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# CORRUPTION AND COVID-19

## KEY ISSUES AND USAID APPROACHES

The vast sums of resources required to respond to the COVID-19 pandemic is creating unprecedented opportunities for corrupt actors. USAID has identified key issues and approaches to mitigate corruption risks and ensure life-saving pandemic resources reach citizens.

### KEY ISSUES

Countries around the world are struggling to rapidly respond to the COVID-19 outbreak, often relying on inadequate health systems and poor public service delivery processes. In many countries, persistent weak governance and limited corruption controls at the central and local government levels are emboldening corrupt and criminal actors to exploit the fast-moving crisis, while also hampering the pandemic response. Issues of concern include:

- Diversion of COVID-19 funds and supplies through rent-seeking, nepotism, and patronage;
- Increased opportunities for self-dealing and graft, including controlling the distribution and prices of COVID-19 response materials;
- New black markets for illegal medical goods driven by scarce supplies;
- Increased risks of bribery, extortion, petty corruption and exploitation of vulnerable communities at the service-delivery level;
- Corrupt medical schemes, including the use of counterfeit and faulty medical supplies;

- Circumvention of government procurement, transparency, oversight and anti-corruption norms and protections in order to quickly address the crisis;
- Use of relief supplies by criminal gangs and organizations to coerce, intimidate and/or co-opt local communities, undermine government support, and fund illegal activity;
- Increases in COVID-19 related cyber-criminal fraud;
- Broken global supply chains leading to new, unvetted partnerships that create corruption and compliance risks for U.S. and other companies; and
- Impeded anti-corruption enforcement actions due to the COVID-19 crisis.

## USAID APPROACHES

Pillar 4 of the USAID/State “Strategy for Supplemental Funding to Prevent, Prepare for, and Respond to Coronavirus Abroad” outlines DRG strategies for promoting citizen-responsive governance amid the COVID-19 crisis. USAID’s approaches to addressing corruption in this context are focused on *systemic and holistic interventions that bolster the ability of countries to detect, prevent, investigate and sanction corruption across the COVID-19 response*. Illustrative USAID programmatic approaches include:

- Strengthening public administration, procurement, and financial management systems to oversee the planning, budgeting, and use of COVID-19 funds and resources;
- Increasing transparency and accountability in COVID-19 related public procurement (including medical supply delivery) and funds disbursements;
- Enhancing governments’ ability to detect and prevent the misuse and diversion of COVID-19 funds (including strengthening internal controls, sanctions, and whistleblower provisions);
- Improving government capacity to audit and report on use of COVID-19 funds (including health, procurement, infrastructure, and social security expenditures);
- Bolstering country capacity to investigate, prosecute, and sanction COVID-19-related corruption (including strengthening anti-corruption and anti-money laundering frameworks);
- Promoting open governance platforms and standards and strengthening multi-stakeholder alliances to ensure transparency and accountability in the COVID-19 response;
- Empowering civil society and media to monitor and promote accountability on government resources and the use of public funds to combat COVID-19;
- Exploring private-sector partnerships to bolster integrity and accountability across COVID-19 related supply chains and service delivery;
- Promoting social and behavioral change approaches aimed at building a culture of accountability;
- Integrating anti-corruption approaches into COVID-19 health system strengthening and humanitarian response programs; and
- Integrating anti-corruption approaches and considerations into post-COVID-19 re-openings.

### FOR MORE INFORMATION, CONTACT:

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For more information on USAID’s DRG response to COVID-19, please visit:

<https://www.usaid.gov/democracy/documents/covid-19-democracy-human-rights-and-governance-issues-and-potential-usaid-responses>