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CORRUPTION ASSESSMENT HANDBOOK DRAFT FINAL REPORT

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CORRUPTION ASSESSMENT HANDBOOK

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1. Introduction

Background

As demonstrated by the recent adoption of USAID's Anticorruption Strategy (2005), there is clear recognition that new approaches need to be taken by host country governments, their civil society and business communities, and international donor organizations to address corruption issues that are potential obstacles to development programs. A first step in implementing this USAID strategy is to assess exactly how corruption manifests itself in a particular country, where the vulnerabilities lie, and the effectiveness of existing institutions and control mechanisms meant to deal with the problem. Based on this assessment, a strategic analysis of the corruption problem can be formulated and a range of programs can be identified and prioritized to deal with the problem in a customized and effective way.

Objectives

The purpose of this handbook is to provide USAID Missions and their implementing partners with an integrated approach and set of practical tools to conduct tailored corruption assessments efficiently, but at a level detailed enough to produce targeted and prioritized recommendations for programming. As well, the framework supports an assessment of in-place anticorruption initiatives: their achievements, their deficiencies, obstacles they have faced, and their sustainability. This assessment approach builds upon a body of international experience in assessing and acting against corruption.

The handbook is constructed around several fundamental principles:

- 1. All corruption is not the same.** Corruption may manifest itself in similar ways across countries and over time – bribery, extortion, embezzlement, influence peddling, nepotism, and so on – but the underlying causes can be different and the areas that corruption attacks can vary across geographic region and over time. The assessment framework is built to help governments and other interested parties identify trends in different types of corruption (both grand and administrative corruption, as well as state capture and predation), and the sectors and functions that become vulnerable to corruption in particular locales or points in time. Based on a better understanding of the nature of the problem and its root causes, the framework supports development of a thoughtful and comprehensive strategic outlook that offers a more customized approach to controlling corruption.
- 2. All countries do not possess the same proclivity toward corruption.** Rather, based on different patterns of development and political economic dynamics, countries manifest differing corruption tendencies and vulnerabilities. The assessment methodology incorporates a way to distinguish among countries along these dimensions so that country-specific programs can be developed and recommendations can be customized to the situation at hand.

3. **All countries are not at the same level of anticorruption readiness.** The political will and commitment of governmental and nongovernmental leaders defines only one aspect of a country's readiness to deal effectively with the problem of corruption. In addition, there needs to be a basic framework of anticorruption laws, regulations and institutions in place that serve as the prerequisite for all initiatives. As well, government officials and civil society, mass media, and business leaders must have the training, resources, and capacity to act with meaningful resolve if anticorruption initiatives are to be adequately implemented.

Using This Handbook

Conducting a comprehensive assessment of corruption can begin the process of designing and implementing initiatives that will reverse negative trends. But to avoid government and donor responses that only treat the symptoms of corruption, it is essential to take a strategic perspective that addresses underlying causes and the deeper political-economic dynamics that have influenced the evolution of corruption problems in a country.

The corruption assessment methodology described in this handbook offers a systematic approach to understand the nature of corruption in a meaningful way and to translate that understanding into a strategic outlook and prioritized programmatic recommendations for USAID missions. It is intended to help users move from a general understanding of corruption issues to problem definition and then to programming. The assessment approach takes into account many key ideas about how corrupt systems develop and persist – through a multi-sectoral focus that looks at the balance between grand and administrative corruption, the existence of political will among key actors, their levels of institutional capacity, and the obstacles to real reform. Traditionally, corruption has been assessed as primarily a legal and institutional problem; this methodology puts this legal-institutional analysis into a country context of what are often complex political-economic dynamics. This offers users a richer strategic understanding of the corruption problem and what reform paths are likely to be meaningful and effective. In these ways, the methodology addresses the major issues discussed in the USAID Anticorruption Strategy.

This assessment approach seeks to provide analysts and programmers with a more detailed and straightforward alternative to the aggregate corruption indices and corruption perception surveys that may be available. The handbook provides a framework that facilitates both a broad view of the factors influencing corruption and a way to drill down to understand the detailed dynamics of the problem on a sector-by-sector basis. Most importantly, the handbook also presents tools to assist the assessment team in identifying and ranking appropriate and practical program options to deal with detected corruption problems based on international best practice.

The assessment methodology is divided into four steps, each step complete with helpful tools and techniques to support the team in conducting its analysis. The first step involves the *collection and integration of relevant information*, as well as guidance on appropriate staffing of the team. At the second step, the methodology supports development of a *comprehensive strategic outlook* that helps in the formulation of a tailored anticorruption program. In this regard, the team will be guided to describe the country's development dynamics and its proclivity to particular types of corruption in terms of "corruption syndromes." The syndrome

helps the team understand the broad dynamics of corruption beyond institutional and procedural weaknesses -- why corruption affects the country as it does, how the corruption problem can be framed in general terms, and what broad implications might be drawn about different approaches to anticorruption reform. Syndromes focus primarily on the issues that facilitate grand corruption and state capture, the types of corruption that are often perceived to be most detrimental to a country's economic and political development, but at the same time, the most difficult to tie down with hard evidence.

Contributing to this strategic analysis, as well as to a prioritization of key sectors and functions that are particularly prone to corruption, a corruption checklist will be completed by local experts targeting the status of corruption trends and anticorruption initiatives in a wide variety of sectors and functions. On the basis of the syndrome designation, the checklist analysis, USAID/USG priorities and other criteria, the team will select the government sectors and functions that appear to be most vulnerable to corruption, but where there also appear to be opportunities for reform.

In Step 3, the team will conduct detailed diagnostic probes of these high priority areas. The assessment methodology provides a library of guiding questions to detail the nature of corruption in many of the sectors or functions that will be identified. These in-depth diagnoses will support directly the major sections of the assessment report, providing detailed assessments of how corruption impacts the sectors, what the opportunities and obstacles are for reform, and what the specific recommendations are for program options.

Finally, in Step 4, the team will transform the detected corruption problems into practical programmatic recommendations. In addition to the conclusions drawn from Steps 1-3, the team will be able to consult an interactive database of past anticorruption interventions to consider a wider range of initiatives – with the benefit of historical perspective -- that might be feasible within the country under assessment. Several criteria are offered to the team by the assessment framework to help them develop and prioritize its final set of recommended actions – taking into account the anticorruption strategic outlook, USG priorities in the country, and what appears to be feasible and practical.

Overall, this handbook provides step-by-step assistance in both implementing the methodology and producing the assessment report. Much of the guidance is based on pilot assessments that tested earlier versions of the methodology and resulted in well-received reports. The guidance is meant to provide insight on the process and ideas for how to reach conclusions, but not produce automatic conclusions. The assessment team will have to analyze what it has learned from a variety of sources and integrate that understanding into the assessment and program recommendations that result from the activity. Each assessment team may find that it will want to adapt, expand or otherwise alter these approaches based on the needs of the final users and/or the specifics of the country being assessed.

2. Understanding Corruption

Corruption Defined

Corruption is often defined as *the misuse of entrusted authority for private gain*. It occurs any time that public officials or employees misuse the trust placed in them as public servants for either monetary or non-monetary gain that accrues to them, their friends, their relatives or their personal or political interests.¹ Corruption in any given context usually has both legal and socio-cultural definitions, which are not always in agreement. But neither law nor culture is immutable, and anticorruption efforts may need to target one or both. In addition, corrupt practices and sanctions against them are often referenced in a country's laws and regulations, but investigation and enforcement may be weak or non-existent. If appropriate controls are not in place or well-enforced, and officials believe they can act with impunity, public sector corruption can progressively degrade a country's governance structures and its ability to deliver services to citizens. When misuse of office is seen as a low risk-high gain behavior, it can undermine the rule of law, the legitimacy of government, financial growth and investment potential, as well as a country's overall development objectives.

The Major Features of Corruption

Over the past decade, international research and practice has demonstrated that there are several major characteristics of corruption that must be accounted for in any reform program. The USAID Anticorruption Strategy incorporates these major issues and challenges.

1. Corruption is multi-sectoral

Corruption is both a governance and economic problem, and it is manifested in all development and service delivery sectors.² Its onset is facilitated by the absence or limitation of governance and economic controls and its consequences are often manifested in poor governance and economic distortions and stagnation. The USAID Anticorruption Strategy acknowledges the cross-cutting nature of corruption and, hence, the challenge of how best to integrate and mainstream anticorruption programming into USAID initiatives across all sectors.

Looking at the problem with a *governance lens* primarily focuses the analyst on determining if government institutions have the capacity and follow-through potential to deliver efficient, transparent and accountable services within the law. Some of the key factors relate to adequacy of the legal and institutional framework, administrative barriers, professionalism and training, and service delivery. A second important aspect of the governance equation is the role of the public in advocating, monitoring and sanctioning. Key issues in this regard include access to

¹ Corrupt actions by *private sector* representatives are often a constituent part of corruption in the public sector (often referred to as the "supply side" of corruption). While this aspect of private sector corruption is dealt with in this handbook, corrupt actions strictly within the private sector, such as the payment or acceptance of illegal commissions or kickbacks among private firms and their suppliers, are not addressed, nor do they constitute a major focus of USAID programming.

² Bertram Spector, editor, *Fighting Corruption in Developing Countries: Strategies and Analysis* (Bloomfield, CT: Kumarian Press, 2005)

information, freedom and capacity of civil society and the media, and the effectiveness of elections as sanctioning mechanisms. Looking at corruption through an *economic lens* puts the focus primarily on the extent of government intervention in the economy and its consequences on corrupt activities. Key factors from this perspective include overregulation, control of resources, subsidies, procurement, revenue administration and public expenditures, among many others.

These observations are applicable throughout all public institutions and initiatives, whether strictly in the economic and governance sectors, or in public and social services considered more broadly. While fighting corruption has traditionally been viewed as a task in the democracy and governance domain, it is also critical to address corruption vulnerabilities that manifest themselves in each strategic area in the mission's portfolio. This is where corruption happens, where people encounter it, and where it must be addressed to reduce its impacts.

Essentially, corruption can be viewed as a problem of governance *within each sector*. There may be some common approaches that can be initiated to deal with corruption issues across sectors – as it relates to budgeting and procurement, for example. But there are also some sector-specific approaches that will be needed to deal with corruption vulnerabilities that are particular to certain sectors.

2. Corruption is multi-level

Corruption can be found at all levels of government – from the central to the regional to the local levels. Preventive and control programs at the central level may have only limited reach and effectiveness down to the lower levels of government. Programs are needed at local levels as well to deal with their particular types of corruption, especially with a greater push toward decentralization strategies. Thus, initiatives are typically required from the top-down and from the bottom-up simultaneously. An assessment framework needs to be able to access information at all levels to understand differences in the nature of the problem and differences in the programming requirements. This is accomplished through probing diagnostic questions within key sectors and functions.

3. Corruption is manifested in many ways

Administrative corruption is typically characterized as an everyday low level abuse of power that citizens and businesspeople encounter – for example, requests for small bribes or gifts, speed money and influence peddling to turn a blind eye on circumvention of the rules and regulations or to get things done that should have been done for free or as part of expected public service delivery. *Grand corruption* involves higher level officials and larger sums of money, and typically includes, for example, kickbacks to win large public procurements, embezzlement of public funds, irregularities in public finances and in political party and campaign financing, and political patronage and clientelism. *State capture* occurs when economic elites develop relationships with political officials in which they exert undue influence over them and over public policy for their own personal gain.

Most attention has been paid in past programs to combating administrative corruption, in part because it is easier to develop and implement reforms intended to control and prevent it—in contrast with grand corruption and state capture that involve larger stakes and higher-level political and economic interests. The problem of evidence further complicates the issue. While public opinion surveys often indicate a broadly-held perception that corruption is widespread in a country, there is often very little hard evidence that can be mustered. This tends to be the case in assessing grand corruption and state capture as well. But people think it exists even if they cannot prove it. Petty corruption, on the other hand, is often easier to document.

The assessment framework will provide the team with an opportunity to examine all of these levels of corruption and develop appropriate remedies. International best practice suggests that it is important to address all types in a comprehensive program – the high-level influence peddling, the low-level administrative corruption, the collusive state capture relationships and the outright ravaging of the economy by political leaders. The hope is that the combined demonstration effects of addressing all levels of corruption will increase the probability of detection and change the incentive structure – making corruption a high risk-high cost activity – and reduce popular tolerance for corrupt practices.

4. Corruption dynamics can be categorized into syndromes

Patterns of corruption and their impacts differ across societies in ways that reflect deep and long-term development processes and political-economic dynamics. If we can understand the underlying factors that influence these patterns – that is, the way people pursue, use and exchange wealth and power – we should be able to identify the kinds of corruption problems a country is likely to have and, thereby, better diagnose its basic difficulties and devise appropriate countermeasures, not just treat its symptoms.

This assessment framework uses the concept of “corruption syndromes” to describe fundamental corruption patterns and dynamics in a country.³ A corruption syndrome is defined by the political and economic dynamics that a country has experienced and, within these two sets of dynamics, how people participate in them and how institutions have been established to define their rules and boundaries. For example, the nature and spread of corruption in established democracies with reputable political and economic institutions is likely to be of a different nature (and to be coped with differently) than in countries in a transitional stage of democratization with political institutions that are not firmly in control and markets that operate primarily in the informal sphere. One set of countries might be characterized by excessive collusion among political and economic elite, thereby weakening governance institutions, reducing the rule of law, and limiting the independence of the judiciary to provide adequate checks and balances; in these countries, anticorruption reforms must seek to increase political and economic competition in various ways to reduce the overall influence of these controlling elite networks. Other types of countries might be dominated by a ruler, inner circle or family, where personal power and loyalties operate systematically to weaken democratic and institutional capacity; in these countries the elite plunder the state with impunity. Anticorruption reforms here often need to be

³ Michael Johnston, *Syndromes of Corruption: Wealth, Power and Democracy*. New York: Cambridge University Press, 2005. Also, see Annex 9 of this Handbook.

aimed at mobilizing the press and citizen groups to gradually develop meaningful political competition and accountability mechanisms.

Using this syndrome approach, countries that share common political and economic features can be grouped together as likely to manifest similar corruption characteristics. By this logic, corruption is viewed as a confluence of many factors; this distinguishes the syndrome approach from most corruption indicators today that measure corruption across countries along a single dimension – countries have more or less of it. Using the syndromes approach, we can say that country experiences with corruption are substantively the same or different along a *wide range* of dimensions. This provides policy makers and program developers with a sophisticated, complex and realistic picture of the nature of corruption, its underlying causes and what can be done about it – from a more strategic perspective.

The syndrome approach is applied as follows: if we can identify a country’s particular syndrome of corruption, we can make informed assumptions as to the underlying problems that anticorruption reforms must attack. The syndromes scheme does not generate “tool kits” for reform in the sense of a neat list of corruption controls that will produce quick results. Instead, the recommendations it generates are strategies for attacking deeper problems of participation and institutions in the medium- to long-term. There are three major goals of this approach:

- By defining syndromes in terms of deeper development problems, they will provide greater understanding of the anticorruption potential and risks inherent in longer-term development strategies
- By directing a portion of reform energy to those deeper development problems, they will bring about a situation in which more specific anticorruption measures and controls have a better chance of success over the middle to long run
- By linking and emphasizing the broader goals, risks, and implications of specific countermeasures, the syndromes approach can provide useful guidance on measures to avoid and on measures to be deferred until later stages of an anticorruption effort.

It is important to remember that syndromes can help us to generalize the reality of development and corruption in a country. They serve to emphasize that there often are major similarities in how development patterns impact corruption across countries and that we can learn from the experiences of other countries. At the same time, there may be basic difference across development patterns that produce very different corruption dynamics across countries.

There are four corruption syndromes referred to in this handbook:

- **Mature States Corruption** is familiar in relatively settled democracies where wealth interests trade political contributions (often quite legally and openly) for access to political figures and strategically placed bureaucrats. Wealth is used not in pursuit of political domination but rather to influence specific decisions, often involving the details and implementation of particular policies. (Countries in this syndrome are characterized by strong political and economic institutions and mature democracies and markets.)⁴

⁴ The labels identifying each syndrome have been changed in this handbook from those that Johnston used in his book. However, the definitions of each syndrome remain the same. Mature States Corruption corresponds to

- **Elite Network–State Corruption** involves extended networks linking diverse elites who share a strong stake in the *status quo* and in resisting political and economic competitors. Corruption is typically moderate to extensive, but tightly controlled from above, with the spoils shared among (and binding together) members of the elite network. (Countries in this syndrome usually have moderately strong institutions and reforming democracies and markets.)
- **Weak Transitional States Corruption** embodies a complex and highly disruptive variety of corruption found where both politics and the economy are rapidly opening up and institutions are very weak. Power and wealth are up for grabs and there are few real rules as to how they are sought and won. (Countries in this syndrome typically have weak institutions, transitional democracies, and new market growth away from an informal economy.)
- **Weak Undemocratic States Corruption** involves corrupt figures whose influence depends upon their ability to put state power to personal use, or upon the personal favor of top figures in a regime. Unlike Mature States Corruption, where wealth intrudes into state functions, in this syndrome actors use state power to intrude into the economy, including incoming flows of aid and investment. (Countries in this syndrome typically have weak institutions, undemocratic regimes, and new market growth away from an informal economy.)

Exhibit 1 maps these syndrome types in a two-by-two matrix that emphasizes their differences in relation to political/economic institutional capacity and political/economic participation dimensions. See Annexes 1 and 9 for narrative descriptions of the four corruption syndromes and a profile for each syndrome in terms of its major characteristics.

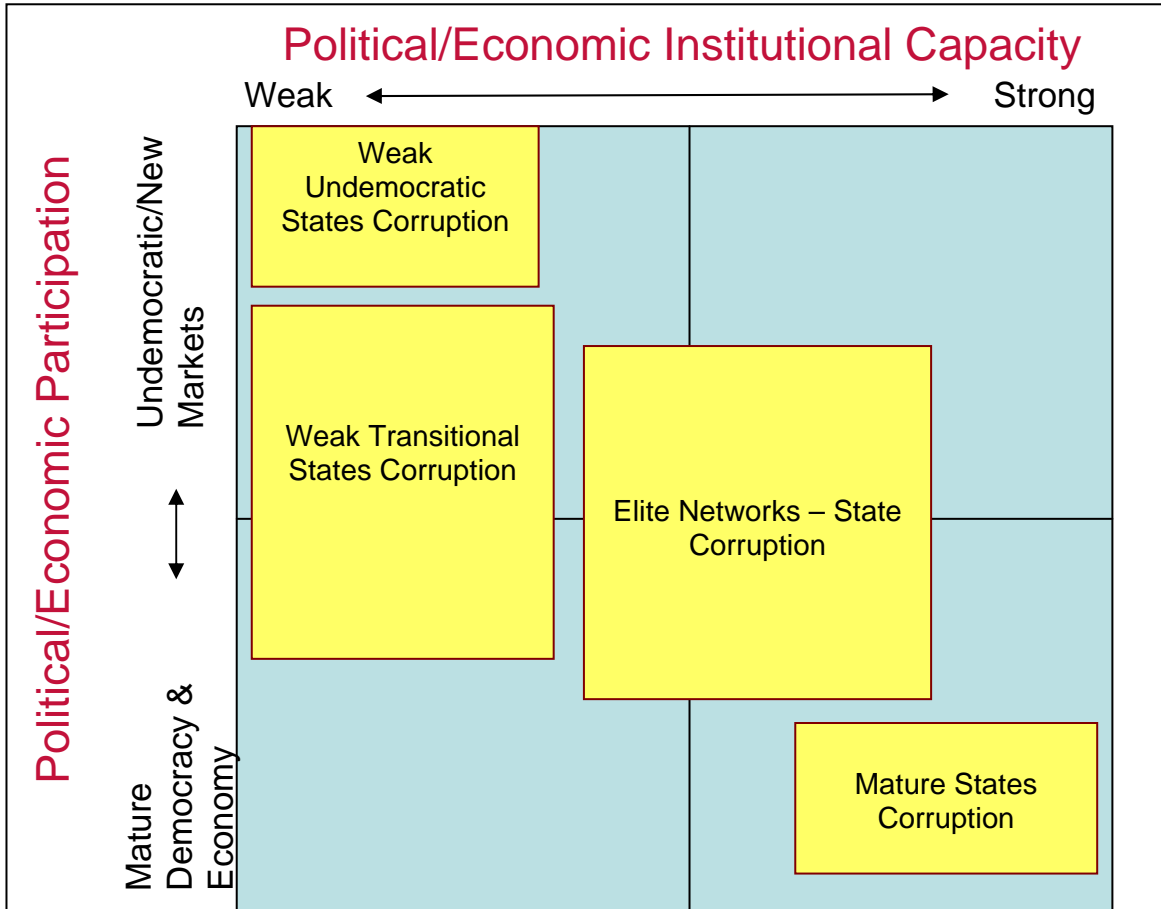
5. Corruption is strongly influenced by situational factors

The types and levels of corruption in a society are largely affected by both situational opportunities and obstacles. The following areas represent the major factors at play.

