than their male counterparts.¹³

¹² The original areas are defined as: i) Access to basic services, markets, and credit; ii) Engagement in electoral politics; iii) Violation of women's rights, including trafficking and sexual extortion; iv) Negligence and/or mismanagement, including absenteeism and corrupt oversight. United Nations Development Programme, "Seeing Beyond the State: Grassroots Women's Perspectives on Corruption and Anti-Corruption". UNDP (2012).

¹³ See TI's annual Global Corruption Barometer: <http://gcb.transparency.org/gcb201011/results/>

Furthermore, UNDP (2012) found that women’s perceptions of corruption vary regionally. UNDP polled women across the global South and found that women consistently defined bribery as the most universally type of corruption. However, women from South Asia highlighted sexual exploitation and physical abuse as particular types of corruption, whereas women in Africa and South America were less likely to draw this distinction.¹⁴ Their findings indicate that women’s particular understanding of corruption varies across the world, and South Asian women’s tendency for identifying sexual exploitation and abuse as aspects of corruption should be further explored to identify programming possibilities to better address this problem. Further research is also needed to understand why women in South America and Africa are significantly less likely than South Asian women to define sexual exploitation as an aspect of corruption.

Box 2: Selected Findings in Gender and Corruption Research

- **Women’s Parliamentary Participation:** [Dollar et. al. \(1999\)](#) found that the greater participation of women in parliament was correlated with decreased corruption in a country; the team concluded that women may have a tendency to be less corrupt than men and called for greater female participation in all aspects of governance. [Dollar, David, Raymond Fisman, and Roberta Gatti. *Are Women Really the “Fairer” Sex? Corruption and Women in Government*. The World Bank Development Research Group. (October 1999).]
- **Less Involved in Bribery:** [Swamy et. al. \(1999\)](#) examined the tolerance for corruption in case countries across the globe, concluding that while the tolerance for corruption varies, women were consistently less likely to be involved in bribery and less likely to condone bribe taking. They concluded that greater female participation in governance has extremely positive effects in reducing corruption and called for a renewed push for gender equality in governance. [Swamy, Anand, Steve Knack, Young Lee, and Omar Azfar. *Gender and Corruption*. (August 2000).]
- **Lack of Opportunity to Engage in Corruption:** [Goetz \(2003\)](#) refuted this image of women as “political cleaners”, arguing that women are not engaged in all-male networks in which corruption may be most prevalent and thus are given fewer opportunities to engage in corruption. Goetz argues that women’s participation cannot be evaluated assumed to be a cure-all solution for poor governance, despite misconceptions that women are inherently less corrupt than men. [Goetz, Anne Marie. “Political Cleaners: How Women are the New Anti-Corruption Force. Does the Evidence Wash?” University of Sussex (2003).]
- **Culturally-based Attitude toward Corruption:** [Alatas \(2006\)](#) found that the variations in an individual’s attitudes towards corruption were more drastically different between women in different countries than between men in different countries or women and men in the same country. They concluded that women’s attitude toward corruption may be based more on culture than on gender. [Alatas, Vivi, Lisa Cameron, Anaish Chaudhuri, Nisvan Erkal, and Lata Gangadharan. *Gender and Corruption: Insights from Experimental Analysis*. University of Melbourne Department of Economics. (October 2006).]
- **Social Penalties:** [Esarey \(2012\)](#) demonstrated due to gender stereotypes, women typically face harsher social penalties beyond legal punishments if found to be corrupt. Case studies in India and Ghana revealed no difference in women and men’s perceptions of corruption and even found women in Ghana to be more inclined toward nepotism and family favoritism due to their role as the traditional caregiver. [Esarey, Justin, and Gina Chirolo. “Fairer Sex” or Purity Myth? *Corruption, Gender, and Institutional Context*. (May 2013).]
- **Risk Aversion Rather than Incorruptibility:** [Schulze and Frank \(2003\)](#) and [Armantier and Boly \(2008\)](#) both assessed participant’s willingness to accept bribes and found that women are significantly less likely than men to accept bribes if there is a risk of oversight and punishment, but equally as likely as men to accept risk-free bribes. They concluded that women’s corrupt or incorrupt actions may be dependent on the expectations of penalties. [Schulze, G.G. and B. Frank. “Deterrence versus intrinsic motivation: Experimental evidence on the determinants of corruptibility”. *Economics of Governance* 4. (2003), 143-160. Armantier, O. and A. Boly. “Can Corruption be Studied in the Lab?: Comparing a Field and a Lab Experience”. (2008).]

¹⁴ United Nations Development Programme, “Seeing Beyond the State: Grassroots Women’s Perspectives on Corruption and Anti-Corruption”. UNDP (October 2012). <http://www.undp.org/content/dam/undp/library/Democratic%20Governance/Anti-corruption/Grassroots%20women%20and%20anti-corruption.pdf>

In summary, more research on some of the key issues identified in Box 2 above and in the research papers cited will help promote more programming. Indeed, perhaps the programming gap in this area is explained in-part from the fact that more academic and applied impact-oriented research on key issues is sorely needed.

MAJOR ACTIVITIES AND AREAS FOR ENGAGEMENT

Though gender equality and women's empowerment are common themes in governance programming, minimal US Government-funded programming exists that directly addresses gender and corruption together. In the discussion that follows, we highlight the common themes and challenges women and men face. We also highlight successes, failures, neutral results, key impediments, program impact, and lessons learned.

I. Access to basic services, including water, sanitation, infrastructure, health, and education

Water, Sanitation, and Infrastructure

Globally, women rely on these free public services more than men. The World Bank's *Engendering Development* guide (2001) demonstrates that among all groups, gender disparities in education and health are greatest among the poor.¹⁵ UNDP (2012) surveyed women around the globe and found that 76% felt that corruption had prevented their access to public goods and services.¹⁶ Poor men and women are reliant on free public services and suffer when these services are denied or abused by select groups.

Like their male counterparts, poor women's experience with corruption in service delivery may include needing to pay a bribe to access free public services such as clean water and sanitation and access to schools, health facilities, or employment due to non-existent or faulty roads or other means of transportation. We examined the Kabul City Initiative (KCI), a service delivery project in Afghanistan that provided training to the Kabul Municipality in Water and Sanitation services, including trainings of women civil servants. However, this project's activities focused on the policy perspective of financial and regulatory reform rather than addressing the experience of women and men who are reliant on the public services. Indirectly, such reforms may benefit women in lessening corrupt practices in contracting for services and providing better-constructed infrastructure for safe mobility, but the program's

¹⁵ World Bank Policy Research Report. *Engendering Development: Through Gender Equality in Rights, Resources, and Voice*. (January 2001).

¹⁶ Note that we could not identify a similar figure for men's perception of restricted access; this survey was administered to 392 females. United Nations Development Programme, "Seeing Beyond the State: Grassroots Women's Perspectives on Corruption and Anti-Corruption". UNDP (2012).

objectives centered on policy changes and capacity building. Our review of programs did not uncover any USAID anticorruption or gender programs that included any direct service delivery improvements for women, nor any service delivery projects that included an explicit gender and corruption component.¹⁷

*Gender, Corruption, and Health*¹⁸

Despite their greater reliance on health care particularly for reproductive and gynecological health services, poor women and men are frequently denied access to affordable health services. Such corruption may take the form of grand corruption, with resources diverted from the national level, but often women directly suffer from petty corruption, as they are forced to pay bribes or exorbitant fees to access a physician, conduct a basic procedure, or obtain medicine for care. If a family cannot pay the bribe to access services, they may be denied altogether or asked for payment in another form.

Box 3: Programming Potential – Corrupt Employment and Training Practices

USAID's **Yemen Basic Health Services** project (2006-2010)¹ included a focus on providing comprehensive training to midwives as well as organizing women's groups to increase public awareness of and advocate for women's rights. USAID worked to monitor the staffing of health facilities, noting the widespread practice of ghost workers and the actual shortage of specialists and generalists alike. Through independent monitoring of the midwives they trained, USAID was able to reduce this practice among midwives and train 344 new midwives in three years (2007-2010). This life-saving work improves women's access to basic services, which were previously restricted by corrupt systems that may have prevented access due to a lack of actual individuals with legitimate health qualifications.

See March 2011 Final Evaluation of the **Yemen Basic Health Services** project: http://pdf.usaid.gov/pdf_docs/PDACW754.pdf

While USAID has done significant work in health systems strengthening and healthcare access, there appears to be very little programming related to addressing corruption and gender issues related to public health services. In the health sector, new mothers are often reliant on untrained birth attendants in countries where comprehensive obstetric care is limited to a few existing hospitals and primary health care centers. USAID has worked to counter high maternal and infant mortality rates by providing training to midwives, who may have had little or no formal training in medical care, and also by working against corrupt practices in the health sector, including ghost workers and inadequate care. Given the many challenges posed in health delivery and following our research methodology (see Annex 1), we were able to identify only one project that included an activity linking one aspect of health, gender, and corruption: The **Yemen Basic Health Services** project, addressing absenteeism (see Box 3).

¹⁷ Per correspondence with partner DAI, author of *Corruption and Service Delivery* report. See the methodology in Annex I for further explanation of these divisions and the programs considered. For more information on this topic, we recommend reading this project's partner report on *Corruption and Service Delivery* (DAI 2013).

¹⁸ For a further study of health and corruption issues encountered by women and men, we recommend reading this project's partner report on *Corruption and Health* (Chemonics 2013).

Gender, Corruption, and Education

In the education sector, women and men may be pushed to pay a bribe to access classes, attain a grade, earn a diploma, etc. With such informal fees, poor families cannot afford the cost of educating their children, and corrupt practices form a barrier that results in poor students, disproportionately girls, being removed from school. Furthermore, as an experience typically unique for female students, certain countries have noted disturbing trends in the use of sexual corruption in education (see Box 4). These acts of sexual corruption effectively bar women and girls from a safe and adequate education.

Box 4: Programming Potential: Sexual Corruption

As women and girls attempt to access this basic public service, they are further hindered by corruption in the form of sexual harassment and extortion from teachers and other school officials. A 2001 survey by U4 found that, of the female students interviewed in **Botswana**, 67% had experienced sexual harassment from their teachers and 10% had consented to sex for fear of reprisals.¹ Transparency International further notes that slang terms – “bush stipend” and “chalk allowance”, for example – exist across West Africa to connote teachers’ expectation of sexual compensation from female students.¹ These acts of sexual corruption effectively bar women and girls from a safe and adequate education.

U4. “Corruption in the Education Sector: Common Forms of Corruption”. U4 Expert Answers. (2006). Chene, Marie, Ben Clench, and Craig Fagan. “Corruption and Gender in Service Delivery: The Unequal Impacts”. Working Paper 02/2010. Transparency International (2010).

USAID has worked ardently to combat the education gap and provide schooling to women and girls, particularly in **Afghanistan**, with 37% of the students at these schools being girls.¹⁹ Such initiatives work to allow for equitable access to education to access sectors (e.g. commerce, politics) to which women were previously denied. However, in our review of programs, we found no education programs with a strong anticorruption and gender link. USAID **South Sudan**’s Gender Equity through Education (GEE) project worked with 5,300 beneficiaries over five years, but evaluators saw its successes to be short-lived due to the weak educational system in **South Sudan** and the lack of focus on sustainability. This program resulted in many effective lessons learned for gender and education work, including focusing on quality rather than quantity and addressing social practices around boyhood and masculinity; however, there was no explicit focus on addressing corruption or corrupt practices in the classroom.²⁰ From a programming perspective, an anticorruption focus need to be integrated across the board and considered in program design. In order to address the needs of students, practitioners must examine the barriers that prevent a student from accessing quality education, with particular attention paid to bribery, sexual corruption, and absenteeism. Further work is needed to explore implementing anticorruption classes or lessons into schools and universities as obligatory coursework. Anticorruption training should be readily available to students, teachers, and community members on methods for recognizing and countering corrupt activities inside and outside the classroom.

¹⁹ USAID/Afghanistan Strategy.

²⁰ South Sudan. Epstein, Andrew I. and Simon P. Opolot. *Gender Equity through Education (GEE): End of Project Performance Evaluation Report*. USAID. (2012). http://pdf.usaid.gov/pdf_docs/PDACU197.pdf

While traditional service delivery programs – focused on water, sanitation, infrastructure, and electricity – frequently work to allow greater access for all, particularly impoverished populations, they lack both a comprehensive anti-corruption approach and an understanding of how men and women access public services differently.

II. Access to commerce, credit, markets, and other forms of economic empowerment

Access to basic services ensures that women can lead a healthy life, and access to education allows her the opportunity to rise out of poverty. However, corruption in the form of limiting economic potential often exacerbates women’s disadvantages in this sector. As such, in the case of economic corruption, gender inequality is inherently tied to this issue.²¹

Entrepreneurship

In terms of the right to work and legal ability to start a business, married and unmarried women have different rights in many economies from each other as well as from men. The World Bank documented the legal gender differentiations across the world, and found that in the Middle East women had the fewest rights as compared to men, followed by South Asia and Sub-Saharan Africa. These findings were tied directly to lower participation in the labor force by women and fewer women-owned businesses; however, the causal relationships remain unclear.^{22 23}

Box 5: Resource Manuals for Women’s Economic Development:

The following are select resources and toolkits that have been developed by NGOs for women’s economic empowerment programs:

- [Breaking Barriers: Empowering Women in the Workforce](#) training manual (MENA), Freedom House (2011)
- [Beyond Individual Success Stories: Promoting Entrepreneurship through Institutional Reform](#) toolkit, CIPE (2010)
- [Reducing Economic Informality by Opening Access to Opportunity](#) toolkit, CIPE (2009)
- [Guide to Women’s Empowerment Programs](#), CIPE (2011)

Furthermore, while workers in all industries encounter corruption, entrepreneurs are especially vulnerable. In countries with major corruption, public officials see the vulnerability of new entrepreneurs who lack information about the proper processes and their legal rights, and may set up barriers in order to extract individual gain.

²¹ For a further study of business issues encountered by women and men, we recommend reading this project’s partner report on *Corruption, Business Issues, and E-Technologies* (MSI 2013).

²² For a full discussion, see: IFC and the World Bank. “Women, Business and the Law: Removing Barriers to Economic Inclusion.” (2012). <http://wbl.worldbank.org/~media/FDKM/WBL/Documents/Reports/2012/Women-Business-and-the-Law-2012.pdf>

²³ The World Bank’s Enterprise Surveys provides data on corruption, including the option for disaggregation by gender of the firm’s owner. However, in many countries with few women-owned SMEs, there were few if any female respondents: <http://www.enterprisesurveys.org/Data/ExploreTopics/corruption>

While unequal access is not inherently an act of corruption, the lack of access to loans or credit leaves women with completely obstructed access to the private sector. USAID has worked ardently to level these barriers in many countries.²⁴ With a renewed push toward women’s economic empowerment, many large economic growth programs have incorporated significant portions of work focused on women. In **Afghanistan**, USAID helped women-owned businesses receive a total of \$10.1 million in loans and established business associations to enable women to access the same benefits of networking as men would achieve through all-male networks.²⁵ The ongoing USAID Trade Project in **Pakistan** includes a Women in Trade management training and mentorship program, providing a monthly stipend and three-month training to select women trainees to enter the private sector of international trade.²⁶ In **Burkina Faso**, USAID assists women in establishing credit, opening the opportunities to savings, skills development, and increasing and diversifying their income to reduce their vulnerability to food insecurity.²⁷ Such programs and many others like them offer women the skills, credit, and capital they need to scale the barriers imposed by gender inequality and take the first steps into the private sector, thus helping to overcome corrupt practices against women.

Access to Professional Networks

In many countries, commerce is a male industry, with much of the commercial activity exchanged through all-male networks. Excluded due to social norms and discrimination, women are unable to access the mentorship, information-sharing, and business opportunities of such active male trade networks. As such, women who seek to enter business or other professional employment may lack the space to share

Box 6: Program Example - Explicitly Linking Gender and Corruption

The US Government provided substantial support to the **Bangladesh Women’s Chamber of Commerce (BWCC)**, an NGO of 4,000 women entrepreneurs, since 2007 through the Promoting Governance, Accountability, Transparency, and Integrity (PROGATI) project and the Center for International Private Enterprise (CIPE). PROGATI provided BWCC with training on business registration, licensing, and tax policies and international study tour to the International Anti-Corruption Conference (2008). BWCC and PROGATI incorporated these initiatives into a training of trainers (TOT) for 600 members, who would in turn train the full members of BWCC. The study tour also inspired BWCC members to create a citizen’s hotline for anonymous monitoring to report harassment or corruption when dealing with the government. Finally, PROGATI helped BWCC set up division-level working groups within the National Board of Revenue to help BWCC members on tax issues.¹ CIPE has supplemented these efforts through advocacy work with BWCC, focusing on its Women’s National Business Agenda and easing access to credit for women entrepreneurs. CIPE has worked with BWCC to advocate with the Central Bank to achieve low-interest loans to women with no collateral requirements and to monitor the implementation of new policies and regulations.

Lessons Learned: Working through existing networks of NGOs and ensure a focus on sustainability from the very beginning; in order for the network to be a success, women must trust that it will continue long after the USAID project has ended.

See more detail about CIPE’s programs in Bangladesh and South Asia:

<http://www.cipe.org/publications/detail/programs-south-asia>

Source: Lyday, Corbin, Owen Lippert, Saiful Islam, and Mohammed Sirajul Islam.

