



## Information Brief

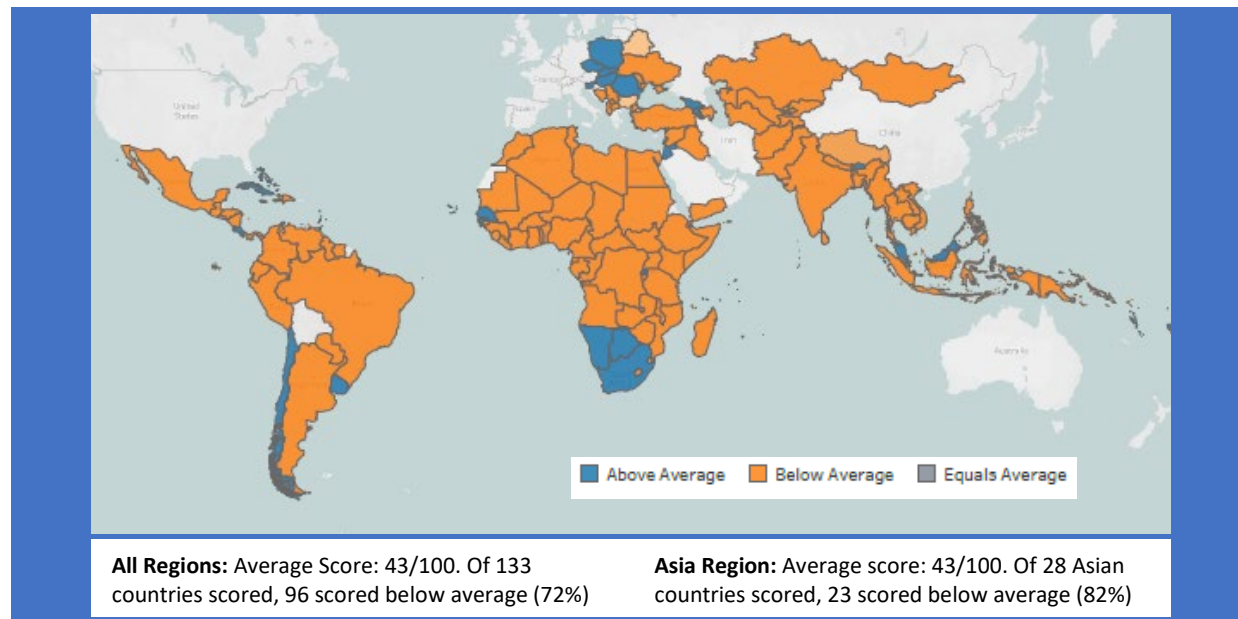
### USAID’s Expanded Approach to Anticorruption

Corruption – pervasive, persistent, and globalized – undermines development efforts and threatens national security. USAID’s approach under its 2022 anticorruption policy aims to address corruption head on beyond country boundaries. USAID’s past anticorruption efforts undertaken under its 2004 anticorruption strategy broadly aimed to counter grand and administrative corruption<sup>1</sup> occurring within host-country boundaries. The Agency’s approach under the 2022 policy expands this focus to include additional forms of corruption such as transnational corruption and kleptocracy<sup>2</sup> at the country, regional, and global levels. For example, of the 18 USAID missions in Asia, 7 had anticorruption programming within their portfolios between 2019 and 2023, including one bilateral mission and one regional mission implementing anticorruption activities under the 2022 policy. This information brief summarizes the Agency’s anticorruption efforts with a focus on those in the Asia region.

### Corruption Pervasiveness in Countries Where USAID Works

The Corruption Perceptions Index (CPI)<sup>3</sup> shows corruption pervasiveness and persistence at the global level. Based on the CPI average for 2019 through 2022, over two-thirds of the 133 countries where USAID works scored below the average global score of 43/100 (see Figure 1). During this period, scores declined for 59 countries, stagnated for 8, and improved for 66. However, 48 countries continued to score below the world average.