Actors and Political Will. There will be little hope for meaningful and sustainable change if critical stakeholders are not present and committed to reform. Important actors can be in government, in civil society and in business; anticorruption programs can be initiated in whichever sector is ready for change and willing to take a stand. Champions for change may exist or can be nurtured. If there are none, it still may be possible to mobilize civil society groups, the media or business leaders to advocate for reforms and exert external pressure on government.

Johnston's Influence Markets; Elite Network-State Corruption corresponds to Johnston's Elite Cartels; Weak Transitional States Corruption corresponds to Johnston's Oligarchs and Clans; and Weak Undemocratic States Corruption corresponds to Johnston's Official Moguls.

Exhibit 1. Corruption Syndromes Map



Institutional Capacity. There may be motivation but little capacity and experience to fight corruption effectively. Training, technical assistance and financial support can be used to strengthen capacity of governmental and nongovernmental groups in the areas of advocacy, oversight, ethics, investigation, prosecution, awareness building, prevention, transparency, and accountability. No country needs to invent such programs from scratch; there is a wealth of international experience and a growing body of best practices that can be shared.

Constituencies *against* Reform. There are likely to be vested interests who want to maintain the system of corruption in place as is. It is important to identify who these interests are and understand their incentives and their leverage. The assessment can try to offer ways of diminishing or bypassing these opponents of good governance.

Missing Prerequisites. It is important to determine if certain prerequisites for anticorruption programs exist or if they need to be implanted early in a comprehensive strategy. These prerequisites or essential building blocks include, for example, the basic legal framework needed

to fight corruption (such as an effective criminal and civil code, conflict of interest laws, meritocratic hiring rules, freedom of information laws, sunshine laws, asset disclosure rules, codes of conduct, and whistleblower protection), effective law enforcement and prosecution, adequate government oversight institutions, accountable and transparent public finance processes, and active nongovernmental advocacy and oversight of government operations. While anticorruption programs can proceed and sometimes thrive in the absence of some of these elements, fighting corruption is made more difficult if they are missing or not fully implemented. The assessment approach will not only identify the existence of these laws and institutions, but also how adequate they are and how well they are implemented. Inconsistencies between words and deeds can create major barriers to reform. Past experience can help the assessment team understand which of these deficiencies matter most and steer them toward the most appropriate reforms (see Annexes 6 and 7 for examples of international practices that have had positive impacts).

3. Corruption Assessment Framework

Many national policymakers and international organizations conduct corruption assessments prior to initiating major anticorruption programs to help them better understand the situational factors that facilitate and inhibit corruption, and assist them in prioritizing potential interventions. Assessments are also conducted periodically once anticorruption programs are under way to ascertain if progress is being made and to make mid-course adjustments.

Some assessors want to understand how bad the problem is in a country or a particular government sector in order to mount advocacy campaigns seeking reforms. Others are interested in pinpointing the best opportunities for interventions to control corruption. Yet others use these assessments to evaluate compliance with international agreements or the extent to which governance practices effectively control abuse of power. From the perspective of USAID field officers and partners, corruption assessments are needed for several reasons:

- To gain a comprehensive understanding of economic and governance issues at the national and local levels across all sectors, including the current state of corruption, root causes of the problem, situational factors that facilitate or inhibit corruption, and basic patterns and trends
- To identify and prioritize targets of opportunity for anticorruption programming
- To determine if anticorruption initiatives are having the intended effects over time.

Why is a new corruption assessment approach needed?

There are many existing corruption assessment approaches and indicators that attempt to measure corruption quantitatively or qualitatively. But many of these frameworks fall short in analyzing the political economy of corruption in a country; they do not examine the political forces arrayed in support of a corrupt system and those that could be mobilized to oppose it. Many established assessment methods also are ill-suited for evaluating the types and distributions of costs and benefits of corruption and of possible reforms. In general, they say little about the types of institutional frameworks that are in place and their soundness, about the types of opportunities and stakes that drive corruption in different settings, and about how corruption impacts differ from sector to sector. As a result, initiating major anticorruption programs on the guidance of such existing indicators and frameworks can be risky.

On the other hand, there are several existing indicators and frameworks that can be very useful. For example, the *Opacity Index* specifically targets transparency and openness in government, the *Corruption Perception Index* assesses public awareness and perceptions, the *State Capture Index* measures the extent of undue influence of business interests, and the *Public Integrity Index* and the *Control of Corruption Index* monitors good governance procedures and institutions.⁵ Many other assessment frameworks, as well, provide multidimensional perspectives on the

⁵ Bertram Spector and David Duong (2002) "Handbook on Using Existing Corruption Indices," Washington, DC: Management Systems International (under contract to USAID/E&E). This report analyzed four major corruption indicators: TI's Corruption Perception Index; PriceWaterhouse Coopers' Opacity Index; World Bank and EBRD's Business Environment and Enterprise Performance Survey (BEEPS); and the World Bank's Aggregate Governance Data.

corruption problem that can offer a general understanding of patterns and trends. A summary of these existing indicators and frameworks can be found in Annex 4.

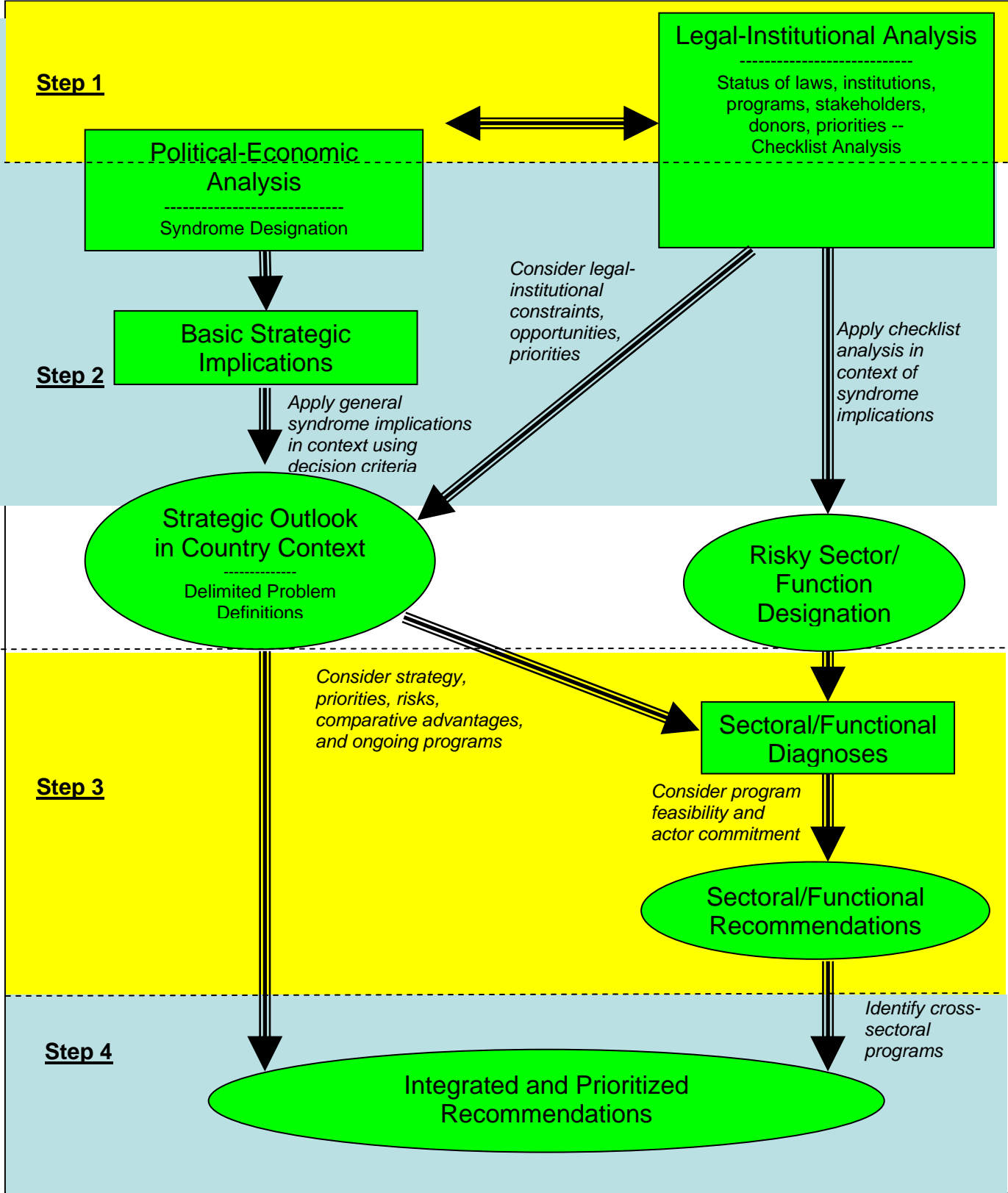
The corruption assessment methodology presented in this handbook builds upon the lessons learned from these earlier approaches. It is designed to provide USAID missions with a consistent and tested approach for analyzing corruption phenomena in such a way as to help in identifying and prioritizing appropriate programmatic opportunities. This handbook incorporates ways for assessment teams to address each of these elements: to analyze and disaggregate corruption patterns and dynamics in a country, evaluate different corruption types, assess how corruption affects different government sectors and functions, and identify opportunities and obstacles for future reform programs.

Rationale of the Corruption Assessment Framework

Exhibit 2 presents a process overview of the corruption assessment framework. In Step 1 (*Pre-Assessment Analysis*), the assessment begins by conducting an analysis of the legal-institutional framework, by gathering information on the status of anticorruption-related laws, institutions, programs, stakeholders, donors, and government and donor priorities. This is accomplished primarily through document reviews, interviews, focus groups, and a Corruption Checklist tool to be completed by several local country experts (see Annex 2). Much of this analysis can be conducted prior to the team's travel to the country. However, there are some subtasks that need to be conducted in-country, for example, interviews and focus groups and a portion of the Checklist. These latter subtasks will be conducted in Step 2.

Strategic Outlook Development (Step 2) completes much of the data gathering phase. The political-economic analysis is implemented by assessing the multiple factors that describe corruption syndromes – that is, how power and wealth are used, by whom, within what institutional context, and with what effect. As a result of the political-economic analysis, the country's corruption syndrome can be designated. Based on this designation, the team will refer to the appropriate basic Strategic Implications chart for the syndrome (see Annex 1). This chart provides a broad understanding of the implications of being in a particular syndrome -- the nature of the corruption problem, strategic objectives for reform, strategic reform options, tactical reform options, risks in responding to this corruption, and indicators that would signal success. But these charts are generic to each syndrome. The assessment team now needs to apply what it has learned from the legal-institutional analysis to put these basic strategic implications into appropriate country context, by considering legal and

Exhibit 2. Corruption Assessment Framework



institutional constraints and opportunities and taking government and donor priorities into account. Based on this analysis, the team will develop an *Anticorruption Strategic Outlook*. This strategy review will not only provide the team with a deep understanding of the nature of corruption in the country, but will also provide some guiding principles as to what ought to be done to control and reduce corruption. Since the scope of the corruption problem is often very large and multidimensional, it will be important for this Strategic Outlook to help the team delimit the major thrusts that should be addressed. Several decision criteria are provided to assist in this regard and focus the core strategic problem statements.

At the same time, the scope of the assessment needs to be delimited in terms of the government sectors and functions that will be investigated in significant depth. To accomplish this, the Corruption Checklist tool will be applied to designate a reasonable number of the most vulnerable sectors and functions where opportunities exist for reform. The Checklist analysis should be applied in the context of the syndrome-based Strategic Implications.

In Step 3, *Detailed Diagnoses* of the risky sectors and functions are conducted through document reviews, interviews and focus groups with major stakeholders. The team is supported by a library of *Diagnostic Guides* (see Annex 3) that provide key questions to ask to understand critical sector/function-specific corruption weaknesses. The diagnostic results need to be analyzed within the context of the Strategic Outlook, considering the key problem statements, priorities, risks, comparative advantages, and ongoing programs. Based on these sectoral and functional assessments, programmatic recommendations need to be produced that are feasible within the country context and in concert with the Anticorruption Strategic Outlook.

In Step 4, *Programming Options*, the sectoral/functional recommendations need to be integrated and prioritized into a logical and reasonable program in accordance with the Strategy. There are likely to be some program options that are common across sectors or functions, for example, budgeting reform, procurement reform, and transparency activities. These can be bundled together as cross-sectoral options to avoid duplication of effort. Then, the program options need to be focused on the selected strategic problem statements. What fits within the set of priorities and ongoing programs of the US Government, other donors, or the country's government itself should be considered. What should be done in the near-, mid-, and long-term should be determined. What is risky and what should be avoided or delayed needs to be considered. The ultimate product of this step is a well-considered integrated plan for anticorruption action for USAID to consider in the context of an overall Corruption Assessment Report.

Each step in the process yields important outputs – systematically derived -- that provide not only an assessment of the corruption situation, but program options that address its underlying causes and are considered in relation to a strategic understanding of the environment. (In Exhibit 2, the outputs are depicted in ovals.) While the framework provides a systematic guide to assessing corruption in a country and what can be done about it, it *should not* be viewed as a recipe book by which inputs are made and outcomes are produced automatically. The assessment and programming for anticorruption takes careful analytical judgment, assisted by the insights and results offered by this assessment framework and its tools.

How does this framework relate to other USAID considerations?

DG Assessment. The USAID Democracy and Governance Assessment provides the broad political and institutional context within which a corruption assessment can be better understood. The corruption assessment examines governance, accountability and transparency issues in great depth within the democracy and governance sector itself, as well as in other sectors and government functions. The DG assessment may in fact identify corruption as a key problem based on the confluence of weaknesses in the core characteristics of democracy, such as competition, rule of law and governance. A corruption assessment using this framework would both draw upon the analysis of a DG assessment and pick up where it leaves off in identifying the most promising and strategic ways of addressing the problem.

Fragile States. Corruption weakens state governance and reduces government revenues available to provide services, thus promoting state weakness and fragility. At the same time, failing, failed and recovering states operate within conditions that usually promote corruption; in fact, the use of corrupt practices may be the only way to get things done within a state that is incapacitated. The syndromes analysis in the Corruption Assessment views the impact of state capacity and institutions as very important in framing the nature and spread of corruption. Based on the analysis of basic institutions, the syndromes approach categorizes the nature of the corruption problem and provides appropriate program guidance. In this way, state fragility is accounted for in the Corruption Assessment methodology.

Gender Considerations. There is some evidence that corruption affects men and women differently and that there are gender differences in the response to corruption. While conducting corruption assessments, especially during the Detailed Diagnostic phase (Step 3), the team should inquire about the following gender-related issues within sectors and government functions where corruption risks deemed to be high.

- What is the variable impact of corruption on men and women?
 - In each sector or function, are there significant differences in the extent to which men and women interact with potentially rent-seeking government officials?
 - In each sector or function, are there significant differences in the impact of corrupt practices on men and women in terms of degraded public services, lost income, etc.?
- What are reasonable responses to corruption among men and women?
 - In each sector or function, are there significant differences in gender participation in citizen advocacy aimed at controlling corrupt practices?
 - Can program options be developed that promote realistic gender participation in combating corruption and build on unique interests and opportunities for men and women to participate?

4. Applying the Framework: Ukraine (2005)

During the course of developing this Corruption Assessment Framework, two pilot tests were conducted – in Ukraine and Mozambique – to provide feedback on the value and practicality of the approach. For illustrative purposes only, a much condensed summary of the Ukraine application conducted in late 2005 is presented below.⁶ The analysis is that of the team and not necessarily that of the USAID Mission or the U.S. government. This summary is presented only to illustrate the application of the framework and no attempt has been made to bring it up-to-date. Much of the material below is drawn from the original assessment report.

Step 1. Pre-Assessment Analysis

The fight against corruption in Ukraine received a welcome boost in November-December 2004 as a result of the Orange Revolution. A year after the change in administration, some positive rhetoric has been heard and some reform activities have been accomplished, but a strong and clear national policy and strategic direction against corruption, with accompanying programs to increase transparency, strengthen accountability and build integrity, are still absent. Corruption in Ukraine still remains one of the top problems threatening economic growth and democratic development. Administrative corruption is widespread and visible in the everyday lives of citizens and businesspeople, and grand corruption is also widespread, though not as visible, in the higher levels of government where large sums of money and political influence are at stake.

Legal-Institutional Analysis. The legal framework remains incomplete, in particular in the corruption prevention area, though some laws and amendments have been drafted. Implementation and enforcement of law remains the critical problem. There is no governmental institution currently in place empowered to lead anticorruption efforts. The analysis of the legal-institutional framework was supported by recent Council of Europe/Group of States Against Corruption (GRECO) reports, OECD-sponsored Anti-Corruption Network for Transition Economies documents, and government reports summarizing their accomplishments. These, in addition to meetings and detailed assessment of laws and decrees, yielded an analysis that served the team well for the duration of the assignment. The analysis reviewed the status of national anticorruption policy, anticorruption enforcement legislation, corruption prevention legislation, governmental institutions, civil society organizations, mass media, and business associations.

In summary, there are many factors that contribute to and facilitate corruption in Ukraine, including: an incomplete and inadequate legal framework, selective enforcement of existing laws and regulations and the exercise of excessive discretion by public and elected officials at all levels, excessive regulation of the economy by the state, excessive executive control and influence over the judicial branch and the civil service while at the same time inadequate oversight of the executive branch by the Verkhovna Rada, and collusive ties between the political and economic

⁶ The team that conducted the Ukraine Corruption Assessment in 2005 consisted of Drs. Bertram Spector and Svetlana Winbourne of Management Systems International, and Jerry O'Brien and Dr. Eric Rudenshiold of USAID. The full report, "Corruption Assessment: Ukraine, Final Report" dated February 10, 2006 is available at www.dec.usaid.gov.

elite where the former use the state to enhance their wealth and the latter use their wealth to enhance their power.

Despite this discouraging picture, there are many positive factors in Ukraine that have the potential to inhibit corrupt behaviors and facilitate the promotion of good governance, assuming the necessary commitment and sincere political will of leaders. These include:

- The Orange Revolution, which mobilized popular frustration about corruption, strengthened the voice of civil society, and brought the issue to the top of the political agenda.
- President Yushchenko, who has pledged to deal effectively with the problem. The President has directed several ministries and agencies to develop a National Anti-Corruption Strategy and to formulate a new interagency Anti-Corruption Commission.
- A range of anticorruption reform activities in the State Customs Service, the State Tax Administration, and the Civil Service – departments typically identified as the most corrupted institutions in government.
- Important legislation that appears to be on the verge of approval and adoption by the Rada to reform the judiciary and enhance other anti-corruption laws.
- Civil society, business associations and the mass media that were energized by the revolution but require additional support to further develop their capacity to effectively use their resources and power.