Performance evaluation of USAID’s promoting governance accountability, transparency, and integrity (PROGATI) project. USAID. (2012). http://pdf.usaid.gov/pdf_docs/PDACU912.pdf

²⁴ DCA-funded programming around loans to men and women entrepreneurs, coupled with business training; however, globally only 18.1% of loans were issued to women-owned SMEs; this gap is explained by common limitations to growth that women-owned SMEs experience:

http://wlsme.org/sites/default/files/resource/files/Unlocking%20Growth%20Through%20Credit%20Guarantees_Overview.pdf

²⁵ USAID. “Gender Equality and Women’s Empowerment”. (Accessed June 2013). <http://www.usaid.gov/what-we-do/gender-equality-and-womens-empowerment>

²⁶ USAID Trade Project <http://www.pakistantrade.org/>

²⁷ USAID. “Gender Equality and Women’s Empowerment”.

best practices with fellow businesswomen or entrepreneurs, particularly guidance for maneuvering complicated systems for licensing and registration or particular corrupt officials.

Though gender relations in many countries will not enable women to enter existing male networks, USAID has recognized this gap and worked around the globe to build all-women's networks. The key success of these initiatives is the comprehensiveness of their approach and the sustainability of the work. For example, NGOs in **Bangladesh** responded very positively to PROGATI's engagement (see Box 6), and CIPE provided support to ensure that the government regulations and policies evolve to prevent such barriers in the future. In the final evaluation of the PROGATI program, the independent evaluators noted that the environment for women entering the business world had indeed improved and that the Bangladesh Women's Chamber of Commerce (BWCC) continued to provide sustainable assistance with licensing, registration, etc.

As members of the workforce and entrepreneurs, women face many of the obstacles that men face from corruption in the realm of commerce. More direct anticorruption training must be conducted to provide support to entrepreneurs in methods for avoiding corruption and building networks of support to circumvent these barriers and provide legal protection. Indeed, women's experience with corruption often also extends to obstacles to business, employment, documentation, and law enforcement.

III. Access to justice and protection by law enforcement

Excluded from all-male networks of information-sharing and with a significant gender gap in education, women in the global South often have limited access to justice and less awareness of their legal rights than men. As a consequence, women are often not adequately protected by the judicial system or law enforcement.

Furthermore, studies have shown that women place little trust in the law enforcement system. Surveying women across the globe, UNDP found that women universally consider the police force to be the most corrupt government institution in their respective countries.^{28 29} With such inherent distrust of the system, women in countries with a perceived high level of corruption are not likely to turn to law enforcement or formal legal structures for protection or assistance. With a distrust of the broader system and lack of information, women are left without a voice, without information, and consequently, without sufficient legal protection when encountering corruption.

²⁸ United Nations Development Programme, "Seeing Beyond the State: Grassroots Women's Perspectives on Corruption and Anti-Corruption". UNDP (2012).

²⁹ While the data is not readily sex disaggregated, Transparency International's Global Corrupter Barometer of 2013 found that men and women in the Americas and Europe tend to consider political parties to be the most corrupt institutions, whereas respondents especially in South and East Africa reaffirmed that they trust the police force least of all.

<http://www.transparency.org/gcb2013/results>

Whistleblower Programs

Anonymous hotlines and other whistleblower programs have proven essential to stemming corruption. Women, as primary caregivers in many emerging economies, are critically invested in their community and drivers of community development, and they can be powerful advocates, educators, and partners in monitoring reporting on corruption. However, more so than men, women may be less likely to report corrupt acts if they are not guaranteed the protection of anonymity.³⁰ Preserving anonymity is key to gathering data on corrupt acts, developing an appropriate program intervention, and holding authority figures accountable.

In order to gather data and visualize I Paid a Bribe.com and similar interventions have set up websites and hotlines to allow citizens to report bribes – most frequently paid to police officers – fraudulent acts, and other forms of corruption. Such whistleblower websites provide an online reporting mechanism for corruption in select countries, but this mechanism is only available to citizens with access to the internet, thus creating a potential digital divide.

Such online reporting mechanisms should couple with an option for mobile phone users to ensure that women and men from all socio-economic levels can serve as whistleblowers and report their experiences with corruption. A mobile phone hotline would allow citizens without internet access to use

Box 7: Whistleblower Websites and Analytics

I Paid a Bribe.com disaggregates reports of corruption by location, amount, and frequency (but not by gender). This wealth of data helps identify potential programming opportunities to allow for more effective advocacy to tighten law enforcement regulations and improve government policies toward corruption.

I Paid a Bribe.com started locally in India and has expanded to include Pakistan, Greece, Kosovo, Azerbaijan, Ukraine, Morocco, Kenya, and Zimbabwe, with eight more countries currently being developed.

Box 8: Programming Potential -- Whistleblowing

USAID/Pakistan partnered with Transparency International Pakistan in 2010 to set-up an Anti-Fraud Hotline project. This website enables everyday citizens and CSOs to actively report corruption and register complaints on the website, with the aim of reducing corruption and striving for transparency. Such an anonymous hotline or website is crucial so that citizens have an outlet to be able to report the everyday corruption that they experience. Furthermore, the existence of an anonymous hotline must be launched with a public information campaign to ensure that both men and women know of its existence, have the number or website, and are comfortable using it to report complaints. However, the Anti-Fraud Hotline website does not provide analytics or public access to the anonymous reports.

The Anti-Fraud Hotline project in Pakistan can be found here (currently funded through 2015); sex disaggregated caller information not publicly available: <https://www.anti-fraudhotline.com/>

their basic phone or community mobile phone and call or send an SMS to anonymously report an act of corruption. For future interventions, the accessibility of the Anti-Fraud Hotline project in Pakistan (see Box 8) – reporting both via phone and online – should be partnered with the public data sharing and analytical and data visualization capacity of I Paid a Bribe.com. Such a combination could be rolled out to countries that do not currently have a well-publicized anonymous hotline or other means of reporting corruption.

³⁰ See Esarey (2012)'s detailed analysis of risk aversion, women, and corruption.

Female Law Enforcement Officials

Countries in Latin America have shown marked success with the integration of all-female police units to reduce the prevalence of bribery and corruption in the police force. A non-USG intervention, these all-female police units have been shown to accept fewer bribes than their male counterparts and to help diminish the overall level of corruption among traffic police.³¹

Beginning in the late 1990s, **Mexico** and **Peru** instituted new tactics to confront the corruption of traffic police, who frequently ask for bribes from drivers rather than issuing tickets. Claiming that women are less corruptible than men and more honest, hardworking, and trustworthy, echoing the logic of early research,³² the countries hired additional female officers as a means of discouraging corruption. By 2009 in Lima, 11% of **Peru's** national police officers were women and 93% of all traffic cops were female; the director of the initiative found that women were "more harsh at giving tickets, strict and difficult to bribe".³³ In 2012, Mexico City passed a law dictating that only female police officers on special transit teams had the authority to issue tickets; their uniforms are clearly identifiable by drivers, and any unauthorized officer caught issuing a ticket would be punished or even prosecuted.³⁴

While these programs are generally seen as relatively successful, some argue for more impact-oriented research so the intersection between the issues and the results can be better understood.³⁵ Furthermore, while effective in reducing corruption on the street, women traffic cops have typically been prevented from ascending to higher levels of authority within the police force.³⁶ Thus, particularly in the second decade of the programs in Peru and Mexico, the successes and shortcomings of these interventions require further study and analysis.

³¹ Gutierrez, Maria. "Integrating Gender into World Bank Financed Transport Programs: Case Study: Peru Transport Rehabilitation Project". (September 2003).

³² See earlier arguments of Dollar, Swamy, etc. regarding the role of women in parliaments.

³³ Karim, Sabrina. "Madam Officer: Peru's Anti-Corruption Gambit". *Americas Quarterly*. (nd)
<http://www.americasquarterly.org/node/2802>

³⁴ Though Mexico City's female traffic cops have not been studied empirically, see the following news reports:
<http://www.independent.co.uk/news/world/city-life-mexico-city--allwomen-force-drives-away-traffic-corruption-1111697.html> (1999) and <http://news.msn.com/world/will-all-female-traffic-cops-fix-mexico-state-corruption> (2013)

³⁵ Goetz points out that the lower corruption of female traffic cops may be due to their pride in having a prominent and stable position in government rather than any inherent incorruptibility. Goetz, Anne Marie. "Political Cleaners: How Women are the New Anti-Corruption Force. Does the Evidence Wash?" University of Sussex (2003).

³⁶ Gutierrez, Maria. "Integrating Gender into World Bank Financed Transport Programs: Case Study: Peru Transport Rehabilitation Project". (September 2003).

IV. Access to participation in policymaking and governance

Despite forming more than half of the world's population, today women still comprise less than 20% of the world's legislators.³⁷ Social norms and limited educational and economic opportunities form obstacles to women's political participation, often compounded by the obstruction of corruption, corrupt electoral practices, and the lack of an established women's network to navigate the system. Rwanda has proved an exceptional success in the use of quotas, with the number of women in parliament now surpassing the number of men, but like many countries, women remain excluded from the highest positions of power as well as positions at the state and local level.³⁸ Given their proportion of roughly half of the population, women are not adequately represented in policymaking bodies in order to allow their voice to be heard and their needs reflected. Without equitable access, women cannot work to hold their government accountable.

Women's Participation in Electoral Politics and Political Parties

In politics, political parties, and policymaking, women are frequently allowed only limited participation in governance. Thus, without a voice in government, women cannot create new policies to more effectively defend women from the corruption that they experience. Since the late 1990s, research has documented that increased participation of women in governance is correlated with decreased corruption.³⁹ While this is not a reflection of the incorruptibility of women themselves—indeed, women may not be given the opportunity to be corrupt—it does reflect the systems of government becoming more democratic to reflect the needs of citizens; this opening allows for more gender equity and reduces corruption through policymaking with harsher punishment for corrupt acts. The democratization of the larger political and electoral system to allow women legislators the access to political party support, the means to run a campaign, the public support to win an election, and the ability to craft legislation to work against corruption.

Box 9: Resources for Women's Political Participation:

The following are select resources and toolkits that have been developed by NGOs for women's political participation programs:

- [Rising Through the Ranks: A Young Woman's Guide to Leadership and Political Party Engagement](#) (EN/FR), NDI 2011
- [A Practical Guide for Women Legislative Candidates](#) (FR), NDI 2012
- [Empowering Women for Stronger Political Parties: A Good Practices Guide to Promote Women's Political Participation](#) (EN/FR/SP/AR/RU/Urdu), NDI 2011
- [iKnow Politics Guide](#) (EN/Urdu), NDI 2011
- [Pristina Principles](#) and recommendations for women's empowerment, NDI 2012
- [Other Resources](#), from Women's Democracy Network and IRI

³⁷ USAID. "Gender Equality and Women's Empowerment". (Accessed June 2013). <http://www.usaid.gov/what-we-do/gender-equality-and-womens-empowerment>

³⁸ See the Quota Project: <http://www.quotaproject.org/aboutQuotas.cfm>

³⁹ See Review of Literature and Past Findings section, esp. Dollar et. al.

However, prior to policymaking, women are often prevented entry into politics altogether. Bjarnegard (2008) noted that there exists a “high degree of corrupt practices within political parties, such as clientelism and vote buying, [which] impede the possibility of women becoming politicians”.⁴⁰ Across much of the developing world, the National Democratic Institute (NDI) and International Republican Institute (IRI) are key players in aiming to address these impediments and developing the abilities of political parties, particularly branches for women and minorities, and strengthening the capacity of governments to conduct free and fair elections. Along with other Democracy and Governance (DG) programs, these NGOs work particularly with women and other disenfranchised groups to help magnify the voice of women in politics and governing bodies.

However, their programs rarely include a direct anti-corruption component and are rarely defined by the implementers as indirectly addressing corruption.⁴¹ The Consortium for Elections and Political Process Strengthening (CEPPS) and other similar cooperative agreements provide for USAID-funded training of rising female politicians throughout the world. Trainings typically focus on skills building, including budgeting, legislation, public speaking, and effective communication. However, working directly with these rising women policymakers, provides an opportunity for USAID and partners to incorporate an anti-corruption training as a component of these larger political party building activities.

Currently, while acknowledging the virulent corruption in many places where they work, NDI and others do not consider their work linked to anti-corruption programs.⁴² However, this may just be an example of programming that needs to be recast and/or refined to include specific anti-corruption elements, so that impacts can be better measured and programs can be better designed and replicated. For example, including representative populations such as women and other underrepresented populations in the budgeting process will serve to help raise awareness of and access to services related to women.

Development of Advocacy and Non-Governmental or Civil Society Organizations

USAID has also provided essential support to local advocacy groups, including NGOs and CSOs. Such support is essential in building an independent

Box 10: Example of Program Lessons Learned

The following were some of the lessons learned from USAID/**Afghanistan** Ambassador’s Small Grants Program, which helped build the capacity of women’s NGOs and CSOs:

- 1) Extend the duration of the program to include more sustainability and lessen the expectation of quick returns and short-term gains
- 2) Collect reliable baseline data to allow for sufficient pre- and post-treatment analysis and conduct a thorough assessment of other small grants programs in Afghanistan to consider their models
- 3) Focus on the community level in **Afghanistan** to provide greater depth to programming in under-served areas
- 4) Develop an internal procedure to coordinate and collaborate with other USAID programs and avoid duplication
- 5) Utilize a more robust monitoring system to monitor the entire grant-making process

Source: Afghanistan. Neylon, Lyn Beth and Susan Bazilli. *Evaluation of the USAID/Afghanistan Ambassador’s Small Grants Program to Support Gender Equality in Afghanistan*. USAID. (2011). http://pdf.usaid.gov/pdf_docs/PDACT240.pdf

⁴⁰ Bjarnegard, E. *Gender and Corruption – Reversing the Causal Direction*. Uppsala University. (2008).

<http://asci.researchhub.ssrc.org/gender-and-corruption-2013-reversing-the-causal-direction/attachment>

⁴¹ Email correspondence and phone interviews with NDI Asia and Eurasia team members, April-May 2013.

⁴² Correspondence with NDI’s Asia and Eurasia teams in April 2013.

network of monitoring organizations to hold the government accountable for its promises and to track the spread or reduction of corrupt practices. In **Timor-Leste** in March 2012, USAID helped support a new working group of gender-focused NGO leaders, government officials, and members of the media to directly address gender and corruption.⁴³ The 40 participants of this working group formed an essential start to opening the discussion on corruption and women leading the charge against it; however, results of their collaboration have not been published by USAID. Similarly in **Burundi** in 2009, USAID trained 170 women parliamentarians and CSO representatives to build awareness about various forms of corruption in daily life and to share strategies to fight corruption. As a particular success story, this training led to teachers becoming more of aware of and acting against petty corruption in their colleagues asking for a fee from students.⁴⁴ However, it is unclear if any follow-on work has been completed to continue to work with this group of representatives or additional Burundian women to spread the awareness of corruption and counter strategies.

E-Governance, open data, and open governance initiatives also provide innovative new tools in bringing the private actions of government spending into public light, but direct anti-corruption interventions with CSOs are relatively rare.

Civil Service Training

In addition to access to policymaking, women are frequently excluded from contributing to the work of their government itself, with the opportunity to reduce corruption through work in the civil service. USAID frequently provides government training internship programs, but there has been little study on the long-term effects of these internships and the number of women actually hired to civil service positions.

Box 11: Program Example

Economic Growth and Governance Initiative in **Afghanistan** (2009-2014) launched the Women in Government internship program to provide public sector training and experience to female university graduates, aiming to provide employment and increase the number of women in public sector life. The program has enrolled over 162 women, exceeding its goal for Year 3 by 100%. However, the placement rate for graduates is only 56% and declining. Future studies may demonstrate the causality for this worrisome trend.

Economic Growth and Governance Initiative Mid-Term Assessment
(http://pdf.usaid.gov/pdf_docs/PDACU495.pdf)

⁴³ USAID/Timor-Leste. "New Working Group on Gender and Corruption Gets its Start from USAID". (2012). <http://timor-leste.usaid.gov/node/517>

⁴⁴ USAID. "Women Fight Corruption in Small Steps". (2012). <http://www.usaid.gov/results-data/success-stories/women-fight-corruption-small-steps>

KEY CONCLUSIONS

At this time, relatively little research and very few anticorruption programs appear to exist that directly address corruption and gender issues. Larger women's empowerment programs may have incorporated an activity to raise awareness about corruption, but by and large, most programs only indirectly address gender differences and corruption.

USAID's Anticorruption Strategy (2005) called for three examples of action items for gender and corruption, quoted as follows:

- “Build on women's roles in family health and education to increase their participation in oversight of local resources
- Include rights-based and gender budgeting issues in budget transparency work
- Apply an anticorruption lens to programs supporting women's political participation”

Based on the programs reviewed in this study, we believe these areas require on-going attention, more analysis, and more programming.

1. **Support more training.** Through anticorruption trainings, women can be given the opportunity to see alternatives and to redefine their perception of what behaviors are allowable and what actions are destroying their communities. While such trainings will be useful for both men and women, it is imperative that the trainings are designed with a specific focus on the different experiences with corruption that men and women encounter in order to fully confront the issue.
2. **Support more research.** Further research needs to strengthen the linkage between gender, development, and anti-corruption; while gender equality and governance are frequently linked, corruption is not. To this point,
 - **Gather more sex disaggregated data.** Data disaggregated by sex must be gathered to accurately and fully document women's realities versus that of men and boys and redefine the global perception of corruption, particularly documenting forms of corruption that are frequently excluded such as sexual exploitation and absenteeism.
 - **Develop impact indicators and accessible toolkits** for policymakers, practitioners, implementers, and users. Develop comprehensive toolkits and consistent anticorruption indicators and progress measurements for purposes of designing, implementing, monitoring, reporting, and evaluating programs
 - **Expand research to establish causalities.** Existing research indicates that the effects of corruption significantly marginalize women and girls, further disenfranchising them and limiting their opportunities. Mispliced causality results in misunderstood or ineffective programs, and better policies must be crafted to take into account women's situations and the barriers they face – women's participation in politics, law enforcement, and business may be part of the solution to corruption, but focusing solely on participation without further anti-corruption training or incentives/penalties for corrupt acts may not result in a comprehensive solution.