**Figure 1. CPI Average for Countries Where USAID Works**



Source: USAID OIG-generated map including computed average CPI scores based on CPI scores published by Transparency International for 2019 to 2022 for countries where USAID works. Note: The depiction and use of boundaries and geographic names used on this map do not imply official endorsement or acceptance by the U.S. government.

<sup>1</sup> The U.S. Strategy on Countering Corruption describes grand corruption as “when political elites steal large sums of public funds or otherwise abuse power for personal or political advantage,” and administrative corruption as “the abuse of entrusted power for private gain—usually by low to mid-level government officials—in interactions with citizens and the private sector.”

<sup>2</sup> The U.S. Strategy on Countering Corruption describes kleptocracy as “a government controlled by officials who use political power to appropriate the wealth of their nation.”

<sup>3</sup> CPI is an indicator that ranks countries based on their perceived level of public sector corruption and is published annually by Transparency International. The CPI uses a scale from zero (highly corrupt) to 100 (very clean).

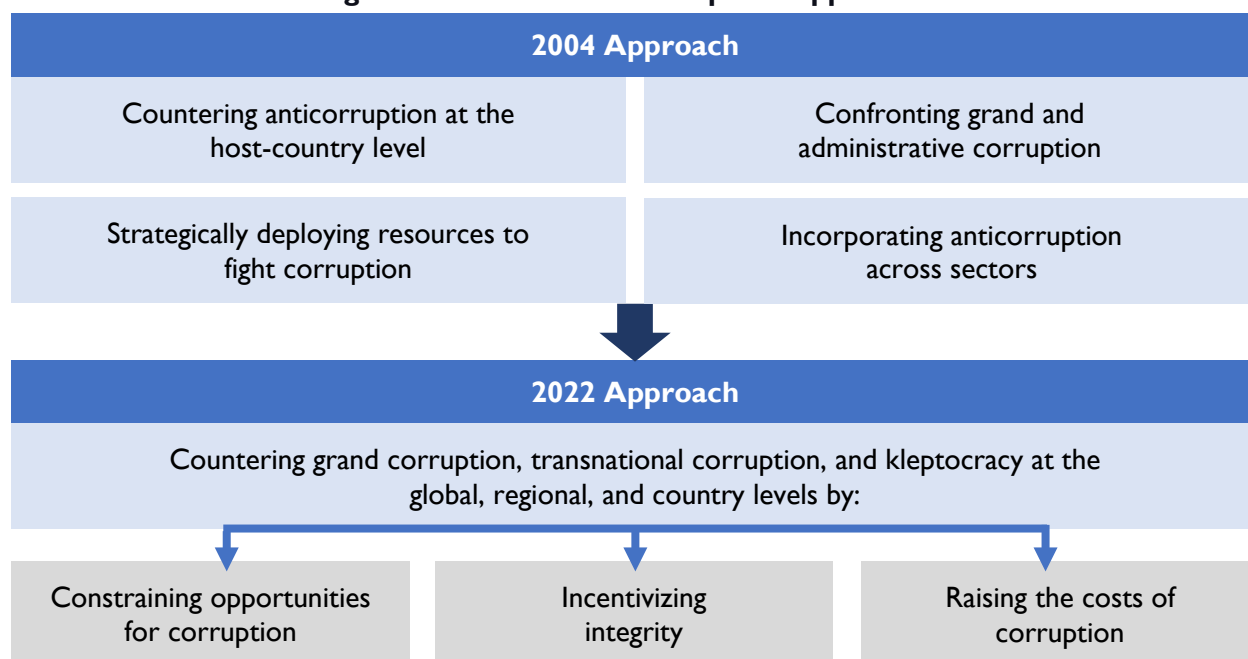
## USAID's 2022 Policy Prioritizes and Expands Its Approach to Anticorruption

Over the past decades, USAID has sought to counter corruption at the host-country level by enhancing good governance and integrating anticorruption into sectoral programs. In 2004, the Agency issued its Anti-Corruption Strategy to address development challenges posed by corruption through broad actions.