Step 2. Strategic Outlook Development

Syndrome Designation and Strategic Implications. Ukraine was categorized as a *closed insider economy* by the World Bank -- a country strongly influenced by elite cartels. The assessment team identified a small group of local country experts that independently agreed with this classification and reached quick consensus – responding to the four syndrome dimension questions in the Corruption Checklist -- that Ukraine can be designated as an *Elite Network-State Corruption syndrome* country. Referring to the Syndrome Strategic Implications tables and based on interviews with a variety of stakeholders, the assessment team developed a contextual description of how Ukraine fits into this syndrome, which follows:

Top political and business figures collude behind a façade of political competition and colonize both the state apparatus and sections of the economy. Immediately after independence, these influential elite and their organizations grew into major financial-industrial structures that used their very close links with and influence over government, political parties, the mass media and the state bureaucracy to enlarge and fortify their control over the economy and sources of wealth. They used ownership ties, special privileges, relations with government and direct influence over the courts and law enforcement and regulatory organizations to circumvent weaknesses in governmental institutions to their own private advantage. Their tactics and their results can be viewed as a clear exercise of *state and regulatory capture*. At the same time, there is a high tolerance for corrupt practices throughout society, facilitating a trickle-down effect that allows petty, administrative corruption to flourish.

This corrupt environment is a clear obstacle to future sustainable economic growth and integration into the European Union and world economy. It hinders fair competition, encourages under-the-table deals and collusion between state officials and business,

promotes rent-seeking behaviors, discourages foreign investment, and decreases adaptability over time.

In more recent years, several of these Ukrainian cartels/clans have grown and subdivided, increasing the number of clans that compete with one another for wealth and power. Sometimes, for convenience, these clans coalesce on political issues. After the Orange Revolution, the network of “bosses” within the government bureaucracy that could “make things happen” for the cartels/clans was partially dissembled, resulting in some uncertainty and a slowdown for major businesses. It is to be seen if the Yushchenko government rebuilds with a responsive, accountable and professional bureaucracy.

While the current situation may appear to the Western eye as an incipient competitive market economy, the system still operates largely in a collusive and opaque fashion, subverting the rule of law, and with apparent disregard for the public good.

Development of Strategic Outlook. On the basis of these syndrome implications and what was learned from the legal-institutional analysis, the assessment team developed a Strategic Outlook that guided the rest of the corruption assessment. From the wide range of corruption problems that Ukraine experiences, a smaller set of *problem statements* or core anticorruption themes was developed by applying several decision criteria – USAID and US Government priorities, other donor programs, major areas of corruption risk, and major areas of anticorruption commitment by stakeholders.

The strategic problem statements include four major themes – (a) establishing the legal, institutional and economic conditions within which anti-corruption programs will thrive, (b) promoting capacity building within key government institutions, the civil service, and the judiciary if they demonstrate a serious political commitment to change, (c) strengthening civil society and business to advocate for change and oversee government including activities at local levels and transparency initiatives, and (d) mainstreaming anti-corruption programs so that the problem is attacked at many levels, but concentrating efforts in major sectors and promoting high level diplomatic dialogue and multi-donor coordination. Based on these strategic directions, several *implementing strategies* that are more specific and detailed were developed.

Key Sector/Function Designation. Using the results of the Corruption Checklist, which was completed by five local experts who keep abreast of anticorruption program implementation, sectors and functions were ranked and prioritized quantitatively. In addition to the Checklist results, the team considered other factors to decide on the sectors and functions to diagnose in greater detail, including USG/USAID priorities, where major program were already under way or planned, and the demonstrated political will and commitment of key stakeholders. Based on this analysis, eight sectors/functions/institutions were selected: judicial, health, education, public finance, private sector, parliament, political parties, and subnational government.

Step 3. Detailed Diagnoses

Responsibilities for diagnosing each of the selected sectors/functions were allocated to team members. Documents were gathered on the current status of each sector/function and meetings were conducted with a range of stakeholders in each area. The Diagnostic Guides were used to help

team members focus in on typical areas of corruption risk and vulnerability, while helping them elicit recommended programs to control corruption. The results of this step produced detailed sector/function assessments with tactical recommendations for programmatic options. These include the following:

Judicial Sector. Key activities must be supported to reform the judicial selection process and bring it into line with modern meritocracies. In addition, reforms in court administration and procedures need to be promoted to increase transparency.

Health Sector. Major remedies need to be promoted to make the procurement of pharmaceuticals more transparent and accountable. In addition, it is critical to develop tracking systems to monitor and oversee budgetary expenditures to stem leakages. Overall, organizational, management and institutional reforms are needed to improve the efficiency and effectiveness of healthcare delivery and reduce mismanagement which can encourage corrupt practices.

Education Sector. It is important to support CSO budget oversight initiatives to put external pressure on the educational system to be accountable for its use of public funds and to encourage greater transparency. Continued expansion of standardized testing procedures for higher school entrance exams is merited.

Public Finance. Support should be given to ensure effective implementation of new procurement laws and ongoing tax reform initiatives. In addition, the accounting chamber and the Chief Control and Auditing Administration should be strengthened, especially in the enforcement of their findings and recommendations. Finally, budget and expenditure oversight – internally and externally – should be promoted.

Private Sector. The business community needs to be mobilized to advocate for conflict of interest and transparency laws, and to support regulations that promote the business environment and eliminate administrative barriers. Expanded support should be given to private sector associations to conduct continuous monitoring of the implementation of business laws and regulations.

Parliament. Continued pressure and support needs to be applied to the Rada to promote adoption of an adequate anti-corruption legal framework. MPs need to be made more accountable to their constituents and various monitoring and transparency programs can be supported. Legislator skills training and resources need to be provided to improve legislative drafting, coalition building and negotiation/compromise skills.

Political Parties. Programs are needed to build more transparency into party financing.

Subnational Government. Local government institutions need to be strengthened so that they can deliver services in a transparent and accountable fashion. CSO advocacy and watchdog capacity building at the subnational level is also a major requirement to control corrupt tendencies.

Step 4. Programming Options

Cross-Sectoral Analysis. Many activities need to be conducted that will establish the basic foundation upon which continued anti-corruption programs across all sectors can be launched. These cross-sectoral program options include: supporting the design and execution of a national and coordinated anti-corruption strategy, supporting the passage of missing anti-corruption legislation and the establishment and strengthening of anti-corruption institutions in government, and improvements in public procurement procedures and institutions. In addition, the demand-side of fighting corruption needs to be enhanced: advocacy skill of citizen, business and media groups must be strengthened, citizen oversight/watchdog groups must be formed, and civic education programs related to corruption must be supported. To facilitate these activities and encourage the inclusion of anti-corruption elements into existing programs, an anti-corruption mainstreaming workshop should be conducted for USAID program officers, as well as implementing partners.

Integration and Prioritization of Recommendations. The integration of recommendations for USAID programming – across all sectors and functions -- was guided by the problem statements in the Strategic Outlook. A matrix of recommendations was developed, where each programming option was ranked as either high or medium priority for USAID based on its potential impact on corruption and its potential in achieving early and visible success. In addition, each option was linked to its core strategic problem.

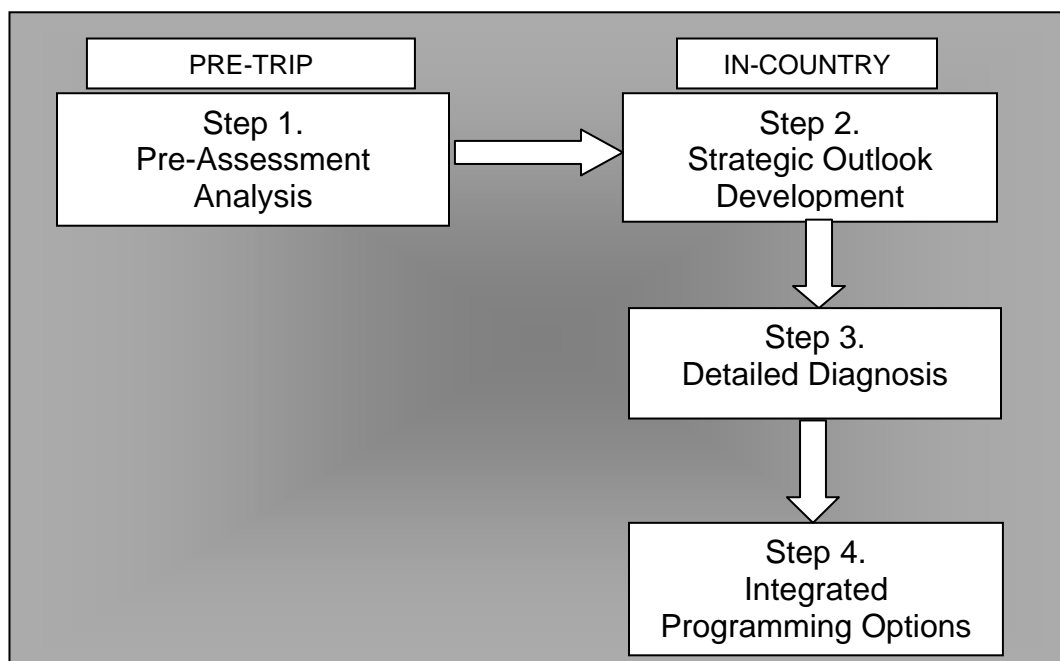
First Steps. It is important to begin a comprehensive anti-corruption program by ensuring an adequate foundation – an acceptable legal and institutional framework that is sensitive to corruption issues – on which other reforms can be built. Such activities were proposed for USAID program officers. They include conducting mainstreaming workshops and providing one-on-one technical assistance to current USAID implementers to help them incorporate targeted anti-corruption elements quickly into their projects. In addition, providing assistance to establish certain fundamentals – key corruption-related legislation, better implementation of existing laws, and design of a national anticorruption strategy – were recommended. As well, it was recommended that USAID support strengthening of demand-side capacity to sustain the pressure on government and for the public to believe that progress is being made. Finally, a recommendation was made to target a key government sector – health in particular - for comprehensive anticorruption assistance because stakeholders have demonstrated a commitment to reform.

Annex 1

Corruption Assessment Implementation Guide

This Implementation Guide provides practical assistance to assessment teams on how to gather information, use the various tools, interpret results, and apply criteria across the four steps of the Corruption Assessment Framework.

The assessment is organized into four steps that can lead the assessment team to a strategic understanding of corruption in the country and can help the Mission plan and prioritize programmatic options across the portfolio. In other words, this approach is designed to help the Mission decide what can be done appropriately to remedy the corruption problem, not just its symptoms, taking into account current political-economic dynamics, political will and commitment, and obstacles to reform. The discussion that follows describes each of the steps, recommended tasks, and practical tools and guidance to accomplish them.



Step 1. Pre-Assessment Analysis

Much preparation and analysis is required before the team travels to the country to ensure effective use of travel time and to take advantage of existing data, documents and assessments. In particular the following subtasks should be conducted in the pre-assessment period.

Tasks

- 1. Coordination with the Mission.** The assessment team must be in close contact with Mission counterparts from the very outset to understand the Mission's needs and objectives, to schedule upcoming travel and meetings, and to obtain basic documents.

2. **Staffing.** An appropriate team to conduct the assessment must be identified early. The team usually includes two or three international experts, plus two or three local experts, who might be engaged part-time. Deciding who should be on the team involves an early determination of the types of issues, sectors or functions that will likely need targeted analysis. As to the international experts, usually the team ought to include a country or regional specialist, an anticorruption institutional specialist and/or an anticorruption civil society specialist. As to the local experts to be included on the team, they should include (a) a legal/regulatory specialist who can elaborate in detail on the current legal, regulatory and institutional framework related to anticorruption issues; (b) an economist who specializes in public finance issues; and/or (c) sector specialists in country-specific vulnerable areas, such as health or education. In addition, full-time participation of at least one Mission staffer is likely to raise the quality of the assessment and its responsiveness to Mission needs.
3. **Data Gathering and Review.** The international team, with the help of the local experts, can gather existing information, data, studies and documents that can provide a good foundation for the upcoming TDY. This will include recent surveys, assessments, laws, programs, index trend data, USAID strategies, and reports on current, past and planned government, USAID and other donor programs targeted at fighting corruption.
4. **Meetings in the US.** Assuming that a portion of the international team is based in the Washington, DC area, a list of potential interviews should be drafted for approval by the Mission. Several information gathering meetings with relevant US State Department and USAID/W managers, World Bank and regional bank officials, and United Nations managers could be helpful to understand programs and policies. In addition, identifying and scheduling meetings for the field before the team travels can get the team off to a running start.
5. **Legal-Institutional Framework Analysis.** A local expert should be engaged during this pre-assessment stage to provide a comprehensive summary of the *legal, regulatory and institutional framework* to fight corruption in the country. If a similar report already exists,⁷ it can be updated. The analysis should consist of two parts:
 - a. A table that confirms whether key laws, regulations, institutions and oversight bodies exist. This inventory can be guided by the appropriate sections in the *Corruption Checklist* (see questions in the grey fields in the Checklist – Annex 2). Based on international experience, the existence of these elements is considered to be extremely helpful in launching a comprehensive anticorruption program.
 - b. A *narrative report* that describes the current and likely future status of the legal, regulatory and institutional framework to combat corruption in the country.

See Annexes 2 and 5 for the checklist and proposed analytical report outline. If possible, this report should be made available to the international team before they travel to the country; if this is not possible, the report should be commissioned early in Step 2.

⁷ For example, a legal-institutional analysis produced under a regional anticorruption pact, such as GRECO or SPAI.

Outputs. This step will provide the assessment team with a firm foundation upon which to conduct its work in the field. Analysis of the information gathered in this step should help to identify preliminary directions for assessment priorities. The legal-institutional framework analysis will serve as a major annex to the final assessment report.

Step 2. Strategic Outlook Development

This is the first *in-country* step – focused on gathering additional information, identifying key sectors and functions that need more detailed diagnoses, and developing a broad strategic outlook for understanding the corruption problem and recommending appropriate anticorruption initiatives. In so doing, the assessment team will offer the USAID Mission a reasoned analysis – based on solid information – of where and why corruption has taken hold in the country and the general directions for tackling the problem. The assessment methodology seeks to provide users with a systematic way to understand the breadth and depth of corruption problems in the country – not only the symptoms, but the underlying causes as well. In so doing, the methodology can help users develop a comprehensive strategic analysis of the situation from which meaningful recommendations for programming anticorruption options can be developed.

This Strategic Outlook will be based on the integration and analysis of several key information inputs:

- Country expert insights, document reviews and field interviews
- An understanding of the country’s corruption syndrome
- Key situational factors, including legal framework, active stakeholders, their political will, institutional capacity, and public support. International incentives and constraints, like important donor programs (e.g., MCA), WTO or EU accession possibilities, and the existence of key extractive industries, should also be considered.⁸
- US Government and other donor priorities.

These building blocks will help to generate a comprehensive Strategic Outlook for anticorruption programs, including:

- A delimited *set of key problem statements* - core themes - that focuses the overall assessment on a few manageable priority issues that need reform. These might include, for example, the need to increase demand-side capacity and initiatives, enhance the implementation of government transparency programs, or strengthen control mechanisms within and external to government.
- *Implementing strategies* that are subordinate to the problem statements and provide general approaches to solve these problems. For example, if increasing demand-side capacity is the problem statement, an implementing strategy might be to support local level initiatives among NGOs and business groups or to strengthen the capacity of the media to conduct investigative reporting. Alternately, if the problem statement is to strengthen control mechanisms, implementing strategies might be to develop and implement procedures for an ombudsman’s office, strengthen internal audit units, or

⁸ Many of these situational factors are captured in the Corruption Checklist, as well as in the detailed sectoral diagnostics in Step 3.

establish Citizen Advocate Offices that provide independent legal support to citizen victims of corruption, for instance.

- *Tactical program recommendations* that are proposed for each key governmental sector or function (these will be developed during Step 3).

A draft version of the Strategic Outlook should be discussed among the assessment team and Mission managers. When a version is agreed upon, it can serve to guide subsequent steps in the assessment process, namely detailed diagnoses of particular key sectors and functions, and recommendations of targeted program options. The Strategic Outlook can also offer suggestions as to the initiation and timing of these proposed options – which ones ought to be implemented early to achieve quick successes, which need to be implemented soon but with the understanding that they will take some time to demonstrate results, and which need to be initiated in the mid- to long-term.

Tasks

1. **Initial Mission Meetings.** The assessment team should schedule meetings at the Mission, and perhaps at the Embassy, for the first few days in country. It is important to speak with managers of all of the program areas at the Mission to understand their perspectives on the problem. One half day group meeting should be conducted with all program managers at the Mission to describe the USAID Anticorruption Strategy and to discuss the mainstreaming of anticorruption activities throughout the Mission's portfolio. Based on these meetings, the assessment team should develop a detailed understanding of the Mission's objectives for the assessment and its priorities.
2. **Initial Stakeholder and Donor Meetings.** Several meetings should be conducted with the major stakeholders in government and outside of government, as well as with major donors, during the first few days in country. The purpose of these meetings should be to develop an understanding of the extent of political will and commitment by these major actors, to gather additional documentation on institutional capacity, constituencies for and against reform and the status of existing and planned programs, and to identify additional individuals, agencies and groups to meet with.
3. **Syndrome Designation.** Identifying the country's corruption syndrome is an important element in developing the Strategic Outlook. The first step is to review the empirically-based country-syndrome categorization which is provided in Table 1. (This review can be conducted either during Step 1 or 2.) If the country being assessed is listed, the team should seek to verify the syndrome designation with country experts. This can be accomplished by asking these experts if the syndrome description is generally a good description of the country's situation (see Table 2 for narrative descriptions of each syndrome). If verified, the team can skip the additional *Syndrome Designation* tasks outlined below.

Table 1. Empirical Designation of Countries into Corruption Syndromes
 (Analysis conducted in May 2006 based on data sources from 1995-2006)

**Mature States Corruption
 (Johnston's Influence Markets)**

Australia	Netherlands
Austria	New Zealand
Canada	Norway
Denmark	Spain
Finland	Sweden
France	Switzerland
Germany	UK
Iceland	USA
Japan	

**Elite Networks-State Corruption
 (Johnston's Elite Cartels)**

Argentina	Israel
Belgium	Italy
Brazil	Korea South
Chile	Latvia
Colombia	Lithuania
Costa Rica	Poland
Czech Rep	Portugal
Estonia	Slovak Rep
Greece	Slovenia
Hungary	Taiwan
Ireland	Uruguay

**Weak Transitional States Corruption
 Johnston's Oligarchs and Clans)**

Albania	Malawi
Benin	Malaysia
Bolivia	Mali
Botswana	Mexico
Bulgaria	Namibia
Croatia	Nicaragua
Dominican Rep	Paraguay
Ecuador	Peru
El Salvador	Philippines
Ghana	Romania
Guatemala	South Africa
Guyana	Sri Lanka
Honduras	Tanzania
India	Thailand
Jamaica	Tunisia
Jordan	Turkey
Kenya	Uganda
Madagascar	Zambia

**Weak Undemocratic States Corruption
 (Johnston's Official Moguls)**

Algeria	Nepal
Bangladesh	Niger
Cameroon	Nigeria
Central African Rep	Oman
Chad	Pakistan
China	Panama
Congo Rep of	Russia
Egypt	Rwanda
Gabon	Senegal
Guinea-Bissau	Sierra Leone
Haiti	Syria
Indonesia	Togo
Iran	Trinidad Tobago
Ivory Coast	Ukraine
Kuwait	Venezuela
Morocco	Zimbabwe
Myanmar	

Table 2. Narrative of Four Corruption Syndromes

1. Mature States Corruption is familiar in relatively settled democracies where wealth interests trade political contributions (often quite legally and openly) for access to political figures and strategically placed bureaucrats. Wealth is used not in pursuit of political domination but rather to influence specific decisions, often involving the details and implementation of particular policies. Thus, a business or its representatives might deliver significant funds to an elected official or party leader who, in effect, is placing influence and access out for rent. Wealth may also be channeled through a variety of organizations such as foundations and pseudo-charities. At times this corruption syndrome may lead to agency or regulatory “capture” in specific areas, but the process is generally too competitive, and officials have too much autonomy, to make full-blown state capture likely. The relatively strong institutions and competitive economies in this syndrome make access to decision makers a valuable commodity: major benefits are at stake and those officials make decisions that have major consequences. Economies tend to be open and state intervention relatively light, a state of affairs that wealth interests will defend. Officials themselves may take the initiative in demanding payments, again with limited, specific stakes on the table, as exemplified by “pay-to-play” systems of public procurement and contracting. Over time corruption in this syndrome can reduce political and economic competition and make for inflexible policy.