3. **Support an expansive view of the forms of corruption.** Rather than limiting the understanding of corruption to a financial transaction, acts such as sexual exploitation and absenteeism must be included in the broader scrutiny of corruption and be addressed as part of future USAID program design. The scope of how we view corruption must be expanded and programming implemented to address the existing gaps, particularly the lack of programming models to address the gender differences of corruption across sectors. By revisiting the very definition of corruption in the donor community, we will better address the needs of the disenfranchised populations who suffer daily from corruption.
4. **Support more anticorruption programming across sectors.** Building upon better data, USAID and other donors must work to mainstream the concept of corruption and gendered corruption across programs. Rather than considering their work merely a women's economic growth initiative or political participation for marginalized populations, implementers should be encouraged to create linkages to address the larger goals of reducing the barriers caused by corruption, discrimination, and inequality. Programs should aim to include explicit anticorruption activities and interventions, particularly targeting women and youth. Pilot programs and activities in key sectors and institutions should be implemented to test the assumptions and best fit for incorporating cross-cutting anti-corruption work.

Rather than passively suffering from corruption, women are innovative and dynamic leaders of their communities, and research and proper program interventions will assist them in confronting the illegal practices that obstruct their access to basic services, economic opportunities, the justice system, and public office. In many countries corruption has become so rooted that women cannot confront this pestilence without support. From **Afghanistan to Timor-Leste**, women across the world have shown that they are willing and eager to be leaders in combating corruption for the improvement of the community as a whole. International donors should work to support these aspiring women by bringing them to the table and working to directly address their needs.

ANNEX I

METHODOLOGY

As part of the Encouraging Global Anti-Corruption and Good Governance (ENGAGE) IQC, this QED team was commissioned to review USAID anticorruption programming from 2007 to 2013. The six ENGAGE Implementing Partners (IPs) were each assigned a region of the world to examine relevant USAID projects that directly or indirectly addressed corruption in that region. This team was assigned an analysis of USAID programs in South and Central Asia. Programs were classified according to USAID's current categorization:

- Agriculture and Food Security
- Democracy, Human Rights and Governance
- Economic Growth and Trade
- Education
- Environment and Global Climate Change
- Gender Equality and Women's Empowerment
- Global Health
- Science, Technology and Innovation
- Water and Sanitation
- Working in Crises and Conflict

After the regional study, IPs embarked on a thematic topic. Our team of anti-corruption specialists selected gender and corruption. Programs designated as "Gender Equality and Women's Empowerment" were sent to our team for consideration to be included in this study. In total, we received 6 programs, all of which were located in East Asia & Pacific.

Acknowledging that gender is a cross-cutting issue and programs with gender and corruption activities may not be classified under Gender Equality, QED queried the IPs directly for specific examples of corruption programs in their geographic or thematic region, including Service Delivery, Health, Economic Empowerment, Crime and Youth, and Natural Resources programs that included gender activities. We received 4 more program examples as a response to our queries. In total, we received 9 programs in East Asia and Pacific (Cambodia, East Timor, Indonesia, Mongolia, and the Philippines) and 1 program in the Middle East and North Africa (Yemen). QED found 9 programs with relevant gender and corruption activities in South and Central Asia.

We independently expanded our search to include programs without available program evaluations, programs with a weaker corruption component (but strong gender component), USAID Mission initiatives, and non-USG programs. We uncovered limited information about a variety of different programs, including gender and education in South Sudan, USAID Mission anticorruption networks, and

female traffic cop programs in Peru and Mexico. We reviewed a total of 20 USAID programs; with limited information available outside of USAID program evaluations, we also reviewed numerous USAID Mission initiatives, US Department of State programs, US Department of Justice programs, US NGO programs, and non-USG funded programs.

While our review was thorough, we acknowledge the challenges of our project's methodology in that the definition of an anticorruption intervention, in practice, can be applied in various ways. Per the scope of this thematic study, we relied on the previously existing databases of corruption programs, organized by geographic region. The projects in each of six geographic databases were first reviewed by six separate teams, primarily through evaluations available on the Development Experience Clearinghouse (DEC). We acknowledge that this approach could result in six slightly different variations in the definition and identification of an anticorruption program. Furthermore, we acknowledge that gaps may exist, particularly in reports that were not publicly available or recent programs that have not yet concluded (with an evaluation unavailable). As such, other gender and corruption programs may exist that were not captured in the net of this study. We recommend that this study be replicated and improved upon within the next three years in order to analyze these contemporary programs and provide a continuing status check to the implementation of USAID's Anticorruption Strategy.

ANNEX II

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ANNEX III

WORKS CONSULTED - ANNOTATIVE

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Found that the variations in an individual's attitudes towards corruption were more drastically between women in different countries than between women and men in the same country, indicating that women's attitude toward corruption may be culturally-based, more so than men's.

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Using data from Ghana, found no difference in perception toward corruption in women as opposed to men and instead found that women may be more inclined toward nepotism and family favoritism than men, given their traditional role as caregiver for the family.

Armantier, O. and A. Boly. "Can Corruption be Studied in the Lab?: Comparing a Field and a Lab Experience". (2008).

Like Schulze (2003), assessed found that women are significantly less likely than men to accept bribes if there is a risk of oversight and punishment, but equally as likely as men to accept risk-free bribes.

Banerjee A, Hanna R, Mullainathan S. "Corruption." (2011). <http://econ-www.mit.edu/files/6607>
Overview on existing corruption research

Bjarnegard, E. *Gender and Corruption – Reversing the Causal Direction*. Uppsala University. (2008).
<http://asci.researchhub.ssrc.org/gender-and-corruption-2013-reversing-the-causal-direction/attachment>

Note that corrupt practices within political parties impede women's opportunities to engage in electoral politics; various other reexaminations of causality in gender and corruption research.

Chene, Marie. *Gender and Corruption in Humanitarian Assistance*. U4 Expert Answers. (December 2009).
U4's expert guide to corruption, gender, and humanitarian assistance.

Chene, Marie, Ben Clench, and Craig Fagan. *Corruption and Gender in Service Delivery: The Unequal Impacts*. Working Paper 02/2010. Transparency International (2010).
Transparency International's expert guide to corruption, gender, and service delivery.

Chetwynd, Eric, Frances Chetwynd, and Bertram Spector. "Corruption and Poverty: A Review of Recent Literature". USAID (2003).
USAID-sponsored review of the linkages between corruption and poverty.

Dollar, David, Raymond Fisman, and Roberta Gatti. *Are Women Really the "Fairer" Sex? Corruption and Women in Government*. The World Bank Development Research Group. (October 1999).

Commissioned by the World Bank, Dollar et. al. found that the greater participation of women in parliament was correlated with decreased corruption in a country; the team concluded that women may have a tendency to be less corrupt than men and called for greater female participation in all aspects of governance.

Downie, Andrew. "A Police Station of Their Own". *Christian Science Monitor*. (July 2005).

<http://www.csmonitor.com/2005/0720/p15s02-woam.html>

Review of Brazil's women-only police stations for victims of sexual and gender-based violence.

Esarey, Justin, and Gina Chirollo. "*Fairer Sex*" or Purity Myth? *Corruption, Gender, and Institutional Context*. (May 2013).

Demonstrated due to gender stereotypes, women face harsher social penalties beyond legal punishments if found to be corrupt, thus providing another reason for risk-aversion in the case of corrupt actions, whereas society may perceive corruption in men as the norm. Esarey further concluded that rather than being less corrupt, women are more inclined than men to comply with the political prevailing norms in their region – be it bribery, favoritism, and personal loyalty in autocracies versus stigmatized corruption in democracies – as a result of gender discrimination and the documented tendency toward risk aversion in the case of corruption.

Gatti, Roberta, Stefano Paternostro, and Jamele Rigolini. *Individual Attitudes Toward Corruption: Do Social Effects Matter?* World Bank Policy Research Working Paper 3122. (August 2003).

Found that social effects play a significant role in individuals' perception and the average perception of corruption—for example, they found women, the elderly, the employed, and the less wealthy to be more averse toward corruption than their counterparts.

Goetz, Anne- Marie. *Political Cleaners: How Women are the New Anti-Corruption Force. Does the Evidence Wash?* University of Sussex. (2003).

Refuted Dollar and Swamy's arguments that women by nature will improve the level of corruption in a political system; instead, demonstrated various examples of the flaw in this causality, including that women do not have access to all-male networks to participate in corruption and that political systems that allow for increased women's participation are often developing as a liberal democracy and being more accountable to citizens, which includes as a separate result decreasing corruption.

Gutierrez, Maria. "Integrating Gender into World Bank Financed Transport Programs: Case Study: Peru Transport Rehabilitation Project". (September 2003).

Analysis of the success and failures of Peru's women-only traffic police program.

GTZ, Corruption and Gender: Approaches and Recommendations for TA. Focal Theme: *Corruption and Trafficking in Women*. UNDP Gender Mainstreaming in Practice: A Handbook. (2004).

UNDP expert guide to corruption and trafficking.

Hanna, Rema, Sarah Bishop, Sara Nadel, Gabe Scheffler, and Katherine Durlacher. *The Effectiveness of Anti-corruption Policy: What has worked, what hasn't, and what we don't know*. EPPI-Centre, University of London. (2011).

Empirical analysis of corruption programming, noting limited existing research on gender and corruption programs.

IFC and the World Bank. "Women, Business and the Law: Removing Barriers to Economic Inclusion." (2012). <http://wbl.worldbank.org/~media/FPDKM/WBL/Documents/Reports/2012/Women-Business-and-the-Law-2012.pdf>

IFC's guide and study of women's economic empowerment and the barriers women face in many countries.

Karim, Sabrina. "Madam Officer: Peru's Anti-Corruption Gambit". *Americas Quarterly*. (nd).
<http://www.americasquarterly.org/node/2802>

Review of Peru's women-only traffic police force to counter corruption.

Marston, Ama and Kara Nichols Barrett. *Women and the Economy: A Review of Recent Literature*. USAID. (2006).
http://www.usaidwidworkshops.org/GATE_CD/images/session2/Women%20in%20the%20Economy%20-%20A%20Review%20of%20Recent%20Literature.pdf

Overview of research regarding women and economic empowerment programming and studies.

Nawaz, Farzana. *State of Research on Gender and Corruption*. U4 Expert Answers. (June 2009).

U4's expert guide to the existing research on gender and corruption and education.

Nawaz, Farzana and Marie Chene. *Gender, Corruption, and Health*. U4 Expert Answers. (August 2009).

U4's expert guide to corruption, gender, and health..

Peresie, J.L. "Female Judges Matter: Gender and Collegial Decision-making in Federal Appellate Courts". *The Yale Law Journal*. 114:7 (May 2005). <http://www.yalelawjournal.org/pdf/114-7/peresie.pdf>

US-based review of American courts and the need for more female judges.

Samini, Ahmad Jafari and Haniyeh Hosseinmardi. "Gender and Corruption: Evidence from Selected Developing Countries". *Middle East Journal of Scientific Research* (2011).

Review of existing literature and programming on gender and corruption.

Schulze, G.G. and B. Frank. "Deterrence versus intrinsic motivation: Experimental evidence on the determinants of corruptibility". *Economics of Governance* 4: 143-160 (2003).

Assessed participant's willingness to accept bribes and found that women are significantly less likely than men to accept bribes if there is a risk of oversight and punishment, but equally as likely as men to accept risk-free bribes.

Sung, Hung-En. *Fairer Sex or Fairer System? Gender and Corruption Revisited*. Columbia University. (2003).

Sung examined women's supposed inclinations toward honesty as stemming from their relative equality and better governance systems in liberal democracies rather than a broad characteristic of their sex. Instead, like men, women's actions may be the product of their system, although their opportunities to engage in corruption are more limited due to their lack of political or economic power.

Swamy, Anand, Steve Knack, Young Lee, and Omar Azfar. *Gender and Corruption*. (August 2000).

Examined the tolerance for corruption in case countries across the globe, concluding that while the tolerance for corruption varies, women were consistently less likely to be involved in bribery and less likely to condone bribe taking.

Transparency International. *Global Corruption Barometer*. (2013).

<http://gcb.transparency.org/gcb201011/results/>

Annual measure of perceptions of corruption disaggregated by country, sector, etc.

U4. "Corruption in the Education Sector: Common Forms of Corruption". U4 Expert Answers. (2006).

Expert guide to corruption and education, including sexual corruption and absenteeism.

UNIFEM and UNDP. *Corruption, Accountability and Gender: Understanding the Connections*. Primers in Gender and Democratic Governance. (2010).

UN guide to corruption and gender linkages, research, and programming.

UNIFEM. "Who Answers to Women? Gender and Accountability". *Progress of the World's Women* (2008).

UN's guide to women's empowerment programs and progress made toward gender equality.

United Nations Development Programme. *Primer on Corruption and Development: Anti-Corruption Interventions for Poverty Reduction, Realization of the MDGs and Promoting Sustainable Development*. UNDP (2008).

UN report linking poverty reduction, corruption, and the MDGs.

United Nations Development Programme, "Seeing Beyond the State: Grassroots Women's Perspectives on Corruption and Anti-Corruption". UNDP (October 2012).

<http://www.undp.org/content/dam/undp/library/Democratic%20Governance/Anti-corruption/Grassroots%20women%20and%20anti-corruption.pdf>

UN study of female community leaders and perceptions of corruption.

USAID Anticorruption Strategy. USAID (January 2005).

<http://transition.usaid.gov/policy/ads/200/200mbo.pdf>

USAID's official anticorruption strategy.

USAID Gender Equality and Female Empowerment Policy. USAID (March 2012).

http://transition.usaid.gov/our_work/policy_planning_and_learning/documents/GenderEqualityPolicy.pdf

USAID's official policy for gender and women's empowerment.

USAID Strategy on Democracy, Human Rights, and Governance. USAID (June 2013).

http://www.usaid.gov/sites/default/files/documents/1866/USAID%20DRG_%20final%20final%206-24%203%20%281%29.pdf

USAID's official strategy for programs in democracy, human rights, and governance.

Vijayalakshmi V. "Rent-seeking and gender in local governance". *Journal of Development Studies* 44: 1262–1288 (2008).

Case study in India that found no difference in perception toward corruption in women as opposed to men

World Bank Policy Research Report. *Engendering Development: Through Gender Equality in Rights, Resources, and Voice*. (January 2001).

Formative guide to gender programming, including claims that greater gender equality yields less corruption.

9. Encouraging Global Anticorruption and Good Governance Efforts (ENGAGE) - Part I: Mapping of Anti-Corruption Projects in Sub-Sahara Africa



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ENCOURAGING GLOBAL ANTICORRUPTION AND GOOD GOVERNANCE EFFORTS (ENGAGE)

PART I

MAPPING OF ANTI-CORRUPTION PROJECTS IN
SUB-SAHARAN AFRICA

AUGUST 2013

This publication was produced for review by the United States Agency for International Development. It was prepared by Tetra Tech ARD.

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EXECUTIVE SUMMARY

The ENGAGE Mapping Project reviewed 40 USAID-funded anticorruption sectoral and cross-sectoral programs implemented in sub-Saharan Africa. The programs reviewed, which have been implemented since 2007 to date, reached a total funding of about \$126 million. That expenditure covered areas such as anticorruption and institutional reform, development of business enabling environments, justice reform, infrastructure, healthcare, local government decentralization, food security, agriculture and natural resources, and peace building and conflict mitigation. About 53 percent of the projects were commenced through IQCs, 26 percent through open competition, and the remaining 21 percent through other vehicles. Four were funded within the MCC Threshold Country program including one in **Malawi**,¹ one in **Zambia**,² one in **Kenya**,³ and one in **Uganda**.⁴ Nine of these programs were designed as overarching anticorruption reform programs focused primarily on understanding and addressing institutional, legal, and social shortcomings that provide the fertile turf for corruption and corruptive practices. These programs used common approaches initiated across all sectors, such as actions related to budgeting and procurement. The rest of the programs planned to upgrade and modernize specific institutions while integrating specific approaches within that assistance that are designed to deal with corruption vulnerabilities that are particular to certain sectors.

The numbers of the reviewed USAID-funded Anticorruption Projects implemented in sub-Saharan Africa by country and Corruption Index Trends are shown in Table 1 (see Annex 1). Table 2 (Annex 1) shows the same number of projects by country and the Doing Business shows overall country ranks and the number of reforms introduced.

¹ Strengthening Government Integrity in Malawi Project, <https://www.dropbox.com/sh/qty75vd9dxl2f7s/s6SPkxzht4/Malawi%20Final%20Report.pdf>, 2008.

² Zambia Threshold Program, <http://www.mcc.gov/documents/reports/content-report-121510-zambia-threshold-final-implementation-report.pdf>, 2009.

³ Millennium Challenge Account Threshold Program for Kenya, <http://www.mcc.gov/documents/agreements/daga-kenya.pdf>, 2007.

⁴ Anticorruption (MCC Threshold) Project Uganda, <http://www.mcc.gov/documents/agreements/daga-uganda.pdf>, 2007.

1.0 OVERARCHING ANTI-CORRUPTION PROGRAMS

The sub-Saharan African programs identified primarily as ‘overarching anticorruption programs’ can be divided in two categories: *corruption assessments and trainings*, and *anticorruption implementation programs*.