Recognizing corruption as a core national security interest, the U.S. government released the U.S. Strategy on Countering Corruption in December 2021, emphasizing a whole-of-government approach and the need to focus on transnational corruption. In line with this strategy and to address widespread threats of corruption, USAID released its Anti-Corruption Policy in December 2022 to protect resources crucial for development and to strengthen democracy.

Building on USAID's 2004 strategy, the 2022 policy expands the Agency's focus beyond its 2004 emphasis on grand and administrative corruption at the local level to include more forms of corruption, such as transnational corruption and kleptocracy at the regional and global levels (see Figure 2).

**Figure 2. USAID's Anticorruption Approaches**



In addition, the 2022 policy updates USAID's 2004 definition of corruption from "the abuse of entrusted authority for personal gain"<sup>4</sup> to "the abuse of entrusted power or influence for personal or political gain"<sup>5</sup> to account for new global dynamics of corruption involving public sector actors, private organizations, and individual citizens. The policy also establishes three objectives and identifies multiple planned lines of effort focused on transnational corruption, a cross sectoral approach, leadership style, new partnerships, institutionalization, and safeguarding resources. Figure 3 shows examples of USAID's efforts under the 2022 policy.

<sup>4</sup> USAID, [USAID Anticorruption Strategy](#), October 2004.

<sup>5</sup> USAID, [Anti-Corruption Policy](#), December 2022.

**Figure 3. Examples of USAID’s efforts undertaken under the 2022 policy**

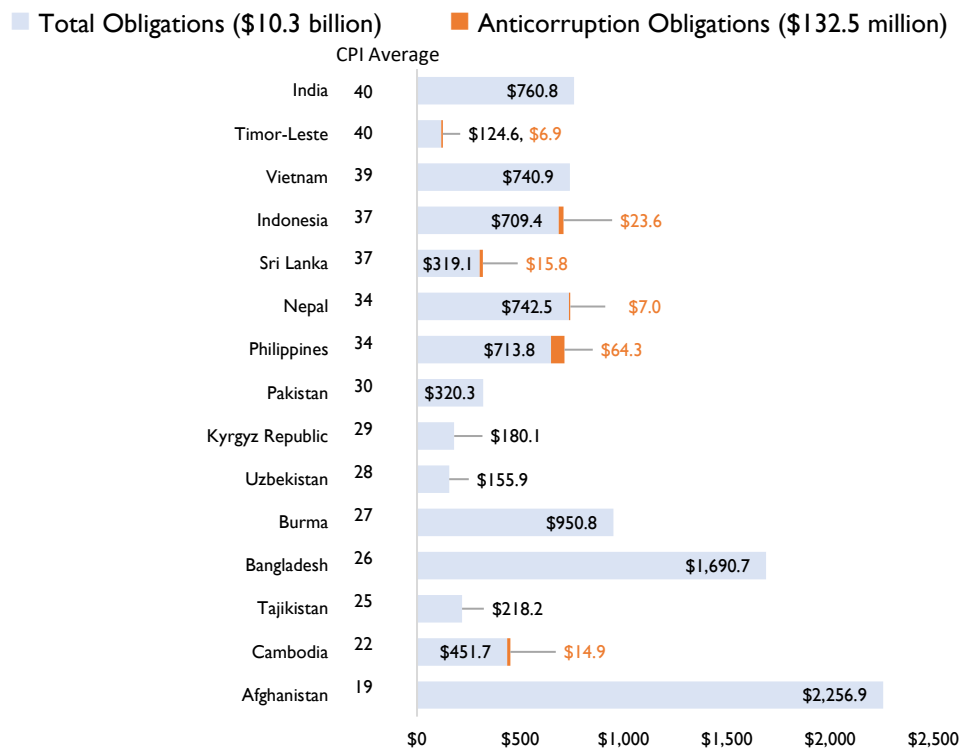
- Establishing the permanent Anti-Corruption Center (ACC)
- Providing technical assistance and developing technical guides to countering corruption
- Forging new partnerships and deepening coalitions with stakeholders
- Launching the Transforming the Fight Against Corruption Initiative, which combines regional and global anticorruption programs including:
  - Empowering Anti-Corruption Change Agents Program
  - Anti-Corruption Response Fund
  - Countering Transnational Corruption Grand Challenge