2. Elite Network-State Corruption involves extended networks linking diverse elites who share a strong stake in the *status quo* and in resisting political and economic competitors. Such competition, in most cases, is intensifying at least gradually. Elites in the cartel may include politicians, party leaders, bureaucrats, media owners, military officers and business people—in both private and, often, parastatal sectors—in various combinations. Corruption will be moderate to extensive, but tightly controlled from above, with the spoils shared among (and binding together) members of the elite network. Leaders of nominally competing political parties may share corrupt benefits, and power, among themselves, again as a way of seeing off competitors. Elite cartel systems are often marked by ineffective legislatures, extensive state power (legal or otherwise) in the economy, politicization of development policy and banking, and a process of mutual “colonization” among business, political parties, and the bureaucracy. Elite Networks corruption underwrites a kind of *de facto* political stability and policy predictability, partially compensating for moderately weak official institutions; international investors may find the situation tolerable or even attractive. Elite Networks may be an attractive alternative to more disruptive kinds of corruption in the short to middle term, but it delays democratization and/or the growth of genuine political competition, while the shared interests of interlinked elites may make for inflexible policy and reduced adaptation, over the longer term. Elite Network corruption often features large and complex corrupt deals, frequently marked more by collusion than outright theft or violence, orchestrated from above, and closed to outsider elites.

3. Weak Transitional States Corruption embodies a complex and highly disruptive variety of corruption found where both politics and the economy are rapidly opening up and institutions are very weak. Power and wealth, the latter in sometimes massive amounts, are up for grabs, and there are few real rules as to how they are sought and won. Winners may claim major benefits but find it difficult to protect those gains, creating incentives to violence, protection markets, and capital flight on a large scale. This syndrome is dominated by a few very powerful figures and personal followings that may extend across several sectors of government and the economy; influence within law enforcement and the courts will be of particular value in grabbing power and assets. Organized crime may be part of this syndrome as well. This syndrome may well be unstable, however, as loyalty to an oligarch is only as valuable as the rewards he can provide; the oligarch may have to pay again and again for support (that too making violence attractive as a method of control) and followers may well have several options. This form of corruption will be particularly unpredictable, intensifying its developmental costs; a pervasive climate of insecurity creates many key opportunities and makes opposition to corruption risky.

4. Weak Undemocratic States Corruption involves corrupt figures whose influence depends upon their ability to put state power to personal use, or upon the personal favor of top figures in a regime. Unlike Mature States Corruption, where wealth intrudes into state functions, this syndrome uses state power to intrude into the economy, including incoming flows of aid and investment. The exact extent of this corruption syndrome often depends upon the personalities and agendas of top leaders; some may be completely venal while others pursue more enlightened policies. Family networks may be particularly powerful in this syndrome. Where this type of syndrome is extensive, top political figures may form alliances with favored business interests or may colonize those interests on behalf of themselves and their friends. In smaller societies such networks may be relatively simple and tightly-focused upon top figures, family members, and personal favorites. In more complex countries, however, such networks may be more decentralized along sectoral or geographic lines, particularly where economies are changing, and creating new opportunities, at a faster pace than state institutions can manage. While some political liberalization may be in progress, countervailing political forces remain weak, both facilitating this syndrome of corruption and making opposition to corruption, and to the regime, potentially risky. Serious corruption in this syndrome can be extremely unpredictable, and can exact major costs in terms of democratization and open, orderly economic development.

There are several additional ways of arriving at this syndrome designation that should be tried incrementally until a syndrome can be identified and verified by local experts. Primarily, the Corruption Checklist is a key vehicle for questions that will help the assessment team place the country in one of the syndromes.

- The Checklist contains four questions that measure the *four key syndrome dimensions* (political and economic participation, and political and economic institutional capacity). Rules are provided in Table 3 that easily translate answers to these questions to identify a syndrome. Since there will be several experts responding to these syndrome dimension questions, the assessment team should array the responses to each question and seek out the *modal response* – the answer that is most frequently given for each question. If a syndrome is clearly identified, the results should be fed back to the local experts and verified.
- If the four questions do not clearly identify a syndrome, the Checklist provides ten additional *syndrome descriptor questions* that together describe how the syndromes manifest themselves. To interpret the answers, rules are provided in Table 4. If a syndrome is clearly identified, the results should be fed back to the local experts and verified.
- If the above procedures do not yield a clear syndrome designation, a focus group of the local experts should be convened, using the questions in Table 5 as the discussion guide. Through discussion, the corruption syndrome should be identifiable.
- However, if no consensus can be reached, the country is likely in a transitional stage between syndromes. Whether societies are “hung” between two syndromes, or in passage from one to another, will be a judgment call based on detailed knowledge of a society. But the following tables (Tables 6, 7 and 8) will be helpful in judging which syndrome comes closer to describing reality or, over time, seems to best identify the direction of movement.

Clearly tables such as these are only suggestive at best and will not always render clear verdicts. They are likely to be most useful as part of an assessment of whether the syndromes outlined above do or do not fit a given country’s situation; they may also prompt recognition of other patterns that help locate a given country more clearly within a syndrome. It is conceivable that a combination of factors in a given country might give rise to a distinctive corruption situation fitting no syndrome at all, though possibilities of that sort are impossible to predict in advance.

Table 3. Rules for Linking Four Dimensions to Syndromes

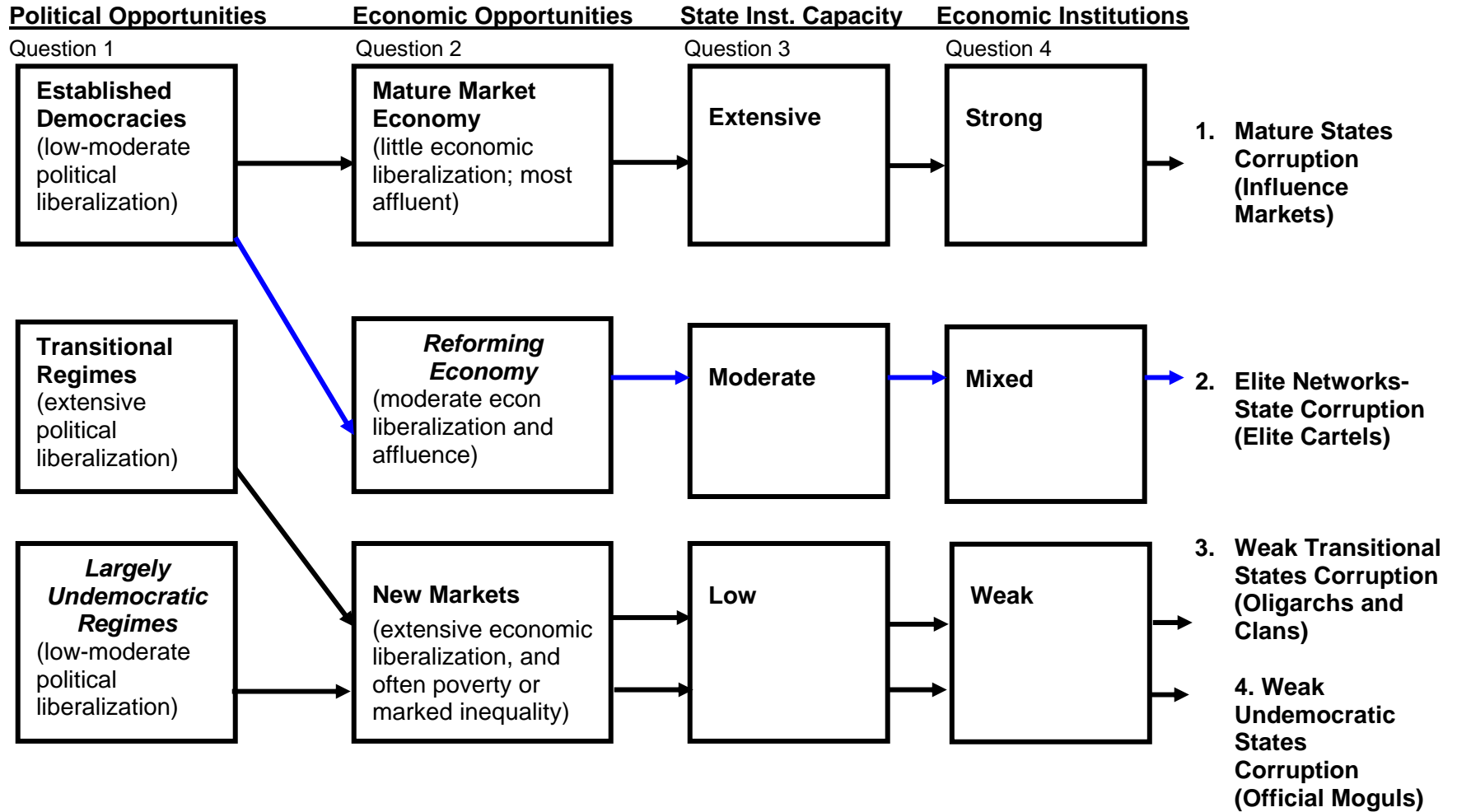


Table 4. Rules for Designating Syndromes based on Descriptor Questions

1. What are the primary ways that large-scale, grand corruption manifests itself in this country?
 - Funding of election campaigns and seeking to influence specific policies
Mature States Corruption
 - Elite dominance over competition in the electoral system **Elite Network-State Corruption**
 - Using monopoly state power to enrich a few top figures **Weak Undemocratic States Corruption**
 - Contending over very large stakes in a wide-open setting **Weak Transitional States Corruption**

2. How widespread would you say corruption is in this country?
 - Pervasive in most or all sectors **Weak Transitional States Corruption**
 - Extensive but controlled by a few top leaders **Weak Undemocratic States Corruption**
 - Moderate but more widespread among political, business, bureaucratic figures **Elite Network-State Corruption**
 - Low to moderate at most **Mature States Corruption**

3. Can you indicate the main beneficiaries of grand corruption in this country?
 - Powerful government officials and/or business entrepreneurs who have a personal following **Weak Transitional States Corruption**
 - Top leaders and their personal favorites **Weak Undemocratic States Corruption**
 - Specific business interests and/or wealthy groups **Mature States Corruption**
 - Networks of politicians and businesspeople **Elite Network-State Corruption**

4. Who are the secondary beneficiaries of grand corruption?
 - Business and political figures enjoying top-level favor **Weak Undemocratic States Corruption**
 - Very few individuals and groups, if any at all **Elite Network-State Corruption**
 - Clients and networks associated with powerful government officials and/or business entrepreneurs **Weak Transitional States Corruption**
 - Officials and politicians linked to business beneficiaries **Mature States Corruption**

5. Who are the major losers from corruption in this country?
 - Businesses and groups who go through regular channels **Mature States Corruption**
 - Civil society and legitimate business, across the board **Weak Undemocratic States Corruption**
 - Would-be political competitors of the regime **Elite Network-State Corruption**
 - Other power officials, businesspeople and empire-builders **Weak Transitional States Corruption**

6. What is the most important use of grand corruption?
 - To divert or control domestic wealth and incoming capital over the long term **Weak Undemocratic States Corruption**
 - To gain influence over specific decisions, or to gain funds for political campaigns **Mature States Corruption**
 - To protect existing political power alignments against challengers **Elite Network-State Corruption**
 - To make or protect very large deals, as quickly as possible **Weak Transitional States Corruption**

7. What is the main resource used in this country's grand corruption?
- Personal control of state power at the top **Weak Undemocratic States Corruption**
 - Contending networks loyal to powerful officials and businesspeople **Weak Transitional States Corruption**
 - A tight ring of political, bureaucratic, and business elites **Elite Network-State Corruption**
 - Wealth, used to influence politicians and decision makers **Mature States Corruption**
8. On the whole, how do you characterize grand corruption?
- Competitive but not violent **Mature States Corruption**
 - Factionalized and sometimes violent **Weak Transitional States Corruption**
 - Controlled by a network of top figures in politics and the economy **Elite Network-State Corruption**
 - Monopolized by a top national leader and a few favorites **Weak Undemocratic States Corruption**
9. How would you describe grand corrupt dealings, most of the time?
- Unpredictable and disruptive **Weak Transitional States Corruption**
 - Unpredictable, but benefiting a few top leaders and their favorites **Weak Undemocratic States Corruption**
 - Moderately predictable and not disruptive **Mature States Corruption**
 - Highly predictable and falling into widely known patterns **Elite Network-State Corruption**
10. Generally speaking, how would you describe the opposition to corruption?
- Weak and disorganized **Weak Transitional States Corruption**
 - Moderate to strong **Mature States Corruption**
 - Weak to moderate **Elite Network-State Corruption**
 - Weak, risky, and intimidated **Weak Undemocratic States Corruption**

**Table 5. Focus Group Discussion Guide:
Recognizing Corruption Syndromes in Practice**

Syndrome	Who?	Seeking what?	How?	Likely sectors	Major risks
Mature States Corruption (Influence Markets)	Private interests Politicians, lobbyists Bureaucrats	Access, influence over specific decisions Money	Political \$ or bribes Trading in access, influence	Any area where access to officials is valuable Bureaucracies subject to legislative oversight, budgeting	Petty corruption Electoral corruption
Elite Networks-State Corruption (Elite Cartels)	Elites of diverse sorts (pols, bureaucrat, business, military, etc) facing growing pol, econ competition	To preserve status quo To solidify elite networks Mutual enrichment	Political collusion Colonizing bureaucracy, state sector, priv. business Large-scale kickbacks	Electoral politics State/parastatal sector Major contracting and related private businesses; major procurement Privatizations and nationalizations	Electoral corruption Resource corruption Judicial/law enforcement corruption High-level <i>political</i> (grand) corruption
Weak Transitional States Corruption (Oligarchs and Clans)	“Big Men” and personal followings: clients in pub and private sectors, courts, police Organized crime	<i>Rapid, major</i> gains in wealth, power Protecting those gains from state, each other	Theft, fraud; bribery of judges, police, bureaucrats Phony privatizations Violence	Fastest-liberalizing econ sectors Undervalued state assets Banking, currency Security services (formal and illicit)	Resource corruption Judicial/law enforcement corruption High-level political (grand) corruption Violence
Weak Undemocratic States Corruption (Official Moguls)	Monopolistic leadership (dictator, juntas) Inner circle, family Sub-clients	To preserve political dominance Enrichment of self and clients (also used as political incentive) To weaken possible competitors	Official theft of public or private assets Phony privatizations Patronage	State, personal shares of investment, aid flows Extractive resource industry (e.g. oil) Military, major public works contracting, procurement Land ownership	Resource corruption High-level political (grand) corruption

Table 6: Elite Networks or Weak Transitional States Syndromes?



Elite Networks		Societies “between”...		Weak Transitional States
Declining	Is political and economic insecurity...			Increasing
Steady or declining	Is the number of significant political factions...			Increasing
Collude	Do those factions tend to...			Conflict
Gathering strength	Are political opposition groups...			Weak, divided, intimidated
Colonized by politicians	Are the bureaucracy and/or judiciary...			Colonized by Oligarchs
Benefit parties, politicians	Do privatizations tend to...			Benefit Oligarchs
Passive	Are law enforcement and regulatory bodies...			Actively controlled by Oligarchs

Table 7: Elite Networks or Weak Undemocratic States Syndromes?



Elite Networks		Societies “between”...		Weak Undemocratic States
Leaders in collusion	Is politics dominated by...			A boss and favorites
Present, if not always active	Is “civic space”...			Absent or dangerous
Regular, but indecisive	Are elections...			Absent or rigged
Bribery and spoils	To get what they want, do top figures usually engage in...			Bullying
In cozy relationships	Are top political and business leaders...			The same people
Shared among several elites	Are proceeds from major corruption...			Held by a few at the top
Apolitical or self-serving	Are the military and police...			Personal tools of top leaders

Table 8: Weak Transitional States or Weak Undemocratic States Syndromes?

Weak Transitional States	←	Societies “between”...	→	Weak Undemocratic States
Contested among several	Is power in society...			Clearly held by one or a few
As heads of extended factions/clans	Do top power holders interact...			In patron-client mode among elites
Power, wealth are exchanged for each other	As for relationships between wealth and power...			Power is the key to wealth
Weak, fragmented, exploited	Generally the state is...			A significant tool controlled by top leaders
To stay away or insist on short-term gains	FDI tends...			To work through top leaders
Flow toward oligarchs but are changeable	Political loyalties...			Flow up to clear leaders in consistent ways
Are divided up among Oligarchs	Law enforcement, courts...			Serve personal agendas of top leader(s)
Unpredictably and in a setting of rivalries	Corruption is practiced...			Somewhat predictably and with impunity

4. **Strategic Implications of Syndromes.** What are the implications for strategy development of being placed in one corruption syndrome or another?

- First, placing a country into a particular syndrome can help to understand the underlying causes of corruption in the country. It can directly support development of a strategic vision of what needs to be done to control corruption that goes beyond treating merely the symptoms of the problem.
- Second, based on syndrome placement, certain anticorruption programs would likely be appropriate and others should be avoided.

Table 9 provides a detailed set of *Strategic Implications* – syndrome-by-syndrome – that can be used by the assessment team as a valuable guide in developing the Anticorruption Strategic Outlook and appropriate program recommendations. When a corruption syndrome is designated, the team should refer to the Strategic Implications charts where various issues are discussed that can be useful in selecting strategic and tactical reform choices. Note well that these are generic trends to be anticipated in countries within each syndrome, so the assessment team will need to embed these implications within the context of the country under examination.

Key corruption *problem statements* associated with each syndrome are elaborated. *Strategic objectives* for each syndrome are presented. *Strategic reforms* are aimed at the underlying problems of participation and institutions that shape the corruption syndromes; some of them do not take the form of corruption controls as such, but will help lay a foundation over time for more specific controls to be effective. Examples include revised electoral systems, strengthened checks and balances among segments of government, improved banking and currency systems, and protecting civil liberties—depending upon the syndrome in question. Many strategic reforms may already be part of the aid and assistance repertoire in a given country. *Tactical reforms* are also presented that aim more directly at combating corruption and are more familiar: transparency, improved public financial management, and political finance reforms would be examples. *Risks* associated with anticorruption reforms and *signals of progress* we should look for are also presented in these charts.

Again, while these are generic implications about countries that fit in a particular corruption syndrome, they can be very helpful in beginning the strategic analysis process. They must be tailored to the particular country under examination, as described in the following section.

5. **Strategic Outlook.** To develop the Anticorruption Strategic Outlook for a country, the assessment team begins with the generic implications described above and analyzes them in relation to country-specific information that has been gathered. This includes the report on the legal-institutional framework, the Corruption Checklist responses, USAID/USG and other donor interests and priorities, and the team’s assessment of stakeholder political will and commitment to fight corruption, as well as potential obstacles that challenge this goal. The results of this integrative analysis will be a deeper understanding of the nature of corruption in the country by focusing the assessment team on major causal issues. The Strategic Outlook will consist of:
 - A delimited and targeted set of *problem statements* that are derived from a combination of the basic syndrome Strategic Implications charts, the legal-institutional analysis, and USG/donor/government priorities. These are the major strategic themes that need to be addressed and should represent the most important priority anticorruption issues, *narrowed down* from the larger inventory of corruption problems challenging the country.
 - It will also include *implementing strategies* that can help put into action the problem statements by finding more specific and practical approaches. These might include support for particular sectors or institutions and the implementation of specific transparency or accountability initiatives.
 - Sectoral/functional *program recommendations* developed in Step 3 below are the tactical anticorruption initiatives by which the strategy will be fulfilled.

Illustrative examples of two Strategic Outlook charts are presented in Table 10. The contents of these charts are merely *illustrative of possible components*. Overall, the Strategic Outlook will identify major directions for the Mission and other donor organizations for near-term, mid-term and long-term programs that fight corruption.