1.1 CORRUPTION ASSESSMENTS & TRAININGS

Corruption assessments and trainings are designed to understand the perception and realities related to the status of corruption, identify the major governance problems that fuel corruption at various levels, and examine the potentially useful approaches and programmatic options that are specific for each country and might maximize the impact of reform. Such assessments were carried out in **Rwanda**⁵ (12/2008), **Niger**⁶ (5/2007) and **Senegal**⁷ (07/2007) while separate trainings for designing rapid corruption assessment checklists were delivered to all of the USAID Missions in Africa (December 2006–January 2008).

1.2 ANTICORRUPTION IMPLEMENTATION PROGRAMS

Anticorruption implementation programs focused primarily on tackling corruption through reforms and activities that are frequent across all sectors. These programs were similarly designed as direct assistance to government institutions to increase their accountability and transparency while enhancing the oversight capacity of civil society and media.

The composition of these programs were very similar. The *overarching anticorruption initiatives*, included:

- The modernization of the procurement and procurement audit systems through the revision of legal and institutional frameworks;
- Capacity building for the relevant government agencies staff;
- Upgrading financial management systems;

⁵ Report not available online.

⁶ Report not available online.

⁷ Corruption Assessment: Senegal, http://pdf.usaid.gov/pdf_docs/PNADK548.pdf, 2008.

- Institutional strengthening for the anticorruption commissions/agencies to build their organizational and technical capacity to better process and investigate corruption complaints and transfer corruption cases to the courts;
- Work with media outlets and media organizations to improve their investigative journalism skills and capacity in uncovering and reporting corruption cases;
- Work with civil society organizations usually through grants to implement activities that increase the public awareness and knowledge of corruption and anticorruption mechanisms; and
- Corruption assessment surveys.

All of these programs aim at empowering both the state and civil society to control and mitigate corruption. All programs often oscillate between support for state counterparts and for civil society groups. In these cases, the local partners and beneficiaries always involve the government agencies and entities responsible for implementing procurement and carrying out audits, oversight structures and mechanisms including parliamentary committees, and media and civil society organizations. Such programs with a clear overarching anticorruption focus were implemented in **Malawi**⁸/ Strengthening Government Integrity, **Madagascar**⁹/ Anticorruption Initiative, **Djibouti**¹⁰/ Anticorruption Program, and **Uganda**¹¹/ Anticorruption MCC Project. Based on the documentation available for this mapping exercise, it is impossible to assess if one of these programs was stronger than others or if some activities were especially more successful.

The *overarching anticorruption initiatives*, including the establishment of one-stop shops and the modernization of procurement legal and institutional frameworks, seem to have been successfully implemented and yielded positive outcome. For example, after such interventions in **Malawi**,¹² the National Audit Office was able to audit public expenditures at a higher level than 50 percent, representing a jump in earlier coverage of about 20 percent. In **Madagascar**,¹³ the percentage of valid corruption cases that were investigated increased from 52.11 percent to 73.47 percent while the number of cases investigated by each investigator in a month increased from 1.30 to 2. A new procurement legal framework was enacted in **Kenya**,¹⁴ including eight sector procurement manuals and standard bidding documents, and more than 1,500 procurement professionals were

⁸ *Id.* at 1.

⁹ Madagascar Anticorruption Initiative, <https://www.dropbox.com/sh/abx4w6kqovz8a/6lkcudEKAV/AIM%20Final%20Report%20Mar%2030%202009.pdf>, 2008.

¹⁰ Djibouti Anticorruption Program, http://pdf.usaid.gov/pdf_docs/PDACQ980.pdf, 2010.

¹¹ *Id.* at 4.

¹² *Id.* at 1.

¹³ *Id.* at 9.

¹⁴ MCA Threshold Program for Kenya, http://www.tetrachintdev.com/intdev/index.php?option=com_k2&view=item&id=163%3Akenya-reforming-the-public-procurement-system&Itemid=60&lang=es, 2009.

trained on them. In **Uganda**,¹⁵ the Anticorruption Division of High Court, which was established and strengthened through the MCC Threshold Project Uganda, was able to register 306 cases and dispose of 255, with the most high-profile cases resulting in a 100 percent conviction rate secured by investigators and prosecutors trained under the program.

¹⁵ Anticorruption MCC Project Uganda, <http://www.mcc.gov/documents/press/factsheet-2010002016406-thresholdprograms.pdf>, 2009.

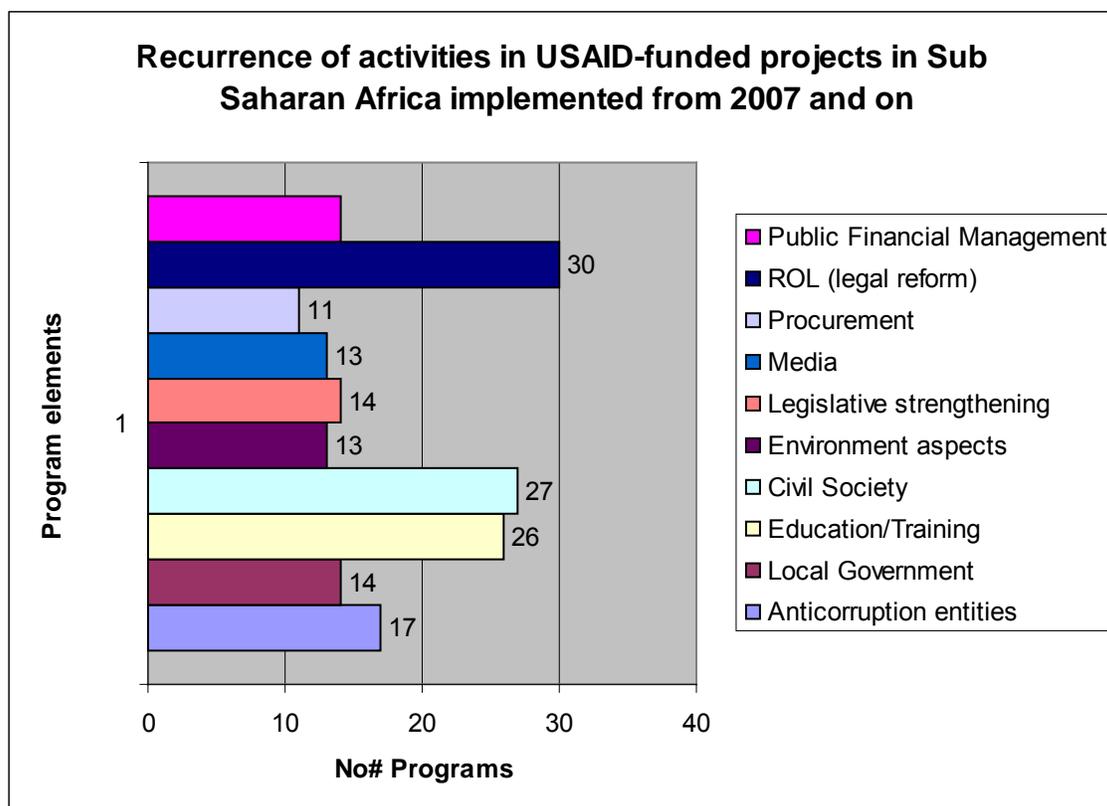
2.0 SECTORAL AND CROSS-SECTORAL PROGRAMS WITH ANTICORRUPTION ACTIONS

In line with the USAID Anticorruption Strategy, which recognizes the crosscutting nature of corruption and advises on integrating anticorruption programming throughout USAID initiatives across all sectors, the majority of the programs analyzed (31/40) were sectoral or cross-sectoral ones with anticorruption actions mainstreamed throughout a broad range of activities designed to spur growth and efficiency in specific sectors and improve the overall social welfare. Corruption is viewed as a problem of governance within each sector. Sectors mostly include business, public financing and budget, justice, agriculture, natural resources, energy, regional and local government, and healthcare.

The programs we reviewed had implemented initiatives to address *both the governance and economic facets* of corruption. As widely accepted, corruption is a governance problem and it negatively affects the government's capacity to deliver efficient, transparent, and accountable services to the public. This usually results from the inadequacy of the legal and institutional frameworks, administrative barriers, lack of professionalism and training, and a weak oversight and advocacy role of the public. In response to these contributing factors, the sub-Saharan projects, sectoral or cross-sectoral, have tried to address issues such as transparency of elections, empowerment of civil society, investigative capacities in media, freedom of information, and access to information.

As an economic problem, corruption manifests itself in the government's intervention in economy and its consequences on economic growth. It takes many forms such as overregulation, control of resources, subsidies, procurement, revenue administration, and public expenditures, among others. To address this other form of corruption, the sub-Saharan programming has implemented activities on simplifying business regulations, setting up one-stop shops for business registrations, enhancing transparency and audit of public finances, and procurement.

The following graph shows the recurrence of the main programming elements in all of the programs that were reviewed for sub-Saharan Africa.



As the graph shows, the most common activities in all programs have been the updating of legal frameworks (30/31 - legal reform found under the Rule of Law element), work with civil society (27/31), capacity building - education and training (27/31), and working with anticorruption entities (17/31). The rest of the activities are almost equally represented.

In a few instances, where there was lack of political will to address corruption, projects that were supporting new legal measures to combat corruption resulted in being limited to submitting legal drafts or they spent a lot of project time and energy to produce compromise versions that, in the end, might even turn out to be unworkable.¹⁶

Further, the revisions of the legal frameworks alone, not coupled with assessments of the institutional frameworks in place seem to result in implementation gaps that add confusion and worsen efficiency in the targeted sector. In **Angola**,¹⁷ 450 land documents were not accepted by the municipality until the end of the program because the provincial governments were undergoing a transition phase linked to the national decentralization process. In the past, applications were signed by the Provincial Department of Urbanism and Environment, but this responsibility had passed to the municipal administration. However, the municipal administration did not sign applications as they were still determining the internal procedures for dealing with this.

¹⁶ "Creating an enabling policy environment in Sierra Leone (CEPESL)" might be an example of potential lack of political will where the project ended with the submission of drafts to the government institutions.

¹⁷ Strengthening Land Tenure and Property Rights in Angola, http://usaidlandtenure.net/sites/default/files/USAID_Land_Tenure_Lessons_Learned_Close-out_Report_0.pdf, 2008.

SECTOR-SPECIFIC ANTICORRUPTION ACTIONS

Another important conclusion of the review of these projects is the recurrence of *sector-specific anticorruption actions*. The sector-specific actions can be summarized as follows.

Judicial Sector – Anticorruption actions included activities to strengthen the independence of the judiciary and improve their efficiency, transparency, and accountability while enhancing the oversight capacity of civil society and media; update of the criminal laws and procedures to include corruption-related charges; development of code of ethics for judges, prosecutors, and lawyers; expanding access to justice to vulnerable groups; and capacity of NGOs to provide free legal aid, improved court management, and design of witness protection programs.

Examples include the Democratic Republic of **Congo** Rule of Law Institutional Strengthening Program,¹⁸ implemented by Tetra Tech DPK, where activities include all of the above, and the **Malawi** Strengthening Government Integrity Project¹⁹ that designed specific components to build legal skills in the oversight and enforcement institutions and empower civil society—both important priorities in the fight against corruption.

Local Government – Anticorruption actions in these programs included establishment of comprehensive development planning and budgeting, support for increasing the amount of internally generated funds, training of local elected officials and civil society members in budget monitoring, and the expansion and integration of public participation in local governance. All of these activities are utilized in the “Strengthening Decentralization in **Uganda** Project”²⁰ and **Ghana** Governance and Decentralization Program.²¹

Natural Resource Management – Anticorruption actions included introduction of legislation on securing property rights and resolving related conflicts; strengthening community decision-making and control structures over resources management; broadening consultations on environmental policy and sustainable environmental practices to include civil society; and assisting joint management partnerships between the state, civil society, and business and local governments. For a detailed analysis of the sector, please refer to Part II of this report.

Public Finance – Anticorruption activities included establishment of updated legal frameworks for the related state and autonomous agencies, establishment of improved systems of control for public expenditures, strengthening of institutions responsible for financial control and regulatory functions. For a more detailed elaboration of these activities, please refer to the **Nigeria** Restructured Economic Framework for Openness, Reform and Macroeconomic Stability (REFORMS)²² and **Liberia** Governance and Economic Assistance Program (GEMAP).²³

¹⁸ Democratic Republic of **Congo** Rule of Law Institutional Strengthening Program, http://www.tetratedpk.com/images/stories/ROLIS_Two_Pager_7.12.pdf.

¹⁹ *Id.* at 1.

²⁰ Strengthening decentralization in Uganda, http://www.tetratedintdev.com/intdev/index.php?option=com_k2&view=item&id=185%3Auganda-strengthening-decentralization-in-uganda-phase-2-sdu-ii&Itemid=60&lang=us, http://pdf.usaid.gov/pdf_docs/PDACL741.pdf.

²¹ Ghana Governance and Decentralization Program, <http://www.logodep.org/page.php?page=286§ion=41&typ=1>.

²² Nigeria REFORMS, <https://dec.usaid.gov/dec/content/Detail.aspx?ctID=ODVhZjk4NWQtM2YyMi00YjRmLTkxNjktZTcxMjM2NDNBmY2Uy&rID=MzA4MTkz&SID=NQ==&bckToL=VHJ1ZQ==&qcf=&ph=VHJ1ZQ==>.

Health Sector – Anticorruption actions in the health sector programs included interventions in the areas of procurement, warehousing and distribution of drugs and equipment, financial and resource management, improvement of the monitoring of fees and expenses in local health centers, more civic education, and enhancement of citizen participation and oversight. Examples include the Millennium Challenge Account Threshold Program for **Kenya** (Phase I & II)²⁴ and the Mali Support to Local Governance and Decentralization Program.

Further, the pool of the *beneficiaries* is similar to that of the overarching anticorruption programs. They tend to empower simultaneously the governance (central, regional, or local) and the local community, and work with both state counterparts and civil society groups.

²³ Liberia GEMAP, <http://www.gemap-liberia.org>.

²⁴ http://www.tetrattechintdev.com/intdev/index.php?option=com_k2&view=item&id=163%3Akenya-reforming-the-public-procurement-system&Itemid=60&lang=es, <http://www.mcc.gov/documents/agreements/daga-kenya.pdf>.

ANNEX 1: TRENDS AND RANKINGS OF REVIEWED USAID-FUNDED ANTICORRUPTION PROJECTS IMPLEMENTED IN SUB-SAHARAN AFRICA

Table 1: Reviewed USAID-funded Anticorruption Projects implemented in sub-Saharan Africa by Country and Index Trends

	Number of reviewed USAID-sponsored Anticorruption projects	TI Corruption Perception Index										WB Control of Corruption Index									
		2007-2013	2004	2005	2006	2007	8	2009	2010	2011	2012	Difference 2004-12	2004	2005	2006	2007	2008	2009	2010	2011	Difference 2004-11
Malawi	2	2.8	2.8	2.8	2.7	2.8	3.3	3.4	3	3.7	0.9	-0.76	-0.74	-0.54	-0.54	-0.43	-0.39	-0.43	-0.36	0.38	
Madagascar	2	3.1	2.8	3.1	3.2	3.4	3	2.6	3	3.2	0.1	-0.12	0.10	-0.12	-0.10	-0.16	-0.20	-0.29	-0.28	-0.2	
Zambia	2	2.6	2.6	2.6	2.6	2.8	3	3	3.2	3.7	1.1	-0.68	-0.79	-0.73	-0.57	-0.47	-0.54	-0.58	-0.51	0.3	
Burundi	2	NA	2.3	2.4	2.5	1.9	1.8	1.8	1.9	1.9	-0.4	-0.97	-0.90	-1.07	-1.12	-1.02	-1.07	-1.06	-1.12	-0.2	
Nigeria	4	1.6	1.9	2.2	2.2	2.7	2.5	2.4	2.4	2.7	1.1	-1.31	-1.15	-1.06	-0.98	0.15	-1.00	-1.00	-1.14	0.2	
DRC	3	2.3	2.3	2.2	2.1	1.9	1.9	2	2	2.1	-0.2	-1.43	-1.43	-1.48	-1.31	-1.17	-1.38	-1.39	-1.37	0.1	
Liberia	5	NA	2.2	NA	2.1	2.4	3.1	3.3	3.2	4.1	1.9	-1.27	-1.04	-0.47	-0.33	-0.66	-0.54	-0.51	-0.46	0.8	
Djibouti	1	NA	NA	NA	2.9	3	2.8	3.2	3	3.6	0.4	-0.51	-0.68	-0.62	-0.47	-0.19	-0.28	-0.32	-0.30	0.2	
Mali	2	3.2	2.9	2.8	2.7	3.1	2.8	2.7	2.8	3.4	0.2	-0.50	-0.40	-0.41	-0.34	-0.45	-0.67	-0.68	-0.61	-0.1	
Ghana	1	3.6	3.5	3.3	3.7	3.9	3.9	4.1	3.9	4.5	1	-0.23	-0.36	-0.01	0.06	-0.03	0.06	0.08	0.17	0.4	
Rwanda	2	NA	3.1	2.5	2.8	3	3.3	4	5	5.3	2.5	-0.48	-0.74	-0.17	0.01	0.14	0.14	0.48	0.45	0.9	
Senegal	1	3	3.2	3.3	3.6	3.4	3	2.9	2.9	3.6	0.6	-0.06	-0.03	-0.43	-0.56	-0.53	-0.54	-0.70	-0.62	-0.6	
Niger	1	2.2	2.4	2.3	2.6	2.8	2.9	2.6	2.5	3.3	1.1	-0.85	-0.73	-0.85	-0.78	-0.75	-0.61	-0.67	-0.65	0.2	
Kenya	4	2.1	2.1	2.2	2.1	2.1	2.2	2.1	2.2	2.7	0.6	-0.80	-0.98	-0.87	-0.91	-1.02	-1.07	-0.93	-0.87	-0.1	
Mozambique	3	2.8	2.8	2.8	2.8	2.6	2.5	2.7	2.7	3.1	0.3	-0.59	-0.54	-0.60	-0.50	-0.48	-0.41	-0.39	-0.41	0.2	
Uganda	3	2.6	2.5	2.7	2.8	2.6	2.5	2.5	2.4	2.9	0.3	-0.75	-0.85	-0.75	-0.80	-0.82	-0.91	-0.90	-0.86	-0.1	
Angola	2	2	2	2.2	2.2	1.9	1.9	1.9	2	2.2	0.2	-1.28	-1.33	-1.23	-1.32	-1.28	-1.44	-1.34	-1.36	-0.1	
Ethiopia	1	2.3	2.2	2.4	2.4	2.6	2.7	2.7	2.7	3.3	1	-0.72	-0.76	-0.62	-0.60	-0.67	-0.74	-0.73	-0.69	0.0	
Guinea	2	2.6	2.3	2.4	2	2	2.1	2.1	2.2	2.5	-0.1	-1.03	-1.25	-1.26	-1.24	-1.27	-1.35	-1.15	-1.12	-0.1	
Sierra Leone	2	2.3	2.4	2.2	2.1	1.9	2.2	2.4	2.5	3.1	0.8	-0.88	-1.09	-1.05	-0.90	-0.94	-0.93	-0.76	-0.69	0.2	

Table 2: Doing Business Country Rankings and Number of Reforms

The earliest aggregate data on reforms belong to 2010. For this reason, our table is limited to 2010-2013 data.