**USAID’s Anticorruption Initiative FY 2019-2023 (Asia Snapshot)**

USAID’s 2022 policy calls for missions to align their strategies with the Agency priorities of combating corruption and integrating anticorruption safeguards across sectors and existing portfolios.

USAID has 15 bilateral missions and 3 regional missions that implement programs in over 28 countries in Asia. Of approximately \$10.3 billion obligated for fiscal years 2019-2023 for 15 Asian countries where USAID has bilateral missions, USAID obligated \$132.5 million for activities aimed at fighting corruption in 6 countries. The average CPI scores for these 15 Asian countries ranged from 19 to 40 (see Figure 4).

**Figure 4. USAID Funding for Asian Countries with Bilateral Missions FYs 2019-2023, Listed in Order of Least to Most Corrupt Country According to its CPI**



Note: USAID/Pakistan deobligations amounting to \$328.2 million in fiscal years 2019 and 2020 were excluded. Source: OIG based on information obtained from USAID Asia Bureau and USAID’s financial system (Phoenix Enterprise Reporting Portal).

All six of the Asian countries where USAID funded anticorruption efforts (Cambodia, Indonesia, Nepal, the Philippines, Sri Lanka, and Timor L’Este) had anticorruption programs under the 2004 strategy. Two missions have begun implementing anticorruption programs under the 2022 policy. Specifically,

- Under the Anti-Corruption Response Fund, the USAID mission in Indonesia received \$2 million to counter corruption in Indonesia.
- Under the Empowering Anti-Corruption Change Agents Program, USAID’s ACC, in collaboration with USAID’s Regional Development Mission for Asia, provided \$2 million to support a regional investigative reporting network.

Additionally, under the Countering Transnational Corruption Grand Challenge, three nongovernmental entities were selected to receive funding from USAID to counter corruption in the mining industry in the Philippines and Indonesia.

In December 2023, USAID’s ACC delivered regional anticorruption technical training in Bangkok, Thailand, as part of a workshop on regional anticorruption and transnational organized crime in Southeast Asia. USAID’s Asia Bureau also commissioned a study focused on corruption in Asia that it plans to finalize in 2024 and use the results to guide anticorruption programming in the region. According to USAID Asia Bureau and ACC officials, these efforts, along with other planned guides such as the Reference Guide to USAID Anti-Corruption Operational Safeguards, will be available to assist the missions in fighting corruption and ensuring integrity in U.S. foreign assistance.

## USAID OIG’s Anticorruption Work

In recent publications, we have summarized OIG’s prior work and highlighted vulnerabilities in USAID’s ability to safeguard its programming from influence by corrupt actors as indicated in OIG’s Information Brief “[USAID OIG’s Role in Safeguarding Foreign Assistance from Corruption](#)” and referral memorandum to USAID “[Vulnerabilities in USAID’s Ability to Assess Award Applicants’ Relationships with Corrupt Actors](#).” We will continue to monitor anticorruption efforts in Asia and other regions as we plan future oversight work in this area.

*This final product was conducted in accordance with USAID OIG’s policies and procedures for agile products, which, where appropriate, are aligned with CIGIE’s Quality Standards for Federal Offices of Inspector General (Silver Book), and other OIG audit, inspection, and evaluation policies and guidance.*