**Table 9. Strategic and Tactical Implications
and Program Options for the Four Syndromes**

Mature States Corruption (Influence Markets)	
Problem Statement	<ul style="list-style-type: none"> •Declining political trust; static or declining participation •Credibility of parliaments, parties, executives in long-term decline •Popular dissatisfaction with political choices, processes •Weak political competition •Substantial advantage to incumbent candidates, parties •Demand for access to decision makers exceeds legitimate opportunities •Civil societies in decline
Strategic Objectives	<ul style="list-style-type: none"> •Increase participation in, credibility of politics •Increase political competition, decisiveness of elections •Increase legitimate access to decision makers •Broaden base of funding election campaigns, participation in lobbying •Check corrupt access/corrupt official demands upon contributors
Strategic Reform Options	<ul style="list-style-type: none"> •Change electoral systems to make them more inclusive and decisive •Build competition among rather than within parties •Ease political entry for new candidates, parties •Party/campaign finance reforms <ul style="list-style-type: none"> -ensure sufficient funding, particularly for challengers -broaden base of funding •Freedom of Information legislation •Deregulation, privatization to reduce marketability of bureaucratic access
Tactical Reform Options	<ul style="list-style-type: none"> •Private \$ to parties, not candidates •Extensive, well-enforced ethics, financial disclosure rules •Conflict of Interest, lobbying rules •Increase grassroots participation, local strength of parties •Build civil society groups of many types (not just reform groups) •Increase party competition by, for example, more single-member parliamentary constituencies, redrawn constituency boundaries •Where proportional representation is preferred, avoid “party list” arrangements confining competition to factions of one dominant party •Where politicians have the upper hand over contributors, consider “Blind Trust” systems: private contributions are routed through a central clearinghouse, with identity of donors remaining unverifiable. •Funds rewarding parties, civil society groups for registering voters and increasing political participation
Risks/Avoid or Delay	<ul style="list-style-type: none"> •Starving politics of legitimate funds, inhibiting free expression •Increasing incumbent advantages •Impaired constituent service •Too much or too little bureaucratic autonomy •Overly technical, burdensome political finance rules and processes •Stigmatizing self-interest, or treating political parties as “civic” entities only •Excessive public expectations about reform •Transparency that deters citizens from participation: allow small undisclosed contributions
Performance Indicators	<ul style="list-style-type: none"> •More turnover of officials via elections •Reduced public distrust of politics, participants •Higher turnouts, levels of political participation •Slowing growth of lobbying expenditures •Access to bureaucrats becomes less marketable by political middlemen

Table 9 (continued)

Elite Networks-State Corruption (Elite Cartels)	
Problem Statement	<ul style="list-style-type: none"> •Closed, collusive, politicized economy, politics •fraudulent, indecisive, or uncompetitive elections •Poor transparency in business, markets •Moderately weak institutions: <ul style="list-style-type: none"> --public/private boundaries --functional boundaries among elites (e.g. state, business, party, bureaucratic, military) --colonization of bureaucracy, business by parties, political leaders •Civil society, press infiltrated from above by political parties, leaders
Strategic Objectives	<ul style="list-style-type: none"> •Increase political, economic competition at an orderly pace •More decisive elections •Strengthen public/private boundaries •Smaller state role in economy, greater public transparency •Strong, independent judiciary •Greater bureaucratic quality, autonomy •More independent, professional news media, <i>and</i> •Strong, independent civil society, able to put transparency to use
Strategic Reform Options	<ul style="list-style-type: none"> •Electoral systems: reduce fraud, implement voting systems encouraging, rewarding <i>bona fide</i> competition •More secure property rights •Selective, <i>genuine</i> privatization/deregulation; reduce the public/parastatal sectors •Politically independent news media, banking and lending •Constitutional reform: checks, balances, stronger judiciary •Encourage stronger civil society -- <i>not just around anti-corruption issues</i> •Build professionalism, political autonomy of judges, bureaucrats, military
Tactical Reform Options	<ul style="list-style-type: none"> •Frequent, credible financial disclosure for state/political leaders, parties •Improved auditing in private, parastatal, and public sectors •Private ownership of news media •Improved Conflict-of-Interest rules, monitoring •Freedom of Information legislation and implementation •Political/party finance reform, increasing legitimate funding and rewarding party competition •Procurement, bidding, contracting reform and oversight •Higher bureaucratic professionalism, pay, status; civil service protections •Encourage growth of business, trade, professional associations
Risks/Avoid or Delay	<ul style="list-style-type: none"> •Political <i>or</i> economic threats to elites may encourage grand corruption •Do not undervalue unity, stability at top levels •Avoid fragmenting bureaucracy into independent fiefdoms •Avoid starving political process of legitimate funding, opportunities for expression •Defer information-intensive measures (e.g. political finance, improved budgeting and taxation) until basic bureaucratic reform is in place
Performance Indicators	<ul style="list-style-type: none"> •Economy, politics become more competitive •Meaningful power changes hands at elections •Party, elite network influence over bureaucracy, courts, business declines •Parties sink roots in civil society, speak for real segments of society •Bureaucracy, media, finance markets become more autonomous •More independent watchdog, political groups become active in civil society •Reform activity <i>independent of ruling elites</i> becomes common •Privatizations are genuine; parastatal sector shrinks

Table 9 (continued)

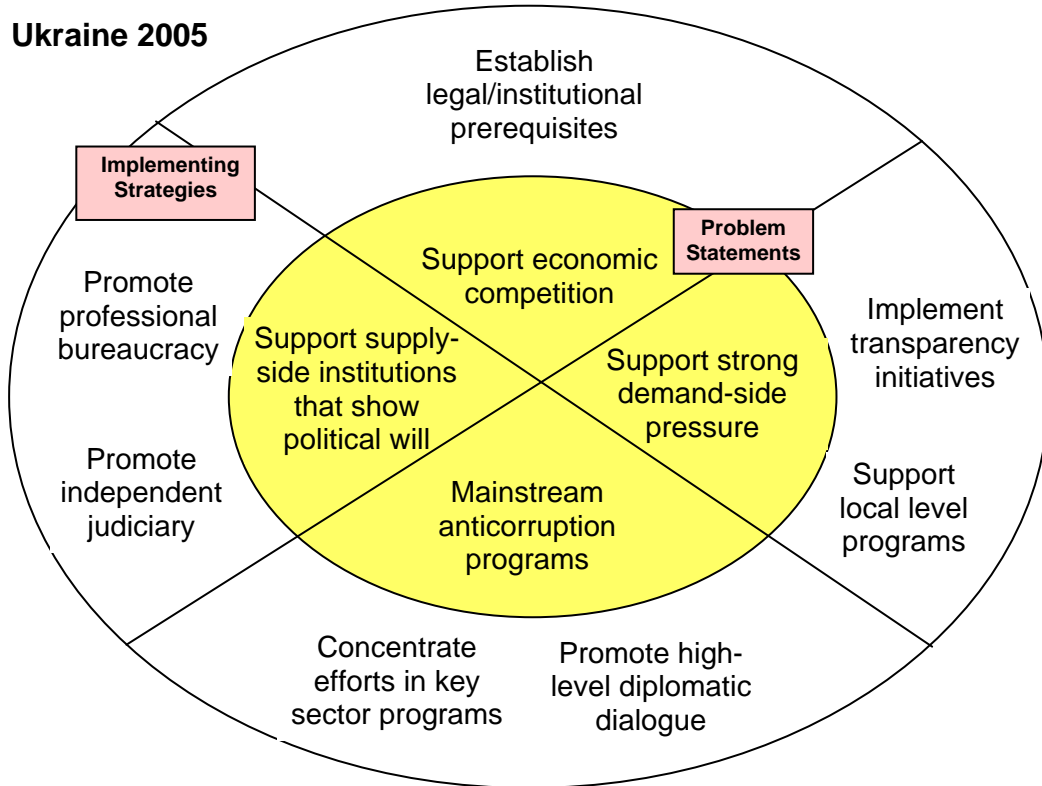
Weak Transitional States Corruption (Oligarchs and Clans)	
Problem Statement	<ul style="list-style-type: none"> •Pervasive violence, insecurity in economy, politics, daily life •Weak institutions •Little orderly competition •Capital flight, weak banking sector, FDI for short-term gains only •Economic, political opportunities are plundered •Little state autonomy, credibility; bureaucracy, courts, police hijacked •Chronic revenue shortages, poor tax collection
Strategic Objectives	<ul style="list-style-type: none"> •Reduce insecurity, violence •Strengthen property rights •Credible official policy, processes, implementation and law enforcement •Stronger boundaries, easier <i>legitimate</i> access, between state and society, politics and economy •Reduce “informal” economic, political activity •Sufficient, predictable revenues for state; simple, effective, fair taxation •Protect citizens, small business from exploitation, abuse •Stronger civil liberties and a free, independent press •Reducing risks, unpredictability within markets—e.g. simplified regulatory and customs functions
Strategic Reform Options	<ul style="list-style-type: none"> •Slower, more balanced political, economic liberalization •Strengthen, professionalize courts, police •Improved, more autonomous banking sector •Sound “secondary” market institutions (e.g. bond, equity markets). •Credible regulation and transparency in markets; sound currency •Sound currency; controls on capital flight •Simplified, credible taxation, regulatory, customs procedures •Regular payment of meaningful public-sector salaries •Improved flow of information within, and between, state and economy
Tactical Reform Options	<ul style="list-style-type: none"> •Temporary amnesties for illicit gains, tax evasion, in exchange for information; protect whistleblowers and citizens reporting corruption •Easier, more credible titling of property, basic judicial procedures •Financial disclosure, conflict-of-interest rules in public and private sectors •Build business and trade associations, codes of practice •Mutual assistance schemes, Ombudsmen for small business, citizens •Parties, and political funding, independent of Oligarchs •Political finance and electoral laws encouraging coalitions, power-sharing
Risks/Avoid or Delay	<ul style="list-style-type: none"> •Anti-corruption initiatives become weapons for rival oligarchs, factions •“Strong hand” options derail transitions, create more insecurity •Weak “ownership” of reforms wastes opportunities, credibility •“Privatizations” become licenses for theft •Elections lack procedural safeguards •Conditionality imposes unrealistic goals •Massive public anti-corruption campaigns lacking credibility •Defer civil society strategies until risks subside; link reform to self-interest •Competition can heighten elite insecurity; accommodate, rather than confront, key elites even at cost of a degree of collusion
Performance Indicators	<ul style="list-style-type: none"> •Reduced violence; economic growth, political activity on broader bases •Reduced capital flight, more stable currency; improved tax collection •FDI focuses on longer-term gains •Gradual but <i>successful</i> anti-corruption, administrative reforms •Civil society becomes more independent, less intimidated •Public/private boundaries, property rights become clearer •Courts, police, bureaucracy acquire meaningful autonomy, effectiveness •Less informal political, economic activity outside official system

Table 9 (continued)

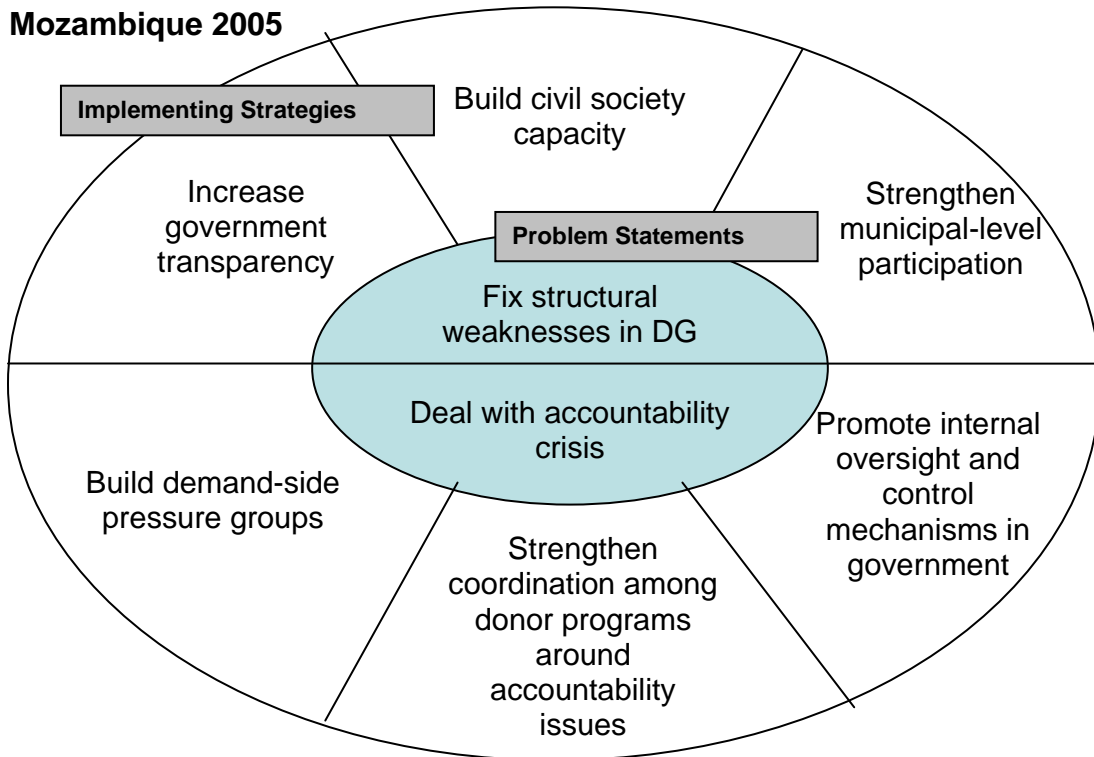
Weak Undemocratic States Corruption (Official Moguls)	
Problem Statement	<ul style="list-style-type: none"> • Domination by ruler and/or inner circle, family • <i>Personal</i> power, loyalties dominate state, politics, economy • <i>Official</i> roles, structures weak • Elite impunity, little or no accountability • Little or no political competition; civil society weak or nonexistent • Weak boundaries between politics, economy
Strategic Objectives	<ul style="list-style-type: none"> • <i>Gradual</i> growth of political competition • Credible <i>official</i> roles, institutions; eventual growth of “civic space” • Accountability on public, not personal grounds • Strengthen press, civil society <i>gradually</i> • Shield private sector from official raids • Basic civil liberties, rather than rapid shift to full democracy • More secure private property rights • Mobilize citizens using diverse incentives (social activities, mutual assistance) • Create, strengthen incentives for officials to work for the public, not political patrons
Strategic Reform Options	<ul style="list-style-type: none"> • End repression; encourage political “decompression” in society • Improved civil liberties, press autonomy; genuinely competitive elections • Constitutional reforms, meaningful taxation to create “public space” • Independent political, social, business organizations • Enhance security of international business • Enhance bureaucratic autonomy, professionalism
Tactical Reform Options	<ul style="list-style-type: none"> • Transparency in dealings with international organizations, business • Conditional rewards for strategic reforms above • Conditional incentives, technical assistance for public mgmt improvement • Strengthen property rights • Micro-credit and other schemes not controlled from above to create space, resources for civil society • International businesses as advocates of economic, administrative reform • Leaders practicing corruption with impunity face credible threats to end flows of aid, loans and trade • International money-laundering controls; repatriation of corrupt assets of past regimes • Make it difficult to conceal assets: real names on bank accounts • Discourage capital flight
Risks/Avoid or Delay	<ul style="list-style-type: none"> • Rapid growth in domestic competition threatening elites can place reform advocates at risk • “Reforms”, public morality campaigns can hide personal corruption and political reprisals, create markets in protection • Public management improvements require top-level backing • Reforms with short-term timelines will accomplish little¹ • Civil society groups need not have explicit anti-corruption or good-government agendas; indeed, if they do their activities will be more risky. • CAC-style initiatives will have little real independence
Performance Indicators	<ul style="list-style-type: none"> • <i>Gradual</i> growth in political competition, economic openness • Power, accountability become more public, less personal • Signs of elite pluralism, perhaps reflecting links to real groups in society • Less political intrusion into economy; property rights more secure • FDI that does not require personal sponsorship, protection from the top • Reliance upon law rather than force, patronage, as basis of power • Courts that can rule against top figures with real effectiveness • An independent, genuinely critical press; signs of a real civil society

Table 10. Two Illustrative Strategic Outlook Charts

Ukraine 2005



Mozambique 2005



6. **Sector/Function Designation.** Based on the Strategic Outlook and the Corruption Checklist results, *specific sectors and functions will be highlighted* for further detailed diagnosis. In Step 1, local experts completed the factual portion of the *Corruption Checklist* detailing the existence of anticorruption-related laws, regulations and institutions (in grey fields). In this Step, a focus group of local experts will be asked to complete the remaining portions of the Checklist to identify – in their judgment – the adequacy, enforcement, consistency, awareness, and oversight of these anticorruption laws, regulations and institutions – in a wide variety of government sectors (the Checklist is presented in Annex 2).

This segment of the Corruption Checklist seeks to identify if the existing anticorruption framework in a country is viewed as being effective, is adequate or suffers from deficiencies or inconsistencies, is implemented and implemented properly, is understood by those empowered to carry out the law and those who are subject to it, and is monitored in an adequate way by government and nongovernment oversight bodies to ensure sustainability. This Checklist is best answered by several (three to six) local generalists in the anticorruption field – experts with broad cross-sectoral knowledge of the corruption problem in the country and with understanding of the operation of different government sectors and functions.

Their results should be gathered, integrated and analyzed by the assessment team. A quantitative approach can be used to analyze the Checklist, so as to produce sector/function ratings (indicating high vulnerability and high opportunity). Looking at each respondent's checklist, numerical scores can be generated within each subheading in the checklist -- representing different laws, institutions, functions, or sectors – and then aggregated up to broader categories. The first (and in some cases, second) question in each subheading is always a factual question (in grey), determining if certain laws/regulations exist. If they do exist, the respondents will answer the judgmental questions, indicating how adequate and implemented the laws/regulations are in practice. The scores can be calculated according to the following rules within each subheading:

- If the initial factual questions yield a response of Yes, then go to the subsequent judgmental questions (in black) which are always responded to on a five-point scale, from most positive (1) to most negative (5). For each respondent, the answers to all of these judgmental questions should be added together and then standardized.
- If the initial factual questions are answered with a No, then the respondent is always instructed to skip the law-related judgmental questions and go to the political will question. In this circumstance, a requisite law or regulation is missing from the country's legal framework and numerical scores of "5" will be provided by the assessment team for all questions that were skipped, within the subheading, thus producing the most negative score.

The scores calculated for each subheading should then be normalized to a scale from 0 to 100 to facilitate comparison. The higher the score, the worse off is the sector or function; the lower the score, the better off is the sector or function. Since there may be multiple experts that respond to each of the judgmental questions, the results should be averaged across experts and a *mean score* provided for each sector/function.

These quantitative results will be one of the major inputs into the decision to prioritize certain key sectors/functions. The assessment team will also consider the following criteria in ranking the sectors/functions:

- Major deficiencies and vulnerabilities, plus high opportunities in the sector/function
- High USAID/USG priority for the sector/function
- Sector/function supports strategic problem statements
- Strong political will of stakeholders in the sector/function.

The following factors should also be considered for candidate sectors/functions and may result in their rejections:

- Major programs already under way or planned by government, donors, or USAID/USG
- Major internal resistance or obstacles exist in the sector/function.

Outputs. In this step, the team will produce the Anticorruption Strategic Outlook, with delimited problem definitions and core and implementing goals, which will help guide the rest of the assessment. This step will also generate the selection of key sectors and functions that need to be diagnosed in depth.

Step 3. Detailed Diagnosis

In this step, the priority sectors and functions that were selected in Step 2 will be studied in great detail to understand where the corruption vulnerabilities lie and what might be done to effectively deal with them. For each sector/function, a short but comprehensive review will be written by the assessment team that provides an overview of the sector/function related to corruption problems, major corruption vulnerabilities, opportunities and obstacles to meaningful reforms, and recommended program options that relate back to the Strategic Outlook discussion.