Economy	No. Projects	DB Rank	Rank Difference	DB Reforms	DB Reforms	DB Reforms	DB Reforms	Reforms Difference				
	2007-2013	2009	2010	2011	2012	2013	2013-2009	2010	2011	2012	2013	2013-2011
Angola	2	170	169	163	172	172	2	3	1	2	1	-2
Burundi	2	177	176	181	169	159	-18	0	1	4	4	4
Congo, Dem. Rep.	3	179	179	175	178	181	2	0	3	3	1	1
Ethiopia	1	111	107	104	111	127	16	3	1	0	1	-2
Ghana	1	87	92	67	63	64	-23	1	2	0	0	-1
Guinea	2	171	173	179	179	178	7	0	0	1	3	3
Kenya	4	84	95	98	109	121	37	1	2	1	1	0
Liberia	5	159	149	155	151	149	-10	3	0	3	3	0
Madagascar	2	144	134	140	137	142	-2	1	2	2	1	0
Malawi	2	131	132	133	145	157	26	2	2	2	1	-1
Mali	2	162	156	153	146	151	-11	5	3	2	1	-4
Mozambique	3	140	135	126	139	146	6	2	1	0	0	-2
Niger	1	174	174	173	173	176	2	1	1	1	1	0
Nigeria	4	120	125	137	133	131	11	1	0	0	0	-1
Rwanda	2	143	67	58	45	52	-91	7	3	3	2	-5
Senegal	1	152	157	152	154	166	14	1	0	4	0	-1
Sierra Leone	2	156	148	143	141	140	-16	5	3	4	2	-3
Uganda	3	106	112	122	123	120	14	1	2	1	1	0
Zambia	2	99	90	76	84	94	-5	1	3	0	1	0

Source: <http://www.doingbusiness.org>

The Table 1 Programs by country and index trends is not helpful in terms of establishing correlations between the distribution of aid and the corruption perceptions and experiences as measured by the TI and the WB Indexes. Though the **Liberia** and **Nigeria** cases, with five and four development projects, respectively—the highest number of projects per country with high improvements in both indexes—seem to suggest that more aid yields better anticorruption results, such conclusion is not supported by the rest of the data. For example, **Rwanda** saw the biggest improvement in both indexes with only two implemented aid projects while **Kenya** with four and **Democratic Republic of Congo, Mozambique, and Uganda** each with three projects had very little gains in any of the indexes.

The same lack of correlations is also evident in Table 2 presenting data on Doing Business country rankings and the number of implemented reforms. Numbers do not suggest any link between the amount of aid assistance and the progress toward business reforms.

The following is a summary of the main points regarding general conclusions and trends observed in programming:

1. Most of the aid assistance is funded through IQCs.
2. While few overarching anticorruption programs are still designed, the trend is shifting towards sector-specific projects with anticorruption initiatives integrated in the main programming. Specific sets of initiatives are developed for each sector as enlisted above under the section of “*Sector-specific anticorruption actions.*”
3. In terms of beneficiaries and local counterparts, regardless the area of work, these programs try to empower both the state and the local populations and always oscillate between state counterparts and civil society groups.
4. With very limited data, we were unable to observe correlations between the amount of assistance programming on one side and the anticorruption impact or reforms implemented on the other.

ANNEX 2: CONSULTED REPORTS

<https://www.dropbox.com/sh/qt75vd9dx12f7s/s6SPkxzht4/Malawi%20Final%20Report.pdf>

<https://www.dropbox.com/sh/abxfp4w6kqovz8a/6lkudEKAV/AIM%20Final%20Report%20Mar%2030%2009.pdf>

<https://www.dropbox.com/sh/xkjrsgnoqyijyz/dOamAv638u/finalreport%20mainstreaming2.pdf>

<http://www.mcc.gov/documents/reports/content-report-121510-zambia-threshold-final-implementation-report.pdf>

http://pdf.usaid.gov/pdf_docs/PDACQ137.pdf, http://pdf.usaid.gov/pdf_docs/PDACM487.pdf

<https://dec.usaid.gov/dec/content/Detail.aspx?ctID=ODVhZjk4NWQtM2YyMi00YjRmLTkxNjktZTcxMjM2NDNmY2Uy&rID=MzA4MTkz&sID=NQ==&bckToL=VHJlZQ==&qcf=&ph=VHJlZQ==>

http://pdf.usaid.gov/pdf_docs/pdacl643.pdf

http://pdf.usaid.gov/pdf_docs/pdacl341.pdf

Annual report: http://pdf.usaid.gov/pdf_docs/pdacl330.pdf

http://pdf.usaid.gov/pdf_docs/PDACQ980.pdf

<http://www.logodep.org/page.php?page=286§ion=41&typ=1>

<http://www.gemap-liberia.org/>, http://pdf.usaid.gov/pdf_docs/PDACQ463.pdf

http://pdf.usaid.gov/pdf_docs/PNADK548.pdf

http://pdf.usaid.gov/pdf_docs/PNADI164.pdf

http://pdf.usaid.gov/pdf_docs/PDACO233.pdf

http://www.tetrattechintdev.com/intdev/index.php?option=com_k2&view=item&id=163%3Akenya-reforming-the-public-procurement-system&Itemid=60&lang=es,

<http://www.mcc.gov/documents/agreements/daga-kenya.pdf>

<http://www.mcc.gov/pages/countries/program/kenya-threshold-program>,

http://www.tetrattechintdev.com/intdev/index.php?option=com_k2&view=item&id=163%3Akenya-reforming-the-public-procurement-system&Itemid=60&lang=es,

<http://www.mcc.gov/documents/agreements/daga-kenya.pdf>

http://www.tetrattechintdev.com/intdev/index.php?option=com_k2&view=item&id=169%3Amozambique-municipal-governance-increasingly-democratic&Itemid=60&lang=es,

<http://www.oecd.org/countries/mozambique/36133961.pdf>

<http://www.mcc.gov/pages/countries/program/uganda-threshold-program>,
<http://www.mcc.gov/documents/press/factsheet-2010002016406-thresholdprograms.pdf>

http://www.tetrachintdev.com/intdev/index.php?option=com_k2&view=item&id=184%3Auganda-anticorruption-threshold-act&Itemid=60&lang=us

http://www.tetrachintdev.com/intdev/index.php?option=com_k2&view=item&id=185%3Auganda-strengthening-decentralization-in-uganda-phase-2-sdu-ii&Itemid=60&lang=us,
http://pdf.usaid.gov/pdf_docs/PDACL741.pdf

http://pdf.usaid.gov/pdf_docs/PNADI079.pdf

http://www.tetrachintdev.com/intdev/index.php?option=com_k2&view=item&id=210%3Anigeria-sustainable-practices-in-agriculture-for-critical-environments&Itemid=61&lang=us

http://usaidlandtenure.net/sites/default/files/USAID_Land_Tenure_Lessons_Learned_Close-out_Report_0.pdf

http://usaidlandtenure.net/sites/default/files/USAID_Land_Tenure_Lessons_Learned_Close-out_Report_0.pdf

http://www.tetrachintdev.com/intdev/index.php?option=com_k2&view=item&id=524:ethiopia-strengthening-land-administration-program&Itemid=55&lang=us

http://pdf.usaid.gov/pdf_docs/PNADP019.pdf

<http://www.usaid.gov/kenya/fact-sheets/parliamentary-strengthening-program-ii>

http://www.tetrachintdev.com/intdev/index.php?option=com_k2&view=item&id=525:kenya-securing-rights-to-land-and-natural-resources-for-biodiversity-and-livelihood-in-the-north-coast-secure-project&Itemid=55&lang=us, <http://kenya.usaid.gov/programs/environment/476>

http://www.tetrachintdev.com/intdev/index.php?option=com_k2&view=item&id=207%3Aliberia-land-rights-and-community-forestry-program&Itemid=61&lang=us

http://usaidlandtenure.net/sites/default/files/USAID_Land_Tenure_Liberia_Project_Brief_0.pdf

http://www1.usaid.gov/mz/doc/misc/dg_assessment_2009.pdf

http://www.tetrachintdev.com/intdev/index.php?option=com_k2&view=item&id=529:nepal-government-citizen-partnership-project-ngcpp&Itemid=55&lang=us,
<http://transition.usaid.gov/performance/lcd/02TetraTech.pdf>

http://www.tetrachintdev.com/intdev/index.php?option=com_k2&view=item&id=212%3Asierra-leone-creating-an-enabling-policy-environment-in-sierra-leone&Itemid=61&lang=us

<http://www.acdivoca.org/site/ID/sierraleoneTSL>,
http://www.tetrachintdev.com/intdev/index.php?option=com_k2&view=item&id=526:sierra-leone-promoting-agriculture-governance-and-the-environment-page&Itemid=55&lang=us,
<http://oig.usaid.gov/sites/default/files/audit-reports/7-636-12-003-p.pdf>

<http://zambia.usaid.gov/press-releases/democracy-and-governance/75>

http://www.tetrachdpk.com/dpkconsulting/images/stories/ROLIS_Two_Pager_7.12.pdf

10. Encouraging Global Anti-Corruption and Good Governance Efforts (ENGAGE) - Part II: Anticorruption Impact of the Land Tenure and Natural Resources Program



USAID
FROM THE AMERICAN PEOPLE

ENCOURAGING GLOBAL ANTI-CORRUPTION AND GOOD GOVERNANCE EFFORTS (ENGAGE)

PART II

ANTICORRUPTION IMPACT OF THE LAND TENURE AND
NATURAL RESOURCES PROGRAM

AUGUST 2013

This publication was produced for review by the United States Agency for International Development. It was prepared by Tetra Tech ARD.

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ENCOURAGING GLOBAL ANTI-CORRUPTION AND GOOD GOVERNANCE EFFORTS (ENGAGE)

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TENURE AND NATURAL RESOURCES
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DISCLAIMER

The author's views expressed in this publication do not necessarily reflect the views of the United States Agency for International Development or the United States Government.

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EXECUTIVE SUMMARY

This paper provides a review of select USAID-funded programs implemented in sub-Saharan Africa from 2007 to the present in land tenure and natural resource management. By sharing some emerging lessons regarding the integration of anti-corruption and transparency into land tenure programming, this document is intended to serve as a valuable and constructive reference for practitioners.

As a desk review, this study relied upon USAID-approved Program Monitoring Plans (PMP) for each project as well as final reports, final evaluations, and assessments (where available). To complement this review and extract relevant lessons learned, this paper also contains information related to projects outside the specific area originally assigned to this task. Additional projects and additional resources can be found in the Annexes.

BACKGROUND

Natural resources can bring considerable amounts of wealth to a country. Renewable and non-renewable, they play an important role both for the population in rural areas of a country and for the economy as a whole. However, reaping the benefit of these opportunities depends on how these resources are managed and on countries' overall governance structures. There is a growing body of evidence that countries rich in natural resources and weak governance structures have lower economic growth rates than countries without such resources, a phenomenon usually known as the "resource curse."¹

The 'resource curse' has been linked by research both to rent-seeking² behavior and to patronage³. Direct empirical evidence demonstrates that valuable natural resources, which can generate windfall profits and rents, increase the risk of corruption⁴. The risk of corruption cuts across all natural resource sectors, from non-renewable resources such as oil, gas, minerals and metals, to renewable resources such as forests, fisheries and land.⁵

The basic relationship between corruption and natural resources is twofold. First, the mere existence of natural resources may generate opportunities for corrupt practices. The existence of appropriable resource rents, for which various social groups may vie, can result in a high level of rent-seeking behavior. Secondly, corruption may occur within natural resource management (NRM) systems themselves, leading

¹ Jeffrey D. Sachs, Andrew M. Warner, The curse of natural resources, *European Economic Review*, Volume 45, Issues 4–6, May 2001, Pages 827-838, ISSN 0014-2921, [http://dx.doi.org/10.1016/S0014-2921\(01\)00125-8](http://dx.doi.org/10.1016/S0014-2921(01)00125-8).

² Rent-seeking - An attempt by powerful groups to acquire greater share of production by demanding more transfers. In turn, more transfers increase the tax rate and reduce the net return on capital. R. Torvik / *Journal of Development Economics* 67 (2002) 455–470, <http://www.svt.ntnu.no/iso/Ragnar.Torvik/jde.pdf>.

³ Patronage refers to the support or sponsorship of a patron (wealthy or influential guardian). Patronage is used, for instance, to make appointments to government jobs, promotions, contracts for work, etc. However, most patrons are motivated by the desire to gain power, wealth and status through their behaviour. Patronage transgresses the boundaries of legitimate political influence, and violates the principles of merit and competition (<http://www.u4.no/glossary/>)

⁴ See for example Joseph E. Stiglitz, *From Resource Curse to Resource Blessing* (Project Syndicate 2012).

⁵ Leite and Weidmann, 1999; Aslaksen, 2007; Petermann et al., 2007.

to the suboptimal use of these resources and to poor development outcomes in terms of economic growth and/or poverty reduction. The level of corruption within NRM systems is a product not only of the resource endowments at stake, but also of the lack of institutional arrangements and oversight in place to govern their use.⁶

KEY ENTRY POINTS FOR ENHANCING TRANSPARENCY AND REDUCING CORRUPTION

Corruption in natural resource management can occur at all phases of resource exploitation, though some stages are more at risk of corruption than others and may be affected by corruption in different ways.⁷ The pool of actors involved includes government agents and bureaucrats, domestic and foreign firms, banks and financial institutions, and various agents that offer technical assistance for resource concessions.

From the literature reviewed, a consensus emerged regarding the key entry points for improving transparency and anti-corruption efforts in land tenure and natural resources allocation and management. As best described by the Global Witness 2012⁸ these key entry points for improving transparency are identified in the following stages:

1. Transparent land and natural resource planning– ensuring recognition of rights as a prerequisite before land and resources can be allocated to commercial investors.
2. Free, prior, and “informed” consent – ensuring people have influence over decision-making around land and natural resources, which will effect them.
3. Public disclosure of all contractual documentation – ensuring people have access to fully disclosed information on the investment deal, including risks and impacts.
4. Multi-stakeholder initiatives, independent oversight, and grievance mechanisms – ensuring people have access to reliable and independent mechanisms for oversight and grievances.

In reviewing the USAID-funded projects, a pattern emerged. To a large extent, USAID’s projects focus on programming to change the rules of the system.⁹ This change in rules is two-pronged. It occurred through either:

- Development of new regulatory frameworks, both primary and secondary, or
- Decentralization through community-level participatory land and natural resources planning.

Natural resource management programs focused on the provision of funding and technical assistance should therefore also include anti-corruption efforts as a priority intervention. Such activities could include the development of information systems to assist with disclosure, capacity building of local

⁶ (Kolstad, Soreide, and Williams, 2013).

⁷ Id. p.5.

⁸ Global Witness (2012), Dealing with disclosure: improving transparency in decision-making over large- scale land acquisitions, allocations and investments, http://www.globalwitness.org/sites/default/files/library/Dealing_with_disclosure_1.pdf.

⁹ The desk study utilized the theoretical model of Banerjee et al. (2011) also retained by Hana et al. (2011) “to classify anti-corruption policy prescriptions into two broad categories: (1) monitoring and incentives programs and (2) programs that change the rules of the system.” (Hana et al. 2011, p. 30).

communities to increase transparency and activities that ensure that local communities can use this disclosure to their advantage.

In this study, we did not come across specific data employed by the projects to address political corruption in the land sector. However, because political corruption is related with systemic weaknesses that compromise the transparency, accountability, and integrity of institutions, indicators that measure the overall state of governance may be appropriate for this assessment.

It could be determined that the majority of the programs met all the agreed-upon indicators and in some cases even exceeded them. The activities contributed to a variety of objectives including the creation of an enabling policy environment, strengthening land tenure and property rights, development of community forestry frameworks and managing capacities, and establishment of sustainable practices in agriculture for critical environments conservation and livelihoods.

Did these achievements ultimately impact the corruption levels? Unfortunately, the PMPs offer no answer to such questions, as reducing corruption was never considered a defined objective or expected result of these projects, and therefore no indicators were developed to measure these results.

1.0 BACKGROUND

Natural resources can bring considerable amounts of wealth to a country. Both renewable and non-renewable resources play an important role for the population in rural areas of a country and for the economy as a whole. In sub-Saharan Africa, with a total population of 874.8 million, 64% live in rural areas with direct access to various categories of natural resources, which could provide substantial potential for income for rural households and communities.¹⁰

On the national level, natural resources contribute significant to the economy and state revenues. The oil, gas and mining sectors represent one of the biggest sources of revenue in Africa. In 2010, Africa's natural resources were worth \$333 billion, while development aid flows were \$48 billion.¹¹

Definition of Corruption

This review uses the definition of corruption devised by Transparency International, adopted by USAID's Anti-corruption Strategy in 2005 that defines corruption as "the abuse of entrusted power for private gain." Three preconditions are needed for the corrupt actions to take place: (1) a rent (a benefit or personal value that motivates the act); (2) discretionary authority (a person must have authority to influence decisions; and (3) an opportunity (there should exist a positive balance in the calculation of risks and benefits of engaging in corrupt behavior).

However, the opportunities for investing these resources for development purposes largely depends on the governance structures designed to manage natural resources and revenues derived from their exploitation. Donors can play an important role in this process by providing funding and technical assistance to strengthening these countries governance systems. Unfortunately, there is a growing body of evidence that government officials in countries rich in natural resources face few incentives for improving their governance systems and managing their natural resources with greater efficiency and integrity¹². As a consequence, these countries typically experience lower economic growth rates than countries without such resources, a phenomenon usually known as the "resource curse."¹³

1.1 UNDERSTANDING CORRUPTION IN LAND TENURE AND NATURAL RESOURCES MANAGEMENT

What is commonly referred to as the 'resource curse' has been linked by research both to rent-seeking behavior¹⁴ and to patronage.¹⁵ Both are forms of corruption.¹⁶ Direct empirical evidence suggesting that availability of natural resources increase the vulnerabilities to corruption is also available.¹⁷

¹⁰ World Bank 2011.

¹¹ Transparency International, <http://blog.transparency.org/2013/05/24/african-renaissance-comes-through-the-reinforcement-of-institutions/>.

¹² R. T. Deacon, *The Political Economy of the Natural Resource Curse: A Survey of Theory and Evidence*, Foundations and Trends in Microeconomics – Vol 2 No. 2 (2011) 111
<http://www.econ.ucsb.edu/~deacon/ResourceCurse%20Foundations&Trends.pdf>.

¹³ Acemoglu and Robinson, (2012), *Why Nations Fail*, Crown Business: 1st edition.

¹⁴ Id. at 2.

The risk of corruption cuts across all natural resource sectors, from non-renewable resources such as oil, gas, minerals and metals, to renewable resources such as forests, fisheries and land.¹⁸ These risks occur at all stages:

1. Exploration and concessions.
2. Contracting.
3. Titling
4. Public Administration

The pool of actors involved includes government officials and bureaucrats, domestic and foreign firms, banks and financial institutions, and various agents that offer technical assistance for resource concessions. In the case of administrative corruption, however, the common citizen is also an actor involved in corrupt deals, sometimes acting as a victim of systemic corruption—as when a citizen is requested to pay a bribe to obtain a service—and others times acting as perpetrators, as when citizens offer a bribe to government official to expedite a service or circumvent specific regulations.

In the cases of grand or political corruption, the interested parties usually exercise pressure and influence to change the rules of the game including the legal and procedural frameworks, the bidding/auctioning rules, post-award contract content, exploitation- management schemes, and the clarification of ownership and titling issues.

During a transaction or the implementation of a contract, corruption takes the more usual form of non-compliance with regulations in exchange for bribes and other illegitimate profits and benefits. It typically happens when the contracting party abuses the terms of their concession and agreement with the government and government agents. It is enabled by weak monitoring and oversight systems, poor enforcement, absence or opaque information about government decisions and activities, and insufficient citizen engagement.

According to Transparency International (TI) corruption in land administration is a major problem in developing countries. In terms of small-scale petty corruption, its recent international survey found that over one in five people reported having paid a bribe when dealing with land services, placing land as the third most corrupt sector.¹⁹

According to the East Africa Bribery Index in 2011, in **Kenya**, for example, the Ministry of Lands was perceived to be the fourth most corrupt entity in the country. “Nearly 58 percent of people who have sought land services from the ministry have been asked to pay a bribe.”²⁰

Land transactions and concessions to exploit natural resources are also an area typically affected by large-scale grand/political corruption, as when officials accept bribes to shape forest laws and procedures, establish land prices or award concessions to friends and relatives.²¹

¹⁵ Id. at 3.

¹⁶ Kolstad and Wiig (2011) *Natural resources, corruption and trust: A complex relationship*, U4 Issue 14.

¹⁷ Leite, C. and Weidmann, J. (1999), *Does mother nature corrupt? Natural resources, corruption and economic growth*, IMF working paper WP/99/85, Washington D.C.: International Monetary Fund; Aslaksen, S. (2007), *Corruption and Oil: Evidence from Panel Data*, mimeo, Department of Economics, Trondheim: Norwegian University of Science and Technology; Petermann, A., Guzmán, J. I., and Tilton, J. E. (2007), “*Mining and corruption*”, *Resources Policy*, 32, 91-103.

¹⁸ Id. p.15.

¹⁹ Transparency International: 2010-2011.

²⁰ TI Kenya, East African Bribery Index 2011 (Nairobi, Kenya: Transparency International Kenya, 2011).

In the Democratic Republic of **Congo**, for example, a country with very significant forest resources, the government made a commitment in 2002 to protect the rainforest and to suspend the allocation of new logging titles as well as the renewal of existing ones. Yet, despite these promises, by 2006, the government “had signed 106 new contracts with logging companies covering more than 15 million hectares of forest.”²²

Aside from the waste, depletion of natural resources, inefficiencies and injustices brought forth by these deals, many of them corrupt, corruption in natural resources and land tenure have other secondary effects that range from institutional degradation, loss of confidence in the system, loss of trust in the community, lower levels of human development, and even civil war.²³

1.2 KEY ENTRY POINTS FOR ENHANCING TRANSPARENCY AND REDUCING CORRUPTION

From the independent literature reviewed a consensus emerged regarding the key entry points for anti-corruption interventions in land tenure and natural resources allocation and management. As best described by Global Witness, the key entry points for improving transparency and mitigating corruption risks are the following:

FIGURE 1: KEY ENTRY POINTS FOR IMPROVING TRANSPARENCY AND REDUCING CORRUPTION IN LAND AND NATURAL RESOURCES MANAGEMENT

1. Transparent land and natural resource planning– ensuring recognition of rights as a pre-requisite before land and resources can be allocated to commercial investors.
2. Free, prior, and “informed” consent – ensuring people have influence over decision-making around land and natural resources, which will affect them.
3. Public disclosure of all contractual documentation – ensuring people have access to fully disclosed information on the investment deal, including risks and impacts.
4. Multi-stakeholder initiatives, independent oversight, and grievance mechanisms – ensuring people have access to reliable and independent mechanisms for oversight and grievances.

(Global Witness, 2012)

1.3 FEW WORDS ON DONORS’ INVOLVEMENT

It is of utmost importance to acknowledge that success in controlling corruption ultimately depends on the governments’ political will to introduce policies, mechanisms or tools to reduce the opportunities and increase the likelihood of being penalized for engaging in corrupt behavior. Leveling the playing field, making information available to the public, allowing citizens to participate in decision-making requires the government’s commitment to combat corruption and readiness to confront the interests of those who stand to lose from the introduction of substantial governance reforms.

²¹ Arezki, R., K. Deininger and H. Selod. 2011. What Drives the Global Land Rush? IMF Working Paper 11/251. International Monetary Fund: Washington D.C.

²² Tina Sørreide, “Forest Concessions and Corruption”, CMI, U4 working paper, 2007.

²³ Bulte, E. H., Damania, R. and Deacon, R. T. (2005), “Resource intensity, institutions and development”, *World Development*, 33, 7, 1029-1044.

Donors, who can play an important role in this process through provision of funding and technical assistance, should therefore support national governments and government anti-corruption efforts as a priority intervention.²⁴ These activities should necessarily be balanced/coupled with programs to increase transparency and information of the local communities through capacity-building and campaigning activities to ensure that local communities can use this disclosure to their advantage.²⁵ The end result of this process will hopefully be the establishment of more fair, democratic and inclusive land and natural resources governance regimes.

²⁴ The support for government should start with a cautious analysis of the political economy of land which is meant to “involve a broad analysis of the stakeholders involved, including which members of the elite own which parts of land, which actors may be benefiting from various kinds of corruption, and which would potentially benefit from any reforms.” (Wren-Lewis, 2013)

²⁵ Transparency does not equal accountability. You need budgetary knowledge to be able to use the information and build accountability. http://internationalbudget.org/blog/2013/07/31/place-your-bets-how-can-publicity-and-political-agency-take-us-from-transparency-to-accountability/?utm_source=feedburner&utm_medium=email&utm_campaign=Feed%3A+OpenBudgets+%28Open+Budgets.+Transform+lives%29

2.0 OBJECTIVES AND METHODOLOGY

This desk review focuses on USAID-funded land tenure and natural resources programs implemented from 2007 to the present, particularly in sub-Saharan Africa, but projects in other areas were also considered for the analysis. It explores the anti-corruption and transparency initiatives integrated into the mainstream programming. The focus of this paper is the design of these initiatives, their outcomes, the obstacles encountered along with the lessons learned during the implementation process. Recommendations and guidance on future aid-related programming are drawn at the end with a particular focus on anti-corruption and good governance programming implications.

The analysis is based on a review of existing documents including projects' reports, Performance Management Plans, assessments and other technical deliverables. Where applicable, data was cross-referenced with relevant anti-corruption data reported from World Bank and Transparency International when applicable. Documents for review were identified either through searches in online databases and websites or following requests for information to project implementers. The major databases used for this review include the USAID Development Experience Clearinghouse,²⁶ the World Bank Anti-Corruption and Governance Library,²⁷ CHR, Michelsen Institute U4 Anti-Corruption Resource Center, and Transparency International datasets.²⁸ It is important to consider that this is a desk study, and no primary information was collected to inform the analysis and its conclusions. Findings and recommendations are solely construed on the accessible secondary-based evidence.

During the course of the research for this paper, it became clear that natural resources and land tenure projects did not include well developed indicators to report on the impact of anti-corruption initiatives mainstreamed through these projects. Therefore, one of our major recommendations is the formulation of clear anti-corruption results and the development of appropriate indicators to measure and evaluate the impact on anti-corruption interventions in the land tenure and natural resources sector.

Africa is a fundamental part of our interconnected world...

Africa's economies are among the fastest growing in the world, with technological change sweeping across the continent and offering tremendous opportunities in banking, medicine, politics, and business. At the same time, the burgeoning youth population in Africa is changing economies and political systems in profound ways...

While many countries on the continent have made tremendous strides to broaden political participation and reduce corruption, there is more work to be done to ensure fair electoral processes, transparent institutions that protect universal rights, and the provision and protection of security and public goods.

Barak Obama (2012), *U.S. Strategy Toward Sub-Saharan Africa*,
http://www.whitehouse.gov/sites/default/files/docs/africa_strategy_2.pdf

²⁶ <https://dec.usaid.gov/dec/home/Default.aspx>.

²⁷ <http://web.worldbank.org/WBSITE/EXTERNAL/WBI/EXTWBIGOVANTCOR/0,,contentMDK:20673872~menuPK:1740557~pagePK:64168445~piPK:64168309~theSitePK:1740530,00.html>.

²⁸ <http://www.transparency.org>.

For the complete list of the reviewed projects please see Annex. 1. The programs reviewed were designed based on the overarching pillars of strengthening democratic institutions and spurring economic growth, trade and investment. The objectives of the activities pursued have targeted USAID Strategic Objective 12 (SO12): “Improved livelihoods” through adoption of sustainable and market-oriented natural resource management models. Specifically, these objectives are formulated in the project papers as follows:

- Improved and diversified livelihoods through development and adoption of market-oriented sustainable resource management models;
- Ecological processes maintained and ecological values conserved in priority critical environments through adoption of innovative governance models for sustainable natural resource management;
- Legal and policy frameworks developed and strengthened to support community management and sustainable use of natural resources and biodiversity;
- Increase economic growth options from the sustainable use of natural resources;
- Land tenure and property rights systems developed and strengthened to assure property rights for all natural resource users/owners;
- Sustainable and equitable management of land, forests, and other natural resources;
- Establishment of participatory, equitable and transparent governance structures, policies, laws, regulations and administrative practices that are necessary for the sustainable management of natural resources; and
- Secure land and resource rights of the indigenous coastal communities in order to improve livelihoods, support biodiversity conservation and promote sustainable natural resource management.

3.0 MAJOR ACTIVITIES

3.1 ADDRESSING TRANSPARENCY BY CHANGING RULES AND REGULATIONS

Following the theoretical model developed by Hana et al (2011)²⁹ to categorize anti-corruption policy prescriptions, anti-corruption programs may fall under two categories: (1) monitoring and incentives programs and (2) programs that change the rules of the system. The monitoring and incentives programs attempt to “reduce corruption by increasing the risks or costs associated with an agent’s decision to participate in corrupt behavior” while ‘programs that change the rules of the system’ actually change ‘the corruptible process under the assumption that attempts to increase monitoring or punishments are useless because they are too easily circumvented.’³⁰

“Increasing security of land rights and transparency of land governance fosters participation of citizens, contributes to government accountability, reduces costs for businesses, and strengthens the climate for responsible investment.”

G8 Official Communique, 2013
<http://usaidlandtenure.net/commentary#1281>

Most of the programs reviewed for this paper fall in the second category - programming that changes the rules of the system. This change in rules is two-pronged. It occurred through either:

1. Development of new regulatory frameworks, both primary and secondary, or
2. Decentralization through community-level participatory land and natural resources planning.

Some examples of programs designed to introduce new rules, thereby reducing the opportunities for corruption in Sub-Saharan Africa include:

- Introduction of community land use plans, zoning and management guidelines, development of laws, policies, bylaws and regulations in Nigeria;
- Development of Forestry Policy, Wildlife Policy, Forestry Act, Wildlife Act, and Artisanal and Small-scale Mining Policy in Sierra Leone;
- Creation of a statutory property rights database in Guinea.

All these programs involved the inclusion of demand-side components such as community based participation mechanisms. The Nigeria SPACE program, where people at the community level established effective decision-making and controls to manage their natural resources sustainably, is an illustration of this. Detailed information on the SPACE program including examples and tools is found in Section 4 below.

²⁹ Hanna, R., Bishop, S., Nadel, S., Scheffler, G, Durlacher, K. (2011) The effectiveness of anti-corruption policy: what has worked, what hasn't, and what we don't know—a systematic review. Technical Report. London: EPPI-Centre, Social Science Research Unit, Institute of Education, University of London.

³⁰ Ibid.

3.2 ADDRESSING CORRUPTION BY RESPONDING TO “KEY ENTRY POINTS FOR INCREASING TRANSPARENCY IN THE LAND AND NATURAL RESOURCES SECTOR

Looking at land and natural resource management programs through the lens of ‘key-entry-points for improving transparency and reducing corruption’ reveals that programs share similarities in terms of the programs’ design, definition of major activities and key targets. The following table illustrates these similarities by matching the components and activities of the reviewed programs with the key entry points for anti-corruption interventions described in Figure 1 above. Most of the programs developed activities that fit in the first two entry points

FIGURE 2: DISTRIBUTION OF PROGRAM ELEMENTS PER KEY ENTRY POINTS

PROJECTS	Transparent land and natural resource planning—including recognition of rights	“Informed” consent – ensuring access to decision-making	Public disclosure of all contractual documentation	Multi-stakeholder initiatives, independent oversight, and grievance mechanisms
Sustainable Practices in Agriculture for Critical Environments (SPACE) Nigeria	√	√		√
Angola Land Reform and Legal Aide (Phase II & III)	√	√		√
Ethiopia Strengthening Land Administration Program (ELAP)	√	√		
Guinea Property Rights and Resource Governance Program Task	√	√		
Property Rights and Resource Governance Program (PRRGP) North Coast (SECURE) Kenya	√	√		√
Liberia Land Rights and Community Forestry Program	√	√		√
Creating an Enabling Policy Environment in Sierra Leone	√	√		
Sierra Leone Promoting Agriculture, Governance, and the Environment (PAGE)	√	√		

The first two entry points, namely, development of land and natural resources legal and institutional frameworks, and ensuring access to public information and decision-making, are also consistent with Hana et al. (2011) categorization of combatting corruption by changing the rules of the system rather than strengthening enforcement of existing laws and regulations.

The list of examples would therefore look similar to the one prepared for the two-prong “change of rules” basket of activities.