The assessment team will gather information on each sector/function by reviewing past sectoral/functional assessments and studies and conducting interviews with government officials, citizen watchdogs/advocates, and consumers of the government services. To help guide and organize these diagnoses, this assessment framework has developed *Diagnostic Guides* (see Annex 3) for many key sectors and functions that are frequent targets of corruption. The guides are based on past research in these areas to lead the assessment team efficiently toward the major questions and issues that must be raised in order to understand the nature of the problem in depth. They will help the team pinpoint where corruption vulnerabilities exist, how they manifest themselves, and their underlying causes, so that it will be easier to outline reform strategies and concrete actions that can be taken to reduce the corruption.

Some of these guides may be applicable to several sectors and functions. For example: privatization, public procurement, tax and custom administration are related to the private sector. Therefore, when the team conducts assessments of the private sector, it should use some of these questions as well. These guides are meant to provide illustrative questions that can and should be

modified, and new questions added, to customize the diagnoses to country or sector-specific circumstances or to the particular individuals interviewed.

Diagnostic Guides are provided in Annex 3 for the following sectors and functions:

Governmental Sectors and Institutions

- [Judiciary](#)
- [Legislature](#)
- [Public Institutions/Civil Service](#)
- [Supreme Audit Institution](#)
- [Anticorruption agencies](#)
- [Regional and Local Government](#)
- [Law Enforcement Institutions](#)
- [Electoral Commission and Election Process](#)
- [Political Parties](#)
- [Taxation System](#)
- [Customs](#)
- [Healthcare](#)
- [Education](#)
- [Private Sector](#)

Cross-Cutting Issues and Functions

- [Budget and Financial Management](#)
- [Public Procurement](#)
- [Privatization](#)

Tasks

1. **Schedule Meetings and Engage Local Experts.** Once the sectors and functions are identified, meetings should be scheduled and conducted with relevant USAID program managers, both government and nongovernment stakeholders, and other donor program managers working in these areas.
2. **Use Diagnostic Guides to Evaluate Selected Sectors and Functions.** The assessment methodology includes key probing questions for many of the major sectors and functions that can be used as guidelines for the assessment team when interviewing sector/function stakeholders or reviewing sector/function-specific documents and reports. These probing questions are organized to help the team focus in on critical procedures and institutions that are frequently at the root cause of corruption in these sectors, as well as on the potential reform programs that could control the problem.
3. **Sector and Function Analyses.** Based on the information gathered, the team must analyze and integrate its in-depth understanding of the sectors and functions. These diagnoses will be developed into short analytical writeups on targeted sectors and functions. Each writeup can be structured as follows:
 - a. Short overview (e.g., one paragraph)
 - b. Key categories where corruption vulnerabilities exist

- c. Opportunities and obstacles to anticorruption reform programs (including key actors, assessment of political will, recent trends and actions, etc.)
- d. Recommendations for reform programs that are in accord with the Strategic Outlook.

Outputs. The results of this step should be brief, but insightful, descriptions and analyses of selected sectors and functions that elaborate on key corruption vulnerabilities, opportunities and obstacles for reform, and recommendations for programs. There may be some recommendations that are common across several sectors or functions; these can be designated as cross-sectoral recommendations.

Step 4. Integrated Programming Options

In Step 3, the sectoral/functional diagnoses will yield ideas for targeted tactical program options to relieve particular corruption problems. In this step, the assessment team will look *across all of the sectoral and functional diagnoses*, taking the Strategic Outlook into account, to develop integrated recommendations for the Mission. The programming options will be described and prioritized to help the Mission mainstream anticorruption activities throughout its portfolio.

Translating corruption vulnerabilities into program remedies is a difficult task. To assist the team, a unique tool – *a case study database* – is available that categorizes international experience concerning anticorruption program options, makes it accessible easily to the team, and can serve to enhance the range of options that the team considers.

In Step 4, these sector- and function-specific program recommendations need to be woven into an integrated and prioritized anticorruption program recommendation for the entire USAID Mission. This involves several tasks:

- Review all of the sector/function program options and group together common recommendations into cross-sectoral options.
- Add to the options by reviewing the Case Study Database that can identify additional program options that may be appropriate (see Annex 7)
- Add to the options by reviewing Existing Toolkit Resources to explore additional relevant program options (see Annex 6)
- Reference the Strategic Outlook, problem statements and Syndrome Strategic Implication charts (Table 7 above) to determine particular guidance that should be applied in developing the integrated program recommendations
- Apply the following criteria in determining how to integrate and prioritize the recommendations:
 - Satisfaction of problem statements and core and implementation strategy goals
 - Existing and planned USAID and USG program priorities
 - Likely success of the program option
 - Likely timing of program impact (near-, mid-, short-term)
 - Political will of local stakeholders.

Recommendations can be designated as high, medium and low priority based on these criteria. At a minimum, each recommendation should be described briefly in the assessment report, major implementers and counterparts listed, potential obstacles to success recognized, and anticipated impacts on corruption identified.

Tasks

1. **Cross-Sectoral Analysis.** The detailed diagnoses from Step 3 will yield a large number of sector- and function-specific program options. These should be reviewed to determine where there are common program options across sectors and functions that can be grouped together into *cross-sectoral options*.
2. **Case Study Database.** To enhance the list of program recommendations that were derived from the sectoral/functional diagnoses, the assessment team can explore a worldwide Corruption Case Study Database that was developed especially for this assessment framework. The database can offer ideas and suggestions to the assessment team on programming options that have worked and have failed in other countries under similar circumstances. The user identifies certain scenarios interactively and the database responds with a list of matching cases and their anticorruption outcomes. In particular, users can request cases that match:
 - a. the country or region
 - b. the corruption syndrome of the targeted country
 - c. particular sectors or functions
 - d. specific types of anticorruption initiatives.In addition to viewing the general outcome of the interventions, users can click to access a detailed descriptive report on each selected case. Over time, this database can be updated by USAID to include more cases (see Annex 7).
3. **Toolkit Resources.** In addition, the assessment team can explore existing anticorruption toolkit resources that are listed in Annex 6 for additional ideas and recommendations. Toolkits have been developed by the United Nations, the World Bank, Transparency International, and others.
4. **Prioritize Program Options across Portfolio.** The anticorruption program options should be integrated and prioritized based on the following criteria:
 - a. Satisfaction of core and implementation strategy goals
 - b. Existing and planned USAID and USG program priorities
 - c. Likely success of the program option
 - d. Likely timing of program impact (near-, mid-, short-term)
 - e. Political will of local stakeholders.

This can be accomplished through a discussion session including the entire assessment team. Recommendations can be designated as high, medium and low priority based on these criteria. At a minimum, each recommendation should be described briefly in the assessment report, major implementers and counterparts listed, potential obstacles to success recognized, and anticipated impacts on corruption identified.

All of the program recommendations can be summarized and presented in a matrix, tying each recommendation back to a core strategy goal and, where relevant, to an ongoing USAID/USG program that can be extended or strengthened. Some recommendations will be sector-specific, but where possible, options that are common across several sectors should be identified and separated out on the matrix (see Table 11).

Table 11. Sample Program Recommendations Table

Priority Program Options (H = High priority) (M = Medium priority)	Core Strategic Directions				Ongoing/Planned USAID Programs
	A	B	C	D...	
Cross-Sectoral Options					
Sector X					
Sector Y...					

Outputs. The results of this step will be an integrated and prioritized set of program options across the Mission’s portfolio, as well as cross-sectoral program recommendations. These options will be developed to satisfy the Strategy Outlook (developed in Step 2), as well as other USAID and USG priorities, in the context of what is likely to succeed in the country context. An annotated outline for the final assessment report can be found in Annex 8.

Attachment 1. Narrative Description of Syndromes and their Implications

A. Mature States Corruption (Influence Markets)

In Influence Market countries, institutions are generally strong and legitimate. Bureaucracies are relatively autonomous—enough so that political elites find their own access is marketable to economic interests. Here reformers enjoy numerous advantages, compared to their counterparts elsewhere. But corruption remains in these systems. Some corruption will not even involve illegality but may still impair the public credibility of institutions and the efficacy of citizen participation. Influence Markets diverge from our developmental ideal primarily on the participation side. Electoral turnout levels in many established democracies are only middling at best, and in some instances seem to be in significant decline. Interpersonal trust, perceptions of leaders and institutions, and the health of civil society are matters of considerable concern too (Pharr and Putnam, 2000; Putnam, 2000). As a consequence, many Influence Market societies are not as open and responsive as they may claim to be as they recommend their own reform approaches to other parts of the world, and they avoid key questions of justice by legalizing what some might see as abuses. Relationships among party elites are marked more by stalemate than collusion (though the latter is not unheard of) and tend not to produce partisan colonization of the bureaucracy.

Strategic Goals

Ironically, Influence Market societies—widely regarded as successful democracies, for the most part—must attend to their political weaknesses. Where competition is more apparent than real, and where citizens believe—rightly or wrongly—that monied interests dominate politics and policy, participation suffers. Rebuilding public trust, enhancing participation, and encouraging political participation are essential to undoing the long-term damage Influence Market corruption can incur.

Tactical Measures

- Re-examine electoral and party laws, with an emphasis upon increasing grassroots connections and intensifying inter-party competition
 - Institute or amend political finance systems, emphasizing those same goals but resisting the temptation to see private money as inherently corrupting
 - More carefully define conflict of interest and constituency service rules
 - Create more single-member parliamentary constituencies to reduce party collusion,
 - In parliamentary systems, encourage varieties of proportional representation that avoid the pattern of creating competition primarily among factions within a dominant party
 - Create ways and incentives for parties to finance their activities in broad-based, socially rooted ways
 - Explore ways of easing fund-raising for a limited number of new parties, and particularly for challengers to incumbents
- Consider “Clean Politics” initiatives providing the option of full public funding to candidates who first demonstrate reasonable levels of voter support have proven popular (Common Cause, 1999).

•*Politicians may have the upper hand over contributors*; therefore, consider “Blind Trust” systems under which private contributions are made through a central clearinghouse and forwarded on to candidates and parties according to predefined schedules, without indications of their sources. Records of contributions would be retained by that agency for legal purposes but not be made public; all contributors would have a cooling-off period during which they could retract a contribution. The key idea of blind trusts is not that the sources of funds are kept secret, but rather that they be unverifiable, thus weakening the leverage of contributors and unscrupulous candidates alike.

•Matching-funds formulae could reward parties for registering voters and for increases in turnouts, or might generously augment small contributions while not matching larger ones.

What to Avoid

•Do not stigmatize self-interest, or treat political parties as “public utilities” serving civic purposes only; competitive politics thrives on contention among interests.

•Avoid raising inappropriate public expectations about reform, or about the extent to which bureaucratic measures reduce the need for citizen participation.

•Transparency can be overdone, particularly where citizens might be somewhat apprehensive about participating in politics or backing opposition candidates; consider setting moderate thresholds of contributions below which disclosure is not required.

•Do not starve politics of funds; doing so will only encourage parties and candidates to seek out illicit money, and increase the leverage of those willing to provide it.

B. Elite Networks – State Corruption (Elite Cartels)

In Elite Cartel cases top figures collude behind a façade of political competition and colonize both the state apparatus and sections of the economy. In some ways the sharing of corrupt rewards among elites, along with the risk of losing them should emerging competitors gain the upper hand, creates a degree of political unity at the top that may partially compensate for weak official institutions. Elite Cartels in some countries have been able to pursue their development agendas effectively. In other cases, elites may use corrupt connections to maintain hegemony for its own sake.

To move Elite Cartel countries toward the developmental ideal outlined above state, political, and social institutions need to be strengthened, and existing trends toward increasingly open political and market competition must continue on a *gradual* upward path. Too-rapid growth in political competition in particular may lead to more serious corruption as elites feel more insecure; pushed to its extreme that trend could lead the cartels to break up into factions and to an Oligarchs-and-Clans style of corruption. Multi-party elections and market economies (the latter sometimes extensively politicized) are already in place in most of these societies, but parties are weak, sometimes collusive, and serve the personal agendas of leaders rather than lasting interests in society. The behind-the-scenes collusion, favoritism, and the colonization of bureaucracies and economic sectors that mark Elite Cartel corruption suggest that the “consensus package” of liberalization, improved public management, and enhanced transparency may be more productive in Elite Cartel cases than elsewhere, as long as change is gradual and is accompanied by institution-building in the state, political, economic and social realms. It will take a series of genuinely competitive elections, and of alternations of power, to change political

habits in Elite Cartel societies. But if citizens can reward effective government and punish the most corrupt over time, strong disincentives to collusion will have been created.

Strategic Goals

- Political competition can be made more decisive, and collusion discouraged, by changing electoral systems.
- An independent judiciary and free press are critical; both should be as professional and autonomous as possible.
- In the bureaucracy and the parastatal sector—the latter being particularly important where privatizations are underway—emphasize efforts to shore up administrative quality, autonomy and professionalism, and sustain them over the long run.
- Enhancing transparency is a worthy goal but its practical value depends upon the rise of real political competition to create alternatives, and upon the emergence of a civil society and press able and willing to put transparency to use.
- Civil societies must be made stronger over the long run; party infiltration and top-down organizations are liabilities and will also be sources of resistance to reform. Encourage not only civic-oriented reform groups but also interest groups independent of specific parties, and do so on a national or broad regional basis independent of specific party leadership cliques.
- Enhance political and economic competition; those trends, after all, are what the Elite Cartels are trying to contain. But do so gradually, as noted.
- Legal independence and greater professionalism for agencies controlling major social benefit and public investment funds must be guaranteed in meaningful ways, perhaps backed up by scrutiny from independent commissions or the judiciary.

Tactical Measures

- Meaningful, well-enforced financial disclosure for politicians, parties, and bureaucrats, and caps on political spending may be more critical here than in Influence Market cases.
- Encourage the growth of independent trade and business associations.
- More effective controls upon *pantouflage* (elite employment transitions back and forth between public and private sectors) and conflict of interest.
- Increase transparency in financial markets, particularly as regards the ownership of productive assets; privatization schemes and any nationalization moves must be particularly closely monitored and open to public scrutiny. Clarify lines of management and accountability in these sectors, and support the political independence of enterprise boards of directors.
- Step up monitoring of lobbying, particularly by former public or party officials.
- Emphasize transparency, citizen participation, and competition-enhancing measures with respect to party governance and finance.
- The military must be professionalized and placed under clear civilian (as opposed to politicians' personal) control.
- Effective, transparent, and fair regulatory processes, tax collection and restraints upon black markets will also inhibit political/business collusion.
- Enhanced transparency as regards banking, lending, securities markets, property rights, and elites' business interests will also be useful; steps can range from disclosure schemes to enhanced regulatory scrutiny of companies' capital and indebtedness, to avoid Korean-style interlocking structures of debt. Making it clear who owns what, and which debts are owed to

(and guaranteed by) whom, is critical both for economic reform and for policing the political colonization of the economy.

What to Avoid

- Do not increase political competition so rapidly as to fragment the elite or sharply increase elite political insecurity.

- Do not launch bureaucracy-intensive anti-corruption tactics (for example, most political finance controls, restrictions on conflicts of interest, privatization, or regulatory initiatives in markets) without first addressing the problem of political colonization of the bureaucracy.

- Restrictions on political spending and contributions should not be set too low lest they encourage dependence upon illicit money.

- Do not underestimate the value of the predictability and stability Elite Cartels can create, particularly with respect to economic development; dismantling or destabilizing Elite Cartels in the absence of some other credible framework of institutions is a recipe for hand-over-fist corruption, will likely put democratizing forces at risk, and can do major damage to economic development.

C. Weak Transitional States Corruption (Oligarchs and Clans)

The primary fact of Oligarch-and-Clan corruption is that economically- and politically-ambitious elites are insecure. So too are journalists, would-be democrats and reformers, and citizens generally. In a climate of rapidly expanding but poorly institutionalized opportunities and contention they build bases of personal support from which they exploit both state and the economy, and protect their gains and interests by any means necessary. Oligarch-and-Clan corruption is not only rapacious, highly visible, intimidating and occasionally violent; it is also unpredictable, threatening to democracy advocates and investors, and a powerful source of injustice.

Influence Market and Elite Cartel countries corruption problems worth serious concern; but both have bases for governing—relatively strong and autonomous state institutions in the first group and in the second, the elite political settlement underwritten by Elite Cartel corruption itself. Oligarch-and-Clan societies, however, lack such foundations, and they depart from our developmental ideal in several ways. State, political, and social institutions are very weak and easily manipulated by oligarchs. Economic and political participation, while burgeoning, is risky, disorderly, strongly influenced by oligarchs, and (even more than in Elite Cartel cases) not confined to official arenas. Corrupt deals proliferate but lack guarantors, making them disruptive, unpredictable, and prone to violence.

The “consensus package” of reforms is unlikely to work in such a setting; further liberalization in the name of reform may well make things worse, erasing whatever boundaries remain between wealth and power, state and society, and adding to insecurity at all levels of society. Institution-building and improvements to public management are urgent needs but lack political backing. Nascent civil societies in these countries are divided, intimidated, and impoverished; parties and political followings are weak, personalized, and too narrow and numerous to produce anything like broad-based mandates. Rather than aiming directly at

eliminating corruption and firing up market and political competition, the initial strategy might be to reduce insecurity while creating legitimate alternatives to corrupt ways of pursuing and defending self-interest. In the short to middle term that means strengthening institutions that serve as guarantors for legitimate economic deals and political rights. In the longer run the goal is to shift corruption toward less disruptive forms while building political settlements capable of withstanding its effects. That sort of transition can ease insecurities not only for citizens and reformers but also for national leaders and oligarchs themselves. From the standpoint of the latter it would become possible to govern in a more predictable and credible fashion—perhaps as an Elite Cartel. Oligarchs, able to deal with officials who are better able to “deliver” in legitimate as well as illegitimate ways, need spend less time building and rewarding personal followings and cultivating linkages with political families or drug gangs; many will find incentives to shift their activities in legitimate directions.

Strategic Goals

- In the economy emphasis can be placed on property rights, sound banks and currency, market-oversight bodies, bond and equity markets, reliable and fair tax collection.
- Credible regulation and transparency in investment markets will be essential in the long run.
- Controls on capital flight are critical; to some extent these may follow a transparency or law-enforcement model, but ultimately those who have mobile capital must be given incentives, and a variety of reassurances as to their own security, if they are to invest in the domestic economy.
- Civil liberties and a free and independent press, will be difficult to maintain but can reduce some of the worst effects of insecurity.
- Some public-sector improvements aimed at reducing risks within markets—simplified and credible regulatory and customs functions are examples—can pay major dividends, again in terms of reducing insecurity.
- Independent and efficient stock and bond markets subject private-sector deals to continuing scrutiny, reduce economic uncertainties, and can develop sources of capital less connected to political manipulation and violence. These initiatives might help bring more economic and political activity back within official arenas. For ordinary citizens they can gradually open up legitimate alternatives to corrupt treatment and influence. Such financial institutions may not, early on, prevent oligarchs’ or officials’ meddling in the economy, but may make such moves more apparent, helping citizens and investors avoid the riskiest schemes.
- Influence Market and other advanced societies must examine the role of *their own* financial institutions in international dirty money markets.

Tactical Measures

- Encourage the rise of business and trade associations capable of developing codes of practice backed up by rewards and sanctions, and of providing a measure of mutual assistance and security to their members.
- Regular payment of salaries in the private as well as public sector, protection for citizens and whistleblowers who report corruption, and ombudsmen and citizen advice programs may increase the sense of security.
- Improving the flow of information within and between state and economy will make legitimate economic initiative more beneficial and official harassment more difficult.

- In both the economy and politics, basic improvements to the judiciary and law enforcement are top priorities.

- Bureaucratic improvements could be backed by amnesties with respect to back taxes, repatriated wealth, and the proceeds of privatization. Similar opportunities—confess to corrupt deals and still keep a portion of the gains—could also be offered, with a time limit, to officials; those giving particularly sensitive evidence would need protection afterwards. Such moves, particularly if coupled with simplified and more predictable taxation, can bring capital back into the legitimate economy, help finance higher and more regularly-paid bureaucratic salaries, help bring black markets in from the cold.