EXAMPLES OF ACTIVITIES USED TO ADDRESS KEY ENTRY POINTS 1 AND 2

Key Entry Points	Activities
Transparent land and natural resource planning– ensuring recognition of rights as a pre-	<ul style="list-style-type: none"> • Introduction of community land use plans, zoning and management guidelines, development of laws, policies, bylaws and regulations in Nigeria. • Development of Forestry Policy, Wildlife Policy, Forestry Act, Wildlife Act, and Artisanal and Small-scale Mining Policy in Sierra Leone; • Preparation of federal rural lands registration regulation. • Drafting of pastoral lands administration and use policy and guidelines in

Key Entry Points	Activities
<p>requisite before land and resources can be allocated to commercial investors.</p>	<p>Ethiopia.</p> <ul style="list-style-type: none"> • Demarcation and formalization of 450 property rights in Angola. • Drafting guidelines on the valuation and compensation of expropriated rural owners in Ethiopia. • Creation of a statutory property rights database in Guinea. • An improved legal and policy environment for secure and equitable community rights to forest lands, through the Community Rights Law with Respect to Forest Lands (CRL), the Land Commission, and locally developed guidelines and rules in Liberia.
<p>Free, prior, and “informed” consent – ensuring people have influence over decision-making around land and natural resources, which will affect them.</p>	<ul style="list-style-type: none"> • Increased public participation in the development of policies and laws through the establishment of consultative processes of policy reform that broadly engaged stakeholders from governmental and non-governmental sectors, including civil society groups. • Raising awareness among communities through capacity building and training activities. • Special attention paid to the most vulnerable groups, women and disabled persons. • Strengthened dialogue among communities; NGOs; and federal, state, and local governments including a stronger voice for the local communities.

4.0 WHAT WAS ACHIEVED, WHAT WASN'T AND WHY?

We review below and present highlights and lessons learned from three case studies.

4.1 CASE STUDY #1: SUSTAINABLE PRACTICES IN AGRICULTURE FOR CRITICAL ENVIRONMENTS (SPACE) CONSERVATION AND LIVELIHOODS IN CROSS RIVER STATE, NIGERIA³¹

Contract No.: LAG-I-00-99-00013-00, Dates: 03/01/2004 - 03/02/2007

Contract Type: Time and Materials

Contract Value (TEC): \$3,831,015

The objectives of the SPACE project were two-fold:

1. To limit the agricultural expansion into one of the largest intact low land tropical rain forest area in West Africa conserving its ecological values and processes; and
2. To improve and diversify livelihoods in selected communities in Cross River State, **Nigeria** that neighbor these forest areas.

SPACE developed and applied a decentralized, participatory approach of community-level learning and action that linked governance, economic development, and conservation to foster positive changes in behaviors, skills, attitudes, relationships, and institutional capacities. The accomplishments and numbers demonstrate the results of changes in attitudes, skills, and relationships. Based on the PMP, the project has overall achieved its intended results with few exceptions as outlined below.

The results framework structured the project's work with stakeholders under three themes including the Community-Based Natural Resource Management (CBNRM), "Sustainable Agriculture and Non-timber Forest Products (NTFP) Systems" and "Protected Area Management." We review below the design and performance of the CBNRM component as the most relevant one from an anti-corruption perspective.

³¹ SPACE Final Report, May 2017.

Under the *Community-Based Natural Resource Management (CBNRM)* component, the project’s participatory land use planning process strengthened governance and community capacity to manage resources more sustainably. To this end, the project introduced community land use plans (CLUP) used as tools that enabled communities to set land use limits (see Box: Results of Land Use Planning). After preparing community-level profiles looking at the full range of livelihood and income activities³² SPACE worked with local NGO partners to set up the Natural Resource Management (NRM) teams to prepare CLUPs. To scale up efforts, the team documented the process of developing a CLUP in the community land use planning methodology handbook.³³ (all referenced documents included in Toolkit 1).

Utilizing 13 CLUPs, by the end of the second year, the seven pilot communities had introduced sustainable management practices on 29,435 hectares (versus 14860 ha targeted), including 11,417 hectares of biologically significant habitat (versus 8500 ha targeted) and communities had begun using their plans to negotiate more confidently with private economic and other outside interests that enter their communities. Land use plans and bylaws reduced unsustainable practices in key critical environments. For example, community members affirmed that the incidence of bush fires on the Mbe Mountains has reduced greatly. Some communities, such as Nsofang and Ebbaken, used the bylaws to enforce sustainable natural resource management. In early 2007 in Nsofang, local chiefs filed a case in court against 14 local timber dealers that failed to comply with their community’s land use plan bylaws.³⁴ More generally, through the participatory approaches adopted during the project, decision-making processes at the community level have been improving. For example, Kanyang II recently selected its first woman member of the town council.

Although CLUPs started as voluntary community-adopted tools to guide the land use planning and management, the growing interest in them was thought to be strengthened if CLUPs would be recognized as legal instruments for enforcing land use and resource management practices under national and local legislation. Despite project technical and legal counseling, the three bills prepared to recognize land use plans were not passed before SPACE ended. Our research for subsequent passing of the bills turned no

RESULTS OF LAND USE PLANNING

- Communities have set clear limits and land use zones.
- Communities have written down as formal land use bylaws their rules from oral customary law.
- Land use planning has been “demystified”; it is now seen as a simple, straightforward process.
- 13 communities completed land use plans, including bylaws and enforcement methods.
- Communities have adapted their governance structures to implement plans.
- Powers have been transferred early—even while capacity was still being developed.
- All voices are heard (including women and landless poor)—the process was inclusive and representative.
- Local groups use plans to guide resource management decisions and investments.
- Community institutions address natural resource management conflicts.
- Communities use plans to enforce limits the expansion of agriculture.

³² Model profile included in Toolkit 1 as ARD, Inc. et al, “Bamba Community Profile: Afi/Mbe/Okwangwo Critical Environment from the Perspective of Bamba Community.” (prepared on behalf of Bamba Community, Boki Local Government Area), January 2005 (adapted October 2005).

³³ ARD, Inc., “Guide for Community Land use Planning,” Sustainable Practices in Agriculture for Critical Environments: June 2005, revised August 2006; Anukwa, Fidelis “Review and Support for Community Land use Planning: Community Forest Resource Assessment”, September 2005; ARD, Inc., “SPACE CBNRM Learning Workshop”, Sustainable Practices in Agriculture for Critical Environments: February 2005.

³⁴ ARD, Inc., SPACE final report (2007).

SPACE Natural Resources Governance Indicators

Result 1: Governance models established

Indicator 1.1

Capacity improvements in key institutions - average index level for pilot communities.

Indicator 1.2

Capacity of Resource User Groups - No. of groups active and meeting specific criteria for sustainability.

results either. This was the only target that was not met by SPACE. No programming adjustments were made probably due to the end of the project.

Strengthened governance capacity was measured by two Community Governance Indices (CGI) that assessed community and natural resource institutions, in particular with respect to participation in decision-making and engagement with stakeholders. All targets were met in this regard. The average Community Governance Index for the seven pilot communities rose from 0.5 in 2004 to 3.1 in 2006. Another indicator ‘capacity of resource user groups – number of groups active and meeting specific criteria for sustainability’ was also met.

Though CGIs couldn’t provide direct answers on the state of corruption, they certainly did assess the state of natural resources governance. Because corruption is primarily a governance problem, improved governance might lead to reduced corruption. As described, CLUPs strengthened governance and community capacities by putting in place mechanisms that enhanced local government inclusiveness, efficiency, accountability, and transparency, and institutionalized community participation in decision-making. Because state actions and decisions are shaped by the values and interests of those who make them, without safeguards such as transparency, accountability and public participation in decision-making, the use and management of natural resources is highly vulnerable to corruption. Yet, reducing corruption was not an explicit goal of this project and no indicator was specifically developed to assess this result.

Governance indicators designed to measure the state of natural resource management should be considered a key assessment tool in the land tenure and natural resource programming. SPACE used two such governance indicators mentioned in Box: Natural Resources Governance Indicators. Their lessons and recommendations on how to achieve best results while utilizing community land use planning are included in next sections while relevant documentation can be found in toolkit 1.³⁵ There is no mentioning of other corruption-related phenomena addressed by the program and no other indicators were used to assess perceptions and experiences of local populations with corruption in land or other natural resources management.

4.2 CASE STUDY#2: LIBERIA LAND RIGHTS AND COMMUNITY FORESTRY PROGRAM

Contract No.: EPP-I-00-06-00008-00, Dates: 12/17/07 - 10/30/11

Contract Type: Cost Reimbursable Plus Fixed Fee

Contract Value (TEC): \$10,454,136

The Land Rights and Community Forestry Program (LRCFP) assisted the Liberian Forestry Development Authority (FDA) and forest-based communities to jointly manage **Liberia**’s forest lands.³⁶

Under Component 1- **Community Forestry Framework**, the project supported the development of the legal framework to support community forestry in **Liberia**, particularly the development of the Community Rights Law (CRL) and the regulatory framework for implementation of the Benefit Sharing

³⁵ ARD, Inc., SPACE Final Report (2007), ARD, Inc., “Performance Monitoring Plan,” Sustainable Practices in Agriculture for Critical Environments: December 2004 and Annual Revision, December 2005.

³⁶ ARD, Inc., Land Rights and Community Forestry Program: Final Report (Dec 2011); Toolkit #2.

Trust, which provides funds from commercial concessionaires to communities affected by the concessionaire.

Under Component 2- **Land Tenure and Property Rights**, the program was intended to provide support to the development of forestry land tenure and property rights discussions but due to delays in the formation of the Land Commission (LC) and a perceived lengthy review and consultation period for the policy and legislation reforms, USAID agreed that community land ownership issues would not likely be resolved during the program period. Therefore, the component was revised to contribute to land policy review and agreements between the FDA and communities on access, use, management and benefits from community forest lands.

Main LRCFP Achievements

- Community Forestry launched in Liberia
- Legal and policy environment established
- Institutional capacity for community forestry built
- Pilot community forests launched
- Patterns of local representation established
- NTFP and agricultural practices introduced.

USAID Final Evaluation Report (2011)

Under Component 3 - **Community Pilot Sites**, the program offered capacity building and training to the Community Forests Management Bodies to equip them with the skills necessary to secure their rights to their forestlands including training on leadership, record keeping, finance, and conflict management.

The project PMP measured three results:

1. *Establishment of an institutional framework for community forestry* as measured by the passing of primary and secondary legislation and training of the appropriate personnel. Both indicators were met. Community Rights Law and seven underlying regulations and procedures were enacted. Although the drafting process was controversial and resulted in several different versions of the law with various positions on the breadth and scope that the law should cover, after close collaboration with the Government of **Liberia** (GoL) and other stakeholders to ensure broad stakeholder engagement in the drafting process through facilitation of review meetings and provision of comments, the law was finally passed in October 2010.³⁷ Trainings exceeded their targets. The number of community members and stakeholders reached with information on the CRL, regulations, procedures and related policies was 1437 versus 700 targeted. The increase in numbers likely resulted from intensified outreach efforts to create general awareness about community forestry during the time the passing of the law was delayed. Following its passage, LRCFP was able to provide more specific and targeted outreach and awareness at the national and community levels.
2. *Systems to improve security of tenure for natural resource owners/users in forest lands.* As above discussed, USAID agreed that community land ownership issues would not likely be resolved during the program period. Therefore, LRCFP role for this component was revised so that the program could contribute to land policy review and agreements between the FDA and communities on access, use, management and benefits from community forest lands.³⁸ The latter was measured by the number of requests made by communities to FDA to assist community forestry programs. Though project had set a target of 30 requests, only 17 were submitted to FDA by the end of the project. The project has argued that the missed target resulted from insufficient public awareness. Other indicators such as number of pilot community forest land areas defined and zoned in agreed management plans and number of trained local government officials on community rights in forest lands were all met.

³⁷ Copies of the Liberia Community Rights Law and regulations included in Toolkit #2. Regulations include: 1. Community profiling guidelines 2. Guidance for community forest management bodies, 3. NTFP regulation, 4. Affected communities benefit-sharing regulation, 5. ENNR co-management agreement 6. CRL Regulation, 7& 8. How to Handbooks describing organizational development and management planning under the CRL) included in Toolkit 2.

³⁸ ARD, Inc., Land Rights and Community Forestry Program: Final Report (Dec 2011).

3. *Community forest management provides improved biodiversity conservation and livelihoods* as measured by the number of hectares of biologically significant habitat under improved management and the value of agricultural and forest products sold through supported value chains were all met.

The reading of these quantitative indicators seem to suggest that the project was successful in developing legal and institutional land and forestry frameworks that enable the transfer of land and forestry management rights to local broad-based representative institutions that increase the transparency and equity of resource use. As acknowledged in the USAID Final Evaluation of the Land Rights and Community Forestry Program (LRCFP) “LRCFP achieved or surpassed all but one PMP target (as discussed under #2 above).”³⁹

However, looking at the achievements from an anti-corruption lens reveals facts that pose serious challenges to the establishment of fair, transparent, and inclusive natural resource planning:

- 1) LRCFP did not succeed in developing a model for the local creation of sustainable community forestry models that could be replicated by communities without resources similar to those offered by the project which means that the community forestry will not be expanded in **Liberia** under the existing framework. The regulations and the “how to” guidance provided by the program describe procedural and technical standards well above the current capacity of the average unassisted community to manage and the state forestry structures to support.⁴⁰
- 2) Further, as acknowledged in the USAID final evaluation “various prior claims supported by land law and high-level GOL agreements continued to threaten the claims of pilot communities to forest lands. In addition the regulations to the CRL, the drafting of which LRCFP facilitated but did not control, expose communities to the unlikely but possible risk of losing the management rights to their forests under several conditions including non-compliance with the management plan, FDA decision to terminate the agreement on the basis of higher social and public benefits and expiration after the management period.”^{41 42}
- 3) Unfortunately, powerful political interests also managed to get their voices heard in community decision-making through the participation of senators and representatives in community institutions. This was a contentious element of the enacted version of the CRL because the national level politicians could influence decision-making to their advantage. Due to strong project advocacy and joints efforts of the civil society and community members, their influence was undercut by excluding them from leadership positions.⁴³

In conclusion, LRCFP launched community forestry in **Liberia**, facilitated the establishment of a legal and policy environment supportive of community forestry, and built institutional capacities for community forestry while not completely succeeding in addressing all the institutional and legal gaps that

LRCFP incompletely realized objectives

- A model for the local creation of sustainable community forestry schemes was not established.
 - Ongoing tenure insecurity of pilot communities.
 - The biodiversity approach was insufficient over the long term.
 - Agricultural practices introduced risk not being sustained.
 - Strengthening of NTFP value chains limited.
- USAID, *Final Evaluation Report (2011)*

³⁹ USAID, Final Evaluation of the Land Rights and Community Forestry Program (LRCFP) (2010) (Toolkit #2 material).

⁴⁰ *Ibid.*

⁴¹ *Ibid.*

⁴² *Id.* at 33.

⁴³ *Id.* at 33.

create room for elite capture of natural resources and marginalization of the local communities.⁴⁴ If close attention is paid to work through these challenges and apply the lessons learned, the model used for establishing the community forestry in **Liberia** can offer helpful guidance to future practitioners.⁴⁵

4.3 CASE STUDY #3: CREATING AN ENABLING POLICY ENVIRONMENT IN SIERRA LEONE (CEPEL)

Contract No.: EDH-I-00-10-05-00006-00, Dates: 1/05/2009 – 03/03/2011

Contract Type: Cost Reimbursable Plus Fixed Fee

Contract Value (TEC): \$599,167

CEPEL was a 24-month results- based contract designed to provide technical assistance to the Government of **Sierra Leone** in developing an enabling environment and policy conditions necessary in order to achieve sustainable and productive natural resources system.

The project followed a two-phase implementation approach:

During the first phase, the project carried out the Situation Analysis to identify implementation gaps, weaknesses, overlaps in the policy, legal and regulatory frameworks, constraints to implementation, priority reform options, and ‘champions’ for each potential reform efforts. In the second phase, CEPEL worked with GoSL and civil society to draft and revise selected policies and laws to improve enabling framework for natural resources management.

The PMP’s Quality Assurance Surveillance defined five fee-tied milestones including preparation and acceptance of drafts of Forestry Policy, Forestry Act, Wildlife Policy, Wildlife Act, and Artisanal Mining Policy. Not only were these milestones successfully met, they were also highly praised by the Sierra Leonean government as ‘first of its kind’ due to a broad consensus-based participatory policy reform process. Public consultation and engagement helped to enhance transparency and legitimize the policy reform process by building public understanding and support into the design of the reform, which can only have a positive impact on implementation (See Toolkit #3 for draft policies and laws).⁴⁶

CEPEL PMP Indicators:

1. Number of policies that have been influenced by CSOs
2. Number of USG-supported initiatives designed to reduce potential for conflict from natural resources management
3. Number of people receiving USG supported training
4. Enabling framework for forest co-management developed
5. Forest Division capacity to support forest co-management strengthened.

ARD, CEPEL Final Report (2011)

The indicators used in PMP (see Box: PMP indicators) were all met. Did the program ultimately enhanced transparency and improved the state of corruption in natural resource management? This question has no answer as long as we lack information on the bills’ enactment. According to our internet research the GoSL adopted the draft policies but did not enact the bills.^{47 48}

⁴⁴ USAID Final Evaluation (2011) presented several recommendations that are included in this document.

⁴⁵ Toolkit #2: Launch of community forestry in Liberia.

⁴⁶ ARD. Inc., Creating an Enabling Policy Environment in Sierra Leone (CEPEL) –Final Report (2011). The final report also includes copies of the draft policies and laws. The report is included in Toolkit #3.

⁴⁷ http://www.threddesk.org/policy/conservation_and_wildlife_policy_2010_sierra_leone.

⁴⁸ https://s3-eu-west-1.amazonaws.com/rdwebsite/slforestry/ForestryPolicyFinal_21July2010.pdf.

The current Wildlife Conservation Act dates back to 1972. The Act takes a conservative approach to wildlife management and does not make any provisions for involving local communities in management responsibilities or for sharing benefits of income generated from wildlife management.⁴⁹ According to REDD library ‘this [Wildlife Conservation Act] was still under review in June 2013 and a new Act is expected to be presented before Parliament.’⁵⁰

The Forestry Act in force was passed in 1988⁵¹. The Act assigns the Chief Conservator, or Director of Forestry, the mandate of ensuring all classified forests are managed according to the ‘optimum combination of social, environmental and economic benefits that they can be made to provide’ (Part IV section 7). In fact both the Forestry Act (1988) and the Forestry Regulations (1989) emphasize the use of classified forests for an economic purpose, i.e., concessions over other purposes such as conservation or community forestry.⁵²

In conclusion, though CEPESL met all of its quantified indicators, it did not completely succeed in advancing the natural resources policy environment in **Sierra Leone** beyond the adoption of policy statements and guiding principles that sanction transparent planning and equitable allocation of resource profits. The legal and institutional frameworks regulating forestry and wildlife sectors continue to remain exclusive to central planning and in denial of decentralized natural resources management by local broad-based representative institutions. Lack of transparent planning and decision-making at local level creates potential for political corruption and elite capture.

However, the legal and institutional framework drafted by CEPESL could offer helpful expertise in drafting policy and institutional frameworks necessary to achieve sustainable and productive natural resources system especially in situations where there is strong political will for reform.⁵³

⁴⁹ http://www.threddesk.org/countries/sierra_leone/info/law/the_wildlife_conservation_act_1972_sierra_leone.

⁵⁰ *Ibid.*

⁵¹ <http://www.ecolex.org/ecolex/ledge/view/RecordDetails;DIDPFDSIjsessionid=F8282ECCD5D892CFF9CE6E522275F4C0?id=LEX-FAOC005732&index=documents>.

⁵² For more see http://www.threddesk.org/countries/sierra_leone/readiness_overview#rights_and_tenure.

⁵³ Toolbox #3: Creating an enabling policy environment in Sierra Leone (CEPESL).

5.0 ANTI-CORRUPTION IMPACT? SHOW ME THE DATA!

Either for rent-seeking or patronage reasons, in reality corruption in land tenure and natural resources management can take one of two forms: administrative corruption (aka small-scale petty corruption) or political corruption (aka grand corruption). We also discussed in the case studies that regardless of activities implemented to enhance transparency and good governance in the sector, no evidence was gathered on the perceptions and realities of the local populations with corruption in land tenure and natural resources. PMPs also offer no answer to such questions. Because this study aims at analyzing the anti-corruption impact of USAID programs rather than simply assessing their individual achievements, the study can only draw inferences from cross-referencing the results of these programs and exploring linkages between program activities and anti-corruption data available from other sources.

5.1 ADMINISTRATIVE CORRUPTION

.Administrative corruption takes the form of small bribes that need to be paid to register property, change or forge titles, acquire land information, process cadastral surveys, and generate favorable land use plans.^{54 55}

As stated earlier, land services are considered to be one of the most bribe-prone services in North Africa. Since 2009, the Global Corruption Barometer (GCB),⁵⁶ an initiative of Transparency International, has made efforts to document the perception and experiences of administrative corruption in the land sector

The GCB questionnaire asks respondents: “In the past 12 months, have you paid a bribe in any form to the Land Services?”

The following table presents the answers in the four countries the TI GCBs 2009-2013.⁵⁷

⁵⁴ TI&FAO (2011): Corruption in the Land Sector.

⁵⁵ Administrative corruption otherwise known as petty corruption is the everyday corruption that takes place where bureaucrats meet the public directly. Petty corruption is also described as "survival" corruption ("corruption of need"): a form of corruption which is pursued by junior or mid-level agents who may be grossly underpaid and who depend on relatively small but illegal rents to feed and house their families and pay for their children's education. Although petty corruption usually involves much smaller sums than those that change hands in acts of "grand" or political corruption, the amounts are not "petty" for the individuals adversely affected. Petty corruption disproportionately hurts the poorest members of society, who may experience requests for bribes regularly in their encounters with public administration and services like hospitals, schools, local licensing authorities, police, taxing authorities and so on. <http://www.u4.no/glossary/>.

⁵⁶ <http://www.transparency.org/research/gcb/overview>.

⁵⁷ http://www.transparency.org/research/gcb/gcb_2009.

EXPERIENCES OF CORRUPTION: % OF PEOPLE THAT HAD COME INTO CONTACT WITH LAND SERVICES AND HAD PAID A BRIBE TO THEM

Projects	2013	2010/2011	2009	2008	2007
Liberia (Implemented Land Rights and Community Forestry Program during 2007 – 2011)	42	55	54	NA	NA
Nigeria , Cross River State (implemented SPACE program during 2004-2007)	17	31	20	NA	NA
Sierra Leone (implemented CEPESL program during 2009 – 2011)	70	60	28	NA	NA

While a number of other factors outside the scope or control of the projects reviewed here can account for the varying trends in corruption, the information is useful as a potential baseline and may be taken in consideration for future programming in the sector. Projects that offer assistance in upgrading the legal and institutional frameworks and administrative structures in land tenure and land services, can assess their impact on citizens' perceptions and experience with corruption by including in their PMP specific anti-corruption objectives and indicators, using these types of survey instruments to measure and evaluate the results of projects interventions.

5.2 POLITICAL CORRUPTION

Political corruption in land tenure and NRM is used synonymously with "grand" or high-level corruption and refers to the misuse of entrusted power by political leaders to change the regulatory framework for their own benefit. It not only leads to the misallocation of resources, but it also perverts the manner in which decisions are made⁵⁸. Political corruption in the land sector aims to gain control over a country's resources — both what is above and beneath the ground. It can manifest as a result of opportunities created through land transactions, reforms and development projects that occur within a country, region, or district.⁵⁹

This type of corruption, however, is extremely hard to document and effectively prosecute since the acts that trigger it may fall within the law. Land might be initially purchased by the brokers at significantly less than market value, and then re-sold to the benefit of the powerful elite. According to TI and FAO, this has been a notorious reality in **Kenya** during the last 50 years.⁶⁰

How can political corruption be measured in the land tenure sector and natural resources management? In the projects reviewed for this document, we did not come across specific data to document or measure this problem. However, because political corruption relies on system weaknesses that compromise the transparency, accountability, and integrity of institutions, indicators that measure the state of governance maybe the most appropriate for this assessment. As discussed in detail under the SPACE project section, the natural resources governance indicators used by SPACE⁶¹ might be a helpful model.

⁵⁸ <http://www.u4.no/glossary/>.

⁵⁹ TI & FAO, Corruption in the Land Sector, Working Paper #04/2011 <http://www.fao.org/docrep/014/am943e/am943e00.pdf>.

⁶⁰ World Resources Institute and Landesa, Kenya: Lesson 3: History of Land Conflicts, Focus on Africa Brief, (Washington, DC: WRI and Landesa, March 2011); Kenya National Commission on Human Rights and the Kenya Land Alliance, Unjust Enrichment: The Making of Land Grabbing Millionaires, The Plunder of Kenya's State Corporations and Protected Lands, Vol. 2 (Nairobi, Kenya: KNCHR and KLA, 2008).

⁶¹ Please refer to Toolkit 1 for more.

Overall, the following indicators might be suggested:

1. **Perception of Corruption, using surveys** to measure people's perceptions of corruption in specific sectors, such as land services or natural resources.
 - 1.1 The Global Corruption Barometer survey might be an example.
 - 1.2 Other project- or third- party administered surveys tailored to measure the impact of project interventions might be used as well.
2. **Enhanced capacity** to manage natural resources more transparently and with greater integrity and accountability.
 - 2.1 Capacity improvements in key institutions following a capacity index tailored to particular institutional contexts.
 - 2.2 Number of concessions and procurement decisions that are published in official sites.
 - 2.3 Number of concessions and procurement decisions that complied with established regulations.
 - 2.4 Number of complaints against corruption in cases related to natural resources concessions or procurements brought for prosecution.
 - 2.5 Number of clean audits reports by the Comptroller General on expenditures of agency responsible for administration of natural resources.
 - 2.6 Public expenditure and financial accountability performance ratings.
3. **Administrative reforms** to reduce corruption risks
 - 3.1 Number of Institutional Integrity Committees established with functioning anti-corruption action plans.
 - 3.2 Number of complaints against corruption reported in newly established hot-line to report corruption cases.

6.0 ASSESSING THE PAST AND SHAPING THE FUTURE: LESSONS LEARNED AND RECOMMENDATIONS

The programs in the land tenure and natural resources management sector were designed based on the prevailing development hypothesis that decentralization of power and resources brings services closer to the people, therefore, making processes more transparent, planning more participatory and the sharing of profits from land use and exploitation of natural resources more equitable.

Stronger tenure rights to producers will also increase investments in land and natural resources, as security of tenure rights decreases investors' risks. Inclusion of those whose livelihoods depend on the use of natural resources in the process of decision-making will also help to increase sustainability of new project initiatives, as communities are more likely to gain ownership of new laws and regulations and will be therefore be more motivated to respect them.

The benefits will spread beyond local communities.

This strategy has so far been implemented through efforts to:

- provide enabling legal and institutional frameworks;
- secure tenure of rights to households and local communities;
- empower local communities through capacity-building and support services; and
- improve related business practices and reinforce value chains.

These initiatives have yielded positive but limited results so far and are still in nascent stages in Sub Saharan Africa. Annex 2 presents a list of toolkits that can guide future fieldwork and be used as a valuable reference for practitioners in this sector.⁶² Based on the analysis of different projects, the following are emerging principles and lessons learned which may be useful in considering how successful efforts should be scaled up to generate wider positive impact in the future.

⁶² Annex 2 presents relevant toolkits for three case studies. Please see the toolkits # 1-3.

1. Develop **strong political will**. As mentioned several times during the discussion of the PMPs and achievements, various activities started by the projects were not successfully concluded due to reversals of political will. Successful programming would therefore demand a prior careful analysis of the political economy analysis of the land and natural resources sector including key analyses of the stakeholders involved and how they are impacted by the reforms as well as formal and informal decision-makers. Further, as recommended by the USAID Final Evaluation of Liberia LRCFP ‘an explicit strategy should be developed to address the potential for elite capture and marginalization.’”
2. **Local government must ‘buy-into’ the process and be able to offer policy and financial support.** To use an example from **Nigeria** SPACE, several CLUPs were not registered due to failure of the local government structures to act on them. Also, NRM decentralization should be better coordinated with the overall political decentralization process. In Liberia independent community assemblies composed of locally elected elders and leaders were set up specifically for the community forestry. As Liberia’s governmental reform decentralizes government authority, it will be important that the roles and responsibilities of such local institutions be absorbed into the function of local governing bodies. As suggested in **Liberia** USAID final evaluation, the natural resources management structures should be folded into broader local government structure.⁶³
3. **Civil society can play an important role** to democratize the NRM processes. They can help build up demand for reform and be the voice for the poor and marginalized sectors of the society. As we saw in all our case studies, national legislatures bailed out on passing critical legislation that would enable secure tenure and transparent NRM. Stronger advocacy from civil society might have been helpful in this regard.
4. Improving governance and transparency are potentially disruptive activities. They promote changes in existing roles and power balances among stakeholders. Therefore, **strengthening stakeholder relationships**, development of trust, commitment and shared understanding amongst stakeholders is of crucial importance. To build trust among stakeholders who regularly distrust one another, a project must be perceived as an “honest broker.” Respect, neutrality, transparency, readiness to accept criticism, and setting an example in action as well as speech are all important in ensuring that the project is accepted as a trusted facilitator and advisor by all parties.⁶⁴
5. **“Two-track” engagement** (bottom-up and top-down) is proved a successful method for engaging diverse stakeholders to develop shared understandings and strengthen commitment. In SPACE case, linking with the leaders of institutions at the “top,” for example through the Protected Area Policy Working Group (PAPWG) and the technical advisory committee was instrumental in gaining their “permission” for carrying out participatory activities at the “bottom.” While, activities at the ground level helped create and build “demand” for improved practices and processes in community-based conservation, governance, and markets. Inclusive, two-way communication allowed community members to speak out and even talk back to their leaders, invoking their own experience. Such communication helped break down misconceptions, built trust, and expanded networks of shared interests.⁶⁵
6. **Use of pilots:** Decentralized, flexible but well-focused, pilots and adaptive learning “experiments” are important to demonstrate benefits at local level, understand local situations, gain experience that can guide devolutionary reforms, and inform policy-making. For example, community land use planning (CLUP) and the formation of the Conservation Association of the Mbe Mountains (CAMP), were

⁶³ USAID, Final Evaluation of the Land Rights and Community Forestry Program (2011).

⁶⁴ SPACE Program Highlight. For more info, please refer to Toolkit #1.

⁶⁵ Ibid.

developed from scratch and involved much more heterogeneous sets of actors. Although CLUP activities could draw on ample experience worldwide, SPACE had to help participants develop the participatory methodology itself. Participants had to learn to collaborate, try different new approaches, and have the freedom to make mistakes.

7. **Capacity-building** is fundamental to decentralizing natural resources management. From the village to the national level, there is enormous need related to training in leadership, management, technical aspects, institutional strengthening and reform and conflict management. The challenge is to identify the priorities, the entry points and the resources needed.
8. **Future programming:** The four entry points for corruption we analyzed at the beginning of this report could be used to inform and shape future anti-corruption programming in land tenure and natural resources management. The first step in the process (as duly acknowledged by the current programming) is certainly the recognition of land use and property rights both at national and community level. Another important pillar is the resource revenue management that must be transparent, and both the Extractive Industries Transparency Initiative (EITI) and IMF Reports on Observance of Standards and Codes are important points of reference for donors in this regard. These documents can serve as guiding references on observance and implementation on the ground. Further analysis however is needed to identify the benefits and opportunities of each entry point, as well as potential limitations, challenges, and risks.
9. Revisions of legal frameworks should be coupled with similar assessments of the **institutional frameworks** in order to avoid the enforcement gap. The capacity of existing structures to cope with the new changes should be properly addressed. Measures are often aimed at improving laws and standards, but these must be enforceable and supported by efficient and capable institutions.
10. **Simplify the models.** As recommended by the USAID Final Evaluation Review of the Liberia Program, further investment in community forestry should focus on reducing the barriers for communities to establish and maintain community forests. For example, the five community forests developed with LRCFP support followed a process that exceeded the capacity of communities to establish and manage their own.⁶⁶
11. To the extent that projects in the land and natural resource sector explicitly define controlling corruption as one of their objectives, they need to **incorporate anti-corruption results and indicators in their PMP** to effectively track and monitor progress and evaluate project results. Indicators such as the ones developed by the Global Corruption Barometer can be used as an example and a good starting point to develop other relevant indicators. Without the appropriate monitoring and evaluation tools, assessing anti-corruption impact of project interventions becomes extremely difficult. At most, this can be only “guessed” by indirect references.

Tackling corruption in land tenure and natural resources management is in essence a governance problem. There is an overall agreement that the solution to controlling corruption lies in the establishment of transparent, efficient and accountable property rights and governance systems, respect for which is guaranteed by strong oversight and adjudication mechanisms. It is a long-term process that demands a concerted effort of political will from the top to implement reforms and continuous and steady participation from the civil society organizations, media and other watchdog agencies to ensure that the local communities make full use of opportunities for disclosure and improvement of transparency.

⁶⁶ Id. p.55.

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ANNEX 1: PROGRAMS

Liberia Land Rights and Community Forestry Program (2007–2011).

Strengthening Land Tenure and Property Rights in Angola (2006–2008).

Sustainable practices in agriculture for critical environments (SPACE) conservation and livelihoods in Cross River State, Nigeria (2004–2007).

Creating an enabling policy environment in Sierra Leone (CEPEL) (2009–2011).

ANNEX 2: TOOLKITS

Toolkits referenced in this document can be found at:

<https://sites.google.com/a/usa.gov/drg/home/about-1/drg-center-teams/governance-and-rule-of-law/anticorruptionmapping>

TOOLKIT 1

ARD, SPACE final report (2007).

ARD, Inc., “Design and Implementation Plan,” Sustainable Practices in Agriculture for Critical Environments July 2004.

ARD, Inc., “Performance Monitoring Plan,” Sustainable Practices in Agriculture for Critical Environments: December 2004 and Annual Revision, December 2005.

ARD, Inc., “Guide for Community Land use Planning,” Sustainable Practices in Agriculture for Critical Environments: June 2005, revised August 2006. **Land Use Manual "Community Land and Natural Resource Use Planning Handbook" **

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TOOLKIT 2: LIBERIA LAND RIGHTS AND COMMUNITY FORESTRY PROGRAM

Liberia Community Rights Law and regulations. Regulations include: 1. Community profiling guidelines, 2. Guidance for community forest management bodies, 3. NTFP regulation, 4. Affected communities benefit-sharing regulation, 5. ENNR co-management agreement, 6. CRL Regulation, 7& 8. How to Handbooks describing organizational development and management planning under the CRL) included in Toolkit 2.

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ARD, Land Rights and Community Forestry Program: How to develop a community forest management plan (November 2011).

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ARD, Land Rights and Community Forestry Program: Community Forestry as a Business (CFaaB) Training Manual: Non-timber Forest Products.

ARD, Land Rights and Community Forestry Program: Community Forestry in Liberia: Learning from experience elsewhere.

ARD, Land Rights and Community Forestry Program: Conflict Management Capacity for Community Forestry.

TOOLKIT #3: CEPESL

ARD, Inc., Creating an Enabling Policy Environment in Sierra Leone (CEPESL) – Final Report (2011). The report also includes draft copies of Forestry Policy, Forestry Act, Wildlife Policy, Wildlife Act, and Artisanal Mining Policy.

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