- More effective guarantees of property rights would discourage raiding of other oligarchs' holdings. Simple and credible property titling for ordinary citizens—for many, an amnesty of their own—would reduce vulnerability to exploitation and create new, *legitimate* economic competitors.

- Political finance systems and electoral laws that encourage coalitions and power-sharing among parties—perhaps even drawing competing factions in under a common organizational structure—are worth consideration.

- Where institutions and internal anti-corruption forces are weak, outside influence and assistance—private as well as public—can be crucial. Businesses making large investments have an interest in training domestic employees on corruption and business transparency issues. “Conditionality”—withholding aid from countries that do not take action against corruption and related problems—is another option. But conditionality must be judicious: setting standards too high may persuade would-be reformers that there is little they can do, and aid cuts that are massive or too abrupt may only add to insecurity. Better would be to reward progress toward specific, attainable institution-building goals such as demonstrated improvement in tax or customs procedures, increased speed or a reduced number of steps in the awarding of routine licenses and permits, or important judicial reforms.

What to Avoid

- Be very cautious about attacking the economic and political opportunities that have given rise to oligarchs, and about attempting to confiscate their gains. “Strong hand” options can defeat the purpose of political and market transitions and create more insecurity and disorder.

- Avoid further privatizations until courts, markets, property rights, banking, and taxation issues have been extensively addressed.

- Massive public anti-corruption campaigns are likely to have little credibility, at least in early stages.

- Do not place extensive emphasis upon civil society-based reforms until doing so will not place ordinary citizens at risk. Even then, remember that reform and civic virtue are public goods, vulnerable to free-rider problems, and that initiatives closely linked to citizens' own interests have a greater chance to succeed.

- Too much political competition too soon will heighten insecurity. A political foundation for governing over the longer term, given the personalized nature of major political forces and weak state of civil society in these countries, may have to be constructed at the elite level first.

D. Weak Undemocratic States Corruption (Official Moguls)

Official Mogul cases diverge from our developmental ideal in many ways: institutions are very weak, popular participation in politics is feeble or orchestrated from above, and in the worst cases corrupt leaders and their personal favorites exploit society and the economy, including aid and investment, rather than develop it. But it is also a diverse category because the implications of unchallenged power depend upon the agendas of those who hold it. Corruption in some of these societies may be a symptom of problems so fundamental that familiar reforms will accomplish little. Indeed, many anti-corruption measures will have to await basic developments in institutions and the growth of at least some free countervailing forces in politics and the economy. Still, countries in this group are not condemned to pass through a stage of Oligarch-and-Clan corruption on their way to something better.

Strategic Goals

- Basic civil liberties are a first step, more feasible (and often far less risky) than seeking full democracy. Civil liberties enable critics and those affected by abuses to air their grievances—carefully, to be sure—and to enlist the backing of outside interests.

- Over time, clearer boundaries between state and society (more secure property rights, for example) and giving groups in society even a small measure of autonomy from political figures may be prime indicators of reform progress.

- Civil society strategies must emphasize long-term capacity building. Any effort at that level based on producing short-term results will serve mostly to persuade citizens that there is little they can do.

- Mobilizing farmers, entrepreneurs, and ordinary citizens in a setting of official impunity is a challenge, but groups employing diverse incentives and appeals—including social activities, awards and recognition, and mutual-assistance schemes, in addition to efforts to check abuses affecting members (Johnston and Kpundeh, 2002)—can build strength.

- Where it is politically feasible, create and strengthen incentives for bureaucrats and other officials to work for the public rather than for a political patron: independent bodies with the power to increase the pay of honest officials, judges, customs officers and police, perhaps using repatriated proceeds of past corruption, can undercut official vulnerability and dependence upon Moguls.

- As in the Oligarch-and-Clan syndrome, effective action will require Influence Market and other advanced societies to cooperate, and to examine the role of *their own* financial institutions in the international dirty money market.

Tactical Measures

- Use micro-credit schemes and similar initiatives not controlled from above, enhanced communications, and any press freedom that may exist to open up “civic space” in which social activities and interests can gather strength.

- External pressure and resources will be critical, international businesses may be particularly effective advocates of reform at a focused, step-by-step level, and will have key incentives (investment, technical assistance) with which they can reward the regime for cooperation.

- Conditionality may need to take strong and direct forms: leaders who have been practicing corruption with impunity may have to face credible threats to end the flow of outside aid, loans and trade.

- Measures to make it difficult to conceal funds and other assets—real names on bank accounts, rather than just numbers—can be important.

- Efforts to discourage capital flight may draw support from *some* Official Mogul regimes.

- Encourage international cooperation to track and, where necessary, quickly freeze illicit flows of fund—both into and out of countries—on credible evidence of corrupt origins or uses. Commitments to seize and repatriate them when appropriate—may not prevent corruption but will make it more difficult to conceal and use the gains. Anti-money laundering initiatives and “Know Your Customer” programs may be part of the policy mix.

What to Avoid

- Civil society groups need not have explicit anti-corruption or good-government agendas; indeed, if they do their activities will be more risky. Worse yet, they will encounter classic “free rider” problems, as noted above, for reduced corruption and good government are public goods while taking issue with the status quo can be dangerous.

- External aid can give critical assistance to back up domestic civil society and business groups seeking reform, *but such connections can be risky to both external interests and their domestic partners.*

- ICAC-style initiatives and national morality campaigns, in Official Mogul societies, are likely to accomplish little, and may in fact be smokescreens for further corruption.

Annex 2. CORRUPTION CHECKLIST

SECTION 1. OVERVIEW QUESTIONS

Please indicate your expert judgment concerning the state of corruption – how widespread it is, how it manifests itself, and what are its basic causes and costs.

Part 1. Syndrome Dimensions

For each question, click only one response that best characterizes the overall situation.

1. How would you characterize the political regime in this country?

- established democracy
- transitional regime: substantial democratization over the past fifteen years
- still largely undemocratic, even if some opening-up has occurred

2. How would you characterize the country's economy?

- mature market economy (ie., fully liberalized and open; steady competition; moderately affluent)
- a reforming economy "marketizing" at a steady pace (ie., largely liberalized and open; growing competition; moderately affluent)
- a new market economy undergoing recent and rapid marketization (ie., recent major liberalization; extensive inequality and poverty)

3. *In general, do government institutions operate under well-recognized rules and procedures, and are they professional and effective in getting their work done?*

- very much so
- somewhat
- not at all

4. *In general, are economic rights well established and do economic institutions operate freely under the law to promote a market economy?*

- very much so
- somewhat
- not at all

Part 2. Syndrome Descriptors

For each question, click only one response that best characterizes the overall situation (if no options apply, leave blank).

1. What are the primary ways that large-scale, grand corruption manifests itself in this country?

- Funding of election campaigns and seeking to influence specific policies
- Elite dominance over competition in the electoral system
- Using monopoly state power to enrich a few top figures
- Contending over very large stakes in a wide-open setting

2. How widespread would you say corruption is in this country?

- Pervasive in most or all sectors
- Extensive but controlled by a few top leaders
- Moderate but more widespread among political, business, bureaucratic figures
- Low to moderate at most

3. Can you indicate the main beneficiaries of grand corruption in this country?

- Powerful government officials and/or business entrepreneurs who have a personal following
- Top leaders and their personal favorites
- Specific business interests and/or wealthy groups
- Networks of politicians and businesspeople

4. Who are the secondary beneficiaries of grand corruption?

- Business and political figures enjoying top-level favor
- Very few individuals and groups, if any at all
- Clients and networks associated with powerful government officials and/or business entrepreneurs
- Officials and politicians linked to business beneficiaries

5. Who are the major losers from corruption in this country?

- Businesses and groups who go through regular channels
- Civil society and legitimate business, across the board
- Would-be political competitors of the regime
- Other power officials, businesspeople and empire-builders

6. What is the most important use of grand corruption?

- To divert or control domestic wealth and incoming capital over the long term
- To gain influence over specific decisions, or to gain funds for political campaigns
- To protect existing political power alignments against challengers
- To make or protect very large deals, as quickly as possible

7. What is the main resource used in this country's grand corruption?

- Personal control of state power at the top
- Contending networks loyal to powerful officials and businesspeople
- A tight ring of political, bureaucratic, and business elites
- Wealth, used to influence politicians and decision makers

8. On the whole, how do you characterize grand corruption?

- Competitive but not violent
- Factionalized and sometimes violent
- Controlled by a network of top figures in politics and the economy
- Monopolized by a top national leader and a few favorites

9. How would you describe grand corrupt dealings, most of the time?

- Unpredictable and disruptive
- Unpredictable, but benefiting a few top leaders and their favorites
- Moderately predictable and not disruptive
- Highly predictable and falling into widely known patterns

10. Generally speaking, how would you describe the opposition to corruption?

- Weak and disorganized
- Moderate to strong
- Weak to moderate
- Weak, risky, and intimidated

SECTION 2. DETAILED QUESTIONS

INSTRUCTIONS:

- This questionnaire should be filled out in two steps:
 1. Experts specifically familiar with the legislative and institutional framework of the country should complete the factual questions in the GREY fields.
 2. Other experts should complete all other questions based on their expert judgment. If they do not have an opinion on a question, they should leave it blank.
- When assessing the **legislative framework**, the categories are defined as follows:
 - “adequate” –the legislation includes all significant aspects of the issue and there are no gaps
 - “consistent” – the legislation does not contradict itself or other legal acts
 - “implemented and effective” – the legislation is, in fact, in force and achieving the intended results
 - “publicly available” – the legislation is easily accessed and understood by the public
- When assessing the **institutional framework**, the categories are defined as follows:
 - “adequate and impartial” – the institution has sufficient capacity to perform its functions independently and free from outside influence or pressure
 - “implemented and effective” – the institution is, in fact, in operation and achieve the intended results

PART 1. LEGAL AND INSTITUTIONAL ENVIRONMENT

Corruption is facilitated or inhibited by the legal and regulatory framework and how it is put into practice. The legal and institutional environment provides the building blocks that determine whether the rule of law can exist as a bulwark against corrupt activity and abuse of power. There are many components that comprise it.

I. ANTI-CORRUPTION STRATEGY AND PLANS

1. There is a formal national anti-corruption strategy/program: _____ (please provide name)	Yes <input type="checkbox"/> No <input type="checkbox"/> (If No, skip to Question 9)
2. The strategy/program is applicable for:	
a. National level	Yes <input type="checkbox"/> No <input type="checkbox"/>
b. Regional level	Yes <input type="checkbox"/> No <input type="checkbox"/>
c. Local/Municipal level	Yes <input type="checkbox"/> No <input type="checkbox"/>
d. All/most of governmental institutions across sectors	Yes <input type="checkbox"/> No <input type="checkbox"/>
3. This strategy/plan is:	
a. adequate	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all

b. consistent	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
c. implemented and effective	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
d. publicly available	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
4. There are governmental institutions that are mandated to enforce/implement this program/strategy (please provide list of institutions:_____)	Yes <input type="checkbox"/> No <input type="checkbox"/>
5. These institutions have a mandate to:	
a. Set national policy	Yes <input type="checkbox"/> No <input type="checkbox"/>
b. Monitor implementation of the strategy/program	Yes <input type="checkbox"/> No <input type="checkbox"/>
c. Investigate corruption	Yes <input type="checkbox"/> No <input type="checkbox"/>
d. Implement preventive reforms	Yes <input type="checkbox"/> No <input type="checkbox"/>
e. Conduct public awareness campaigns	Yes <input type="checkbox"/> No <input type="checkbox"/>
6. These institutions are:	
a. adequate and impartial	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
b. implemented and effective	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
7. There are independent institutions that oversee implementation/enforcement of this program/strategy, such as (please provide name of the institutions):_____	Yes <input type="checkbox"/> No <input type="checkbox"/>
8. These institutions are:	
a. adequate and impartial	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
b. implemented and effective	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
9. There are stakeholders (either in or out of government) who have the political will and commitment to pursue reforms in this area	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
Please provide any comments if necessary:	

II. ANTI-CORRUPTION ENFORCEMENT LEGISLATION AND INSTITUTIONS	
A. Specific Anti-Corruption Laws:	
1. There are laws that explicitly address corruption or corrupt behaviors (please identify: _____)	Yes <input type="checkbox"/> No <input type="checkbox"/> (If No, skip to Question 8)
a. This legislation provides legal definitions of corruption or criminalizes acts typically considered to be corrupt (please provide definition in brief: _____)	Yes <input type="checkbox"/> No <input type="checkbox"/>
b. The legislation identifies specific forms of misconduct as corrupt acts. The following abuses are identified as corruption acts: _____(please provide a list, for example: extortion, bribery, attempted bribery, kickback, embezzlement, nepotism, misappropriation of public property, trading in influence, illicit enrichment, abuse of functions, obstruction of justice, using confidential state information for private gain, money laundering, etc.)	Yes <input type="checkbox"/> No <input type="checkbox"/>
2. The legislation indicates specific punishments for corrupt offenses	Yes <input type="checkbox"/> No <input type="checkbox"/>
3. This legislation is:	
a. adequate	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
b. consistent	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
c. implemented and effective	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
d. publicly available	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
4. There are governmental institutions that are mandated to enforce/implement anti-corruption legislation, such as _____ (please provide list of institutions)	Yes <input type="checkbox"/> No <input type="checkbox"/>
5. These implementing institutions are:	
a. adequate and impartial	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
b. implemented and effective	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
6. There are independent institutions that oversee enforcement of anti-corruption legislation, such as _____ (please provide name of the institutions)	Yes <input type="checkbox"/> No <input type="checkbox"/>
7. These oversight institutions are:	
a. adequate and impartial	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
b. implemented and effective	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all

8. There are stakeholders (either in or out of government) who have the political will and commitment to pursue reforms in this area	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
Please provide any comments if necessary:	
B. Investigating Corruption:	
1. There is legislation that regulates investigation into corruption cases: _____ (please provide name of the legislation).	Yes <input type="checkbox"/> No <input type="checkbox"/> (If No, skip to Question 7)
2. This legislation is:	
a. adequate	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
b. consistent	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
c. implemented and effective	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
d. publicly available	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
3. There are governmental institutions that are mandated to enforce/implement this legislation, such as _____ (please provide list of institutions – for example, police, special units, prosecutor, special prosecutor)	Yes <input type="checkbox"/> No <input type="checkbox"/>
4. These institutions are:	
a. adequate and impartial	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
b. implemented and effective	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
5. There are independent institutions that oversee the implementation/enforcement of this legislation, such as _____ (please provide name of the institutions – for example, inspector-general, ombudsman)	Yes <input type="checkbox"/> No <input type="checkbox"/>
6. These institutions are:	
a. adequate and impartial	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
b. implemented and effective	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all

	at all
7. There are stakeholders (either in or out of government) who have the political will and commitment to pursue reforms in this area	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
Please provide any comments if necessary:	
C. Prosecuting corruption cases in courts:	
1. There is legislation that regulates court prosecution of corruption offenses: _____ (please provide name of the legislation).	Yes <input type="checkbox"/> No <input type="checkbox"/> (If No, skip to Question 7)
2. This legislation is:	
a. adequate	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
b. consistent	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
c. implemented and effective	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
d. publicly available	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
3. There are governmental institutions that are mandated to enforce/implement this legislation, such as _____ (please provide list of institutions – courts, special courts)	Yes <input type="checkbox"/> No <input type="checkbox"/>
4. These institutions are:	
a. adequate and impartial	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
b. implemented and effective	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
5. There are independent institutions that oversee implementation/enforcement of this legislation, such as _____ (please provide name of the institutions)	Yes <input type="checkbox"/> No <input type="checkbox"/>
6. These institutions are:	
a. adequate and impartial	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
b. implemented and effective	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all

7. There are stakeholders (either in or out of government) who have the political will and commitment to pursue reforms in this area	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
Please provide any comments if necessary:	
D. Money laundering:	
1. There is legislation that prohibits money laundering (the process through which money derived from illegal activities is given the appearance of originating from a legitimate source): _____ (please provide name of the legislation).	Yes <input type="checkbox"/> No <input type="checkbox"/> (If No, skip to Question 7)
2. This legislation is:	
a. adequate	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
b. consistent	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
c. implemented and effective	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
d. publicly available	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
3. There are governmental institutions that are mandated to enforce/implement this legislation, such as _____ (please provide list of institutions)	Yes <input type="checkbox"/> No <input type="checkbox"/>
4. These institutions are:	
a. effective	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
b. implemented and effective	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
5. There are independent institutions that oversee implementation/enforcement of this legislation, such as _____ (please provide name of the institution/s)	Yes <input type="checkbox"/> No <input type="checkbox"/>
6. These institutions are:	
a. adequate and impartial	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
b. implemented and effective	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all

7. There are stakeholders (either in or out of government) who have the political will and commitment to pursue reforms in this area	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
Please provide any comments if necessary:	
E. Asset Recovery	
1. There is legislation that regulates asset recovery from criminal cases: _____ (please provide name of the legislation/s).	Yes <input type="checkbox"/> No <input type="checkbox"/> (If No, skip to Question 7)
2. This legislation is:	
a. adequate	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
b. consistent	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
c. implemented and effective	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
d. publicly available	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
3. There are governmental institutions that are mandated to enforce/implement this legislation, such as _____ (please provide list of institutions)	Yes <input type="checkbox"/> No <input type="checkbox"/>
4. These institutions are:	
a. adequate and impartial	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
b. implemented and effective	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
5. There are independent institutions that oversee implementation/enforcement of this legislation, such as _____ (please provide name of the institution/s)	Yes <input type="checkbox"/> No <input type="checkbox"/>
6. These institutions are:	
a. adequate and impartial	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
b. implemented and effective	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
7. There are stakeholders (either in or out of government) who have the political will and	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not

commitment to pursue reforms in this area	at all
Please provide any comments if necessary:	
F. Witness protection:	
1. There is legislation that protects witnesses in corruption cases: _____ (please provide name of the legislation/s).	Yes <input type="checkbox"/> No <input type="checkbox"/> (If No, skip to Question 7)
2. This legislation is:	
a. adequate	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
b. consistent	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
c. implemented and effective	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
d. publicly available	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
3. There are governmental institutions that are mandated to enforce/implement this legislation, such as _____ (please provide list of institutions)	Yes <input type="checkbox"/> No <input type="checkbox"/>
4. These institutions are:	
a. adequate and impartial	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
b. implemented and effective	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
5. There are independent institutions that oversee implementation/enforcement of this legislation, such as _____ (please provide name of the institution/s)	Yes <input type="checkbox"/> No <input type="checkbox"/>
6. These institutions are:	
a. adequate and impartial	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
b. implemented and effective	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
7. There are stakeholders (either in or out of government) who have the political will and commitment to pursue reforms in this area	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all

Please provide any comments if necessary:	
III. PUBLIC SERVICE	
A. Conflicts of Interest:	
1. There is legislation that defines conflicts of interest for public officials: _____ (please provide name of the legislation).	Yes <input type="checkbox"/> No <input type="checkbox"/> (If No, skip to Question 9)
2. This legislation is applicable to the following branches of government:	
a. Legislative	Yes <input type="checkbox"/> No <input type="checkbox"/>
b. Executive	Yes <input type="checkbox"/> No <input type="checkbox"/>
c. Judiciary	Yes <input type="checkbox"/> No <input type="checkbox"/>
3. This legislation is applicable to the following levels of government:	
a. National	Yes <input type="checkbox"/> No <input type="checkbox"/>
b. Regional	Yes <input type="checkbox"/> No <input type="checkbox"/>
c. Local/Municipal	Yes <input type="checkbox"/> No <input type="checkbox"/>
4. This legislation is:	
a. adequate	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
b. consistent	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
c. implemented and effective	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
d. publicly available	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
5. There are governmental institutions that are mandated to enforce/implement conflict of interest legislation, such as _____ (please provide list of institutions)	
6. The implementing institutions are:	
a. adequate and impartial	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
b. implemented and effective	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not

	at all
7. There are independent institutions that oversee implementation/enforcement of this legislation, such as _____ (please provide name of the institution/s)	
8. These oversight institutions are:	
a. adequate and impartial	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
b. implemented and effective	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
9. There are stakeholders (either in or out of government) who have the political will and commitment to pursue reforms in this area	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
Please provide any comments if necessary:	
B. Asset Disclosure:	
1. There is legislation that requires officials and political candidates to disclose their assets: _____ (please provide name of the legislation/s).	Yes <input type="checkbox"/> No <input type="checkbox"/> (If No, skip to Question 8)
2. The law requires disclosures to be made public.	Yes <input type="checkbox"/> No <input type="checkbox"/>
3. This legislation is:	
a. adequate	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
b. consistent	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
c. implemented and effective	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
d. publicly available	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
4. There is/are governmental institutions that are mandated to enforce/implement this legislation, such as _____ (please provide list of institutions)	Yes <input type="checkbox"/> No <input type="checkbox"/>
5. These institutions are:	
a. adequate and impartial	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all

b. implemented and effective	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
6. There are independent institutions that oversee implementation/enforcement of this legislation, such as _____ (please provide name of the institution/s)	Yes <input type="checkbox"/> No <input type="checkbox"/>
7. These institutions are:	
a. adequate and impartial	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
b. implemented and effective	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
8. There are stakeholders (either in or out of government) who have the political will and commitment to pursue reforms in this area	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
Please provide any comments if necessary:	
C. Codes of Conduct:	
1. There is legislation that establishes ethics standards for public officials and civil servants: _____ (please provide name of the legislation/s).	Yes <input type="checkbox"/> No <input type="checkbox"/> (If No, skip to Question 8)
2. The law requires public institutions to have a code of conduct	Yes <input type="checkbox"/> No <input type="checkbox"/>
3. This legislation is:	
a. adequate	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
b. consistent	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
c. implemented and effective	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
d. publicly available	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
4. There are governmental institutions that are mandated to enforce/implement this legislation, such as _____ (please provide list of institutions)	Yes <input type="checkbox"/> No <input type="checkbox"/>
5. These institutions are:	
a. adequate and impartial	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
b. implemented and effective	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all

	at all
6. There are independent institutions that oversee implementation/enforcement of this legislation, such as _____ (please provide name of the institution/s)	Yes <input type="checkbox"/> No <input type="checkbox"/>
7. These institutions are:	
a. adequate and impartial	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
b. implemented and effective	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
8. There are stakeholders (either in or out of government) who have the political will and commitment to pursue reforms in this area	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
Please provide any comments if necessary:	
D. Whistleblower protection:	
1. There is legislation that provides protection for people who report cases of corruption: _____ (please provide name of the legislation/s).	Yes <input type="checkbox"/> No <input type="checkbox"/> (If No, skip to Question 7)
2. This legislation is:	
a. adequate	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
b. consistent	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
c. implemented and effective	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
d. publicly available	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
3. There are governmental institutions that are mandated to enforce/implement this legislation, such as _____ (please provide list of institutions)	Yes <input type="checkbox"/> No <input type="checkbox"/>
4. These institutions are:	
a. adequate and impartial	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
b. implemented and effective	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all

5. There are independent institutions that oversee implementation/enforcement of this legislation, such as _____ (please provide name of the institution/s)	Yes <input type="checkbox"/> No <input type="checkbox"/>
6. These institutions are:	
a. adequate and impartial	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
b. implemented and effective	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
7. There are stakeholders (either in or out of government) who have the political will and commitment to pursue reforms in this area	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
Please provide any comments if necessary:	
E. Lobbying:	
1. There is a legislation that regulates lobbying of public officials: _____ (please provide name of the legislation/s).	Yes <input type="checkbox"/> No <input type="checkbox"/> (If No, skip to Question 7)
2. This legislation is:	
a. adequate	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
b. consistent	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
c. implemented and effective	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
d. publicly available	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
3. There are governmental institutions that are mandated to enforce/implement this legislation, such as _____ (please provide list of institutions)	Yes <input type="checkbox"/> No <input type="checkbox"/>
4. These institutions are:	
a. adequate and impartial	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
b. implemented and effective	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
5. There are independent institutions that oversee implementation/enforcement of this legislation,	Yes <input type="checkbox"/> No <input type="checkbox"/>

such as _____ (please provide name of the institution/s)	
6. These institutions are:	
a. adequate and impartial	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
b. implemented and effective	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
7. There are stakeholders (either in or out of government) who have the political will and commitment to pursue reforms in this area	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
Please provide any comments if necessary:	
F. Public hiring / appointments:	
1. There is legislation that requires public hiring to be based on merit rather than patronage, nepotism, personal connections, and bribery: _____ (please provide name of the legislation/s).	Yes <input type="checkbox"/> No <input type="checkbox"/> (If No, skip to Question 7)
2. This legislation is:	
a. adequate	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
b. consistent	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
c. implemented and effective	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
d. publicly available	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
3. There are governmental institutions that are mandated to enforce/implement this legislation, such as _____ (please provide list of institutions)	Yes <input type="checkbox"/> No <input type="checkbox"/>
4. These institutions are:	
a. adequate and impartial	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
b. implemented and effective	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
5. There are independent institutions that oversee implementation/enforcement of this legislation,	Yes <input type="checkbox"/> No <input type="checkbox"/>

such as _____ (please provide name of the institution/s)	
6. These institutions are:	
a. adequate and impartial	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
b. implemented and effective	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
7. There are stakeholders (either in or out of government) who have the political will and commitment to pursue reforms in this area	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
Please provide any comments if necessary:	
G. Immunity:	
1. There is legislation that eliminates immunity from corruption investigations for elected representatives or senior public officials: _____ (please provide name of the legislation/s).	Yes <input type="checkbox"/> No <input type="checkbox"/> (If No, skip to Question 7)
2. This legislation is:	
a. adequate	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
b. consistent	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
c. implemented and effective	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
d. publicly available	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
3. There are governmental institutions that are mandated to enforce/implement this legislation, such as _____ (please provide list of institutions)	Yes <input type="checkbox"/> No <input type="checkbox"/>
4. These institutions are:	
a. adequate and impartial	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
b. implemented and effective	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
5. There are independent institutions that oversee implementation/enforcement of this legislation,	Yes <input type="checkbox"/> No <input type="checkbox"/>

such as _____ (please provide name of the institution/s)	
6. These institutions are:	
a. adequate and impartial	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
b. implemented and effective	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
7. There are stakeholders (either in or out of government) who have the political will and commitment to pursue reforms in this area	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
Please provide any comments if necessary:	
IV. TRANSPARENCY AND ACCOUNTABILITY	
A. Ombudsman (public complaints unit):	
1. There is legislation that establishes and regulates an Ombudsman office (or a public complaints unit) : _____ (please provide name of the legislation).	Yes <input type="checkbox"/> No <input type="checkbox"/> (If No, skip to Question 7)
2. This legislation is:	
a. adequate	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
b. consistent	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
c. implemented and effective	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
d. publicly available	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
3. There are governmental institutions that are mandated to enforce/implement this legislation, such as _____ (please provide list of institutions)	Yes <input type="checkbox"/> No <input type="checkbox"/>
4. These institutions are:	
a. adequate and impartial	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
b. implemented and effective	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all

5. There are independent institutions that oversee implementation/enforcement of this legislation, such as _____ (please provide name of the institution/s)	Yes <input type="checkbox"/> No <input type="checkbox"/>
6. These institutions are:	
a. adequate and impartial	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
b. implemented and effective	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
7. There are stakeholders (either in or out of government) who have the political will and commitment to pursue reforms in this area	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
Please provide any comments if necessary:	
B. Freedom of Information:	
1. There is legislation that provides citizens with rights to access public documents related to government decision making: _____ (please provide name of the legislation/s).	Yes <input type="checkbox"/> No <input type="checkbox"/> (If No, skip to Question 7)
2. This legislation is:	
a. adequate	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
b. consistent	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
c. implemented and effective	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
d. publicly available	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
3. There are governmental institutions that are mandated to enforce/implement this legislation, such as _____ (please provide list of institutions)	Yes <input type="checkbox"/> No <input type="checkbox"/>
4. These institutions are:	
a. adequate and impartial	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
b. implemented and effective	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
5. There are independent institutions that oversee implementation/enforcement of this legislation,	Yes <input type="checkbox"/> No <input type="checkbox"/>

such as _____ (please provide name of the institution/s)	
6. These institutions are:	
a. adequate and impartial	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
b. implemented and effective	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
7. There are stakeholders (either in or out of government) who have the political will and commitment to pursue reforms in this area	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
Please provide any comments if necessary:	
C. Public hearings requirements:	
1. There is legislation that requires that executive, legislative and regulatory meetings, including commissions, be open to the public: _____ (please provide name of the legislation/s).	Yes <input type="checkbox"/> No <input type="checkbox"/> (If No, skip to Question 7)
2. This legislation is:	
a. adequate	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
b. consistent	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
c. implemented and effective	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
d. publicly available	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
3. There are governmental institutions that are mandated to enforce/implement this legislation, such as _____ (please provide list of institutions)	Yes <input type="checkbox"/> No <input type="checkbox"/>
4. These institutions are:	
a. adequate and impartial	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
b. implemented and effective	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
5. There are independent institutions that oversee implementation/enforcement of this legislation,	Yes <input type="checkbox"/> No <input type="checkbox"/>

such as _____ (please provide name of the institution/s)	
6. These institutions are:	
a. adequate and impartial	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
b. implemented and effective	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
7. There are stakeholders (either in or out of government) who have the political will and commitment to pursue reforms in this area	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
Please provide any comments if necessary:	
V. POLITICAL PARTIES AND ELECTIONS	
A. Political party financing:	
1. There is legislation that regulates transparency in political party funding and expenditures: _____ (please provide name of the legislation/s).	Yes <input type="checkbox"/> No <input type="checkbox"/> (If No, skip to Question 7)
2. This legislation is:	
a. Adequate	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
b. Consistent	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
c. implemented and effective	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
d. publicly available	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
3. There are governmental institutions that are mandated to enforce/implement this legislation, such as _____ (please provide list of institutions)	Yes <input type="checkbox"/> No <input type="checkbox"/>
4. These institutions are:	
a. adequate and impartial	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
b. implemented and effective	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all

5. There are independent institutions that oversee implementation/enforcement of this legislation, such as _____ (please provide name of the institution/s)	Yes <input type="checkbox"/> No <input type="checkbox"/>
6. These institutions are:	
a. adequate and impartial	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
b. implemented and effective	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
7. There are stakeholders (either in or out of government) who have the political will and commitment to pursue reforms in this area	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
Please provide any comments if necessary:	
B. Elections:	
1. There is legislation that regulates the conduct of elections: _____ (please provide name of the legislation/s).	Yes <input type="checkbox"/> No <input type="checkbox"/> (If No, skip to Question 7)
2. This legislation is:	
a. Adequate	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
b. Consistent	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
c. implemented and effective	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
d. publicly available	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
3. There are governmental institutions that are mandated to enforce/implement this legislation, such as _____ (please provide list of institutions)	Yes <input type="checkbox"/> No <input type="checkbox"/>
4. These institutions are:	
a. adequate and impartial	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
b. implemented and effective	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
5. There are independent institutions that oversee implementation/enforcement of this legislation,	Yes <input type="checkbox"/> No <input type="checkbox"/>

such as _____ (please provide name of the institution/s)	
6. These institutions are:	
a. adequate and impartial	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
b. implemented and effective	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
7. There are stakeholders (either in or out of government) who have the political will and commitment to pursue reforms in this area	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
Please provide any comments if necessary:	
VI. PUBLIC FINANCE	
A. Financial Management Systems:	
1. There is legislation that establishes and regulates an integrated financial management system: _____ (please provide name of the legislation/s).	Yes <input type="checkbox"/> No <input type="checkbox"/> (If No, skip to Question 7)
1. This legislation is:	
a. adequate	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
b. consistent	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
c. implemented and effective	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
d. publicly available	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
3. There are governmental institutions that are mandated to enforce/implement this legislation, such as _____ (please provide list of institutions)	Yes <input type="checkbox"/> No <input type="checkbox"/>
4. These institutions are:	
a. adequate and impartial	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
b. implemented and effective	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all

5. There are independent institutions that oversee implementation/enforcement of this legislation, such as _____ (please provide name of the institution/s)	Yes <input type="checkbox"/> No <input type="checkbox"/>
6. These institutions are:	
a. adequate and impartial	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
b. implemented and effective	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
7. There are stakeholders (either in or out of government) who have the political will and commitment to pursue reforms in this area	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
Please provide any comments if necessary:	
B. Audits of Public Expenditures:	
1. There is legislation that requires periodic auditing of public accounts, public budgets and public expenditures: _____ (please provide name of the legislation).	Yes <input type="checkbox"/> No <input type="checkbox"/> (If No, skip to Question 7)
2. This legislation is:	
a. Adequate	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
b. Consistent	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
c. implemented and effective	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
d. publicly available	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
3. There are governmental institutions that are mandated to enforce/implement this legislation, such as _____ (please provide list of institutions)	Yes <input type="checkbox"/> No <input type="checkbox"/>
4. These institutions are:	
a. adequate and impartial	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
b. implemented and effective	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
5. There are independent institutions that oversee implementation/enforcement of this legislation,	Yes <input type="checkbox"/> No <input type="checkbox"/>

such as _____ (please provide name of the institutions)	
6. These institutions are:	
a. adequate and impartial	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
b. implemented and effective	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
7. There are stakeholders (either in or out of government) who have the political will and commitment to pursue reforms in this area	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
Please provide any comments if necessary:	
C. Procurement:	
1. There is legislation that regulates public procurements: _____ (please provide name of the legislation).	Yes <input type="checkbox"/> No <input type="checkbox"/> (If No, skip to Question 7)
2. This legislation is:	
a. adequate	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
b. consistent	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
c. implemented and effective	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
d. publicly available	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
3. There are governmental institutions that are mandated to enforce/implement this legislation, such as _____ (please provide list of institutions)	Yes <input type="checkbox"/> No <input type="checkbox"/>
4. These institutions are:	
a. adequate and impartial	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
b. implemented and effective	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
5. There are independent institutions that oversee implementation/enforcement of this legislation,	Yes <input type="checkbox"/> No <input type="checkbox"/>

such as _____ (please provide name of the institutions)	
6. These institutions are:	
a. adequate and impartial	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
b. implemented and effective	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
7. There are stakeholders (either in or out of government) who have the political will and commitment to pursue reforms in this area	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
Please provide any comments if necessary:	
D. Budget Planning:	
1. There is legislation that requires transparency in budget planning: _____ (please provide name of the legislation).	Yes <input type="checkbox"/> No <input type="checkbox"/> (If No, skip to Question 7)
2. This legislation is:	
a. Adequate	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
b. Consistent	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
c. implemented and effective	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
d. publicly available	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
3. There are governmental institutions that are mandated to enforce/implement this legislation, such as _____ (please provide list of institutions)	Yes <input type="checkbox"/> No <input type="checkbox"/>
4. These institutions are:	
a. adequate and impartial	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
b. implemented and effective	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
5. There are independent institutions that oversee implementation/enforcement of this legislation, such as _____ (please provide name of the institutions)	Yes <input type="checkbox"/> No <input type="checkbox"/>

6. These institutions are:	
a. adequate and impartial	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
b. implemented and effective	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
7. There are stakeholders (either in or out of government) who have the political will and commitment to pursue reforms in this area	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
Please provide any comments if necessary:	
E. Taxation:	
1. There is legislation that regulates tax administration and tax collection: _____ (please provide name of the legislation).	Yes <input type="checkbox"/> No <input type="checkbox"/> (If No, skip to Question 7)
2. This legislation is:	
a. Adequate	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
b. Consistent	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
c. implemented and effective	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
d. publicly available	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
3. There are governmental institutions that are mandated to enforce/implement this legislation, such as _____ (please provide list of institutions)	Yes <input type="checkbox"/> No <input type="checkbox"/>
4. These institutions are:	
a. adequate and impartial	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
b. implemented and effective	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
5. There are independent institutions that oversee implementation/enforcement of this legislation, such as _____ (please provide name of the institutions)	Yes <input type="checkbox"/> No <input type="checkbox"/>
6. These institutions are:	

a. adequate and impartial	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
b. implemented and effective	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
7. There are stakeholders (either in or out of government) who have the political will and commitment to pursue reforms in this area	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
Please provide any comments if necessary:	
VII. REGULATION AND PRIVATIZATION	
A. Business regulations:	
1. There is legislation that establishes rules for regulating business operations: _____ (please provide name of the legislation/s).	Yes <input type="checkbox"/> No <input type="checkbox"/> (If No, skip to Question 7)
2. This legislation is:	
a. adequate	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
b. consistent	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
c. implemented and effective	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
d. publicly available	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
3. There are governmental institutions that are mandated to enforce/implement this legislation, such as _____ (please provide list of institutions)	Yes <input type="checkbox"/> No <input type="checkbox"/>
4. These institutions are:	
a. adequate and impartial	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
b. implemented and effective	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
5. There are independent institutions that oversee implementation/enforcement of this legislation, such as _____ (please provide name of the institution/s)	Yes <input type="checkbox"/> No <input type="checkbox"/>
6. These institutions are:	

a. adequate and impartial	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
b. implemented and effective	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
7. There are stakeholders (either in or out of government) who have the political will and commitment to pursue reforms in this area	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
Please provide any comments if necessary:	
B. Privatization :	
1. There is legislation that regulates how the privatization of state enterprises should be conducted: _____ (please provide name of the legislation).	Yes <input type="checkbox"/> No <input type="checkbox"/> (If No, skip to Question 7)
2. This legislation is:	
a. Adequate	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
b. Consistent	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
c. implemented and effective	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
d. publicly available	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
3. There are governmental institutions that are mandated to enforce/implement this legislation, such as _____ (please provide list of institutions)	Yes <input type="checkbox"/> No <input type="checkbox"/>
4. These institutions are:	
a. adequate and impartial	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
b. implemented and effective	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
5. There are independent institutions that oversee implementation/enforcement of this legislation, such as _____ (please provide name of the institutions)	Yes <input type="checkbox"/> No <input type="checkbox"/>
6. These institutions are:	
a. adequate and impartial	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all

	at all
b. implemented and effective	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
7. There are stakeholders (either in or out of government) who have the political will and commitment to pursue reforms in this area	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
Please provide any comments if necessary:	

PART 2. NON-GOVERNMENTAL PARTICIPATION	
<i>Nongovernmental groups can exert external pressure on government to initiate and sustain the fight against corruption. Public awareness of their legal rights, advocacy and citizen oversight are fundamental features of democratic governance.</i>	
1. Civil Society Organizations:	
a.. Do civil society organizations (CSOs) exist that participate regularly in the policy making arena?	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
b. Do CSOs exist that claim anti-corruption as part of their mandate?	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
c. Have CSOs initiated actions that exert pressure on government to make reforms?	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
d. Have they initiated anti-corruption public awareness campaigns in the last three years?	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
e. Have they conducted public opinion surveys concerning corruption over the last three years?	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
f. Have they conducted citizen watchdog/oversight activities over the last three years?	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
g. Do these organizations have sufficient capacity to sustain their activities over time?	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
h. Have these CSOs demonstrated the political will and commitment to pursue reforms in this area?	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
Please provide any comments if necessary:	
2. Mass Media:	
a. There is legislation that protects the media's right to investigate cases of corruption: _____ (please provide name of the legislation).	Yes <input type="checkbox"/> No <input type="checkbox"/> (If No, skip to question c)
b. Is this legislation:	
a. adequate	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
b. consistent	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all

	at all
c. implemented and effective	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
d. publicly available	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
c. In practice, does the media report on corruption cases?	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
d. There is <u>NO</u> legislation restricting media reporting on corruption (that is, no “gag laws). If there is a law, please provide name of the legislations_____.	Correct <input type="checkbox"/> Incorrect <input type="checkbox"/>
e. Is the media considered to be independent of political influence?	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
f. Does media reporting ever lead to government investigations of alleged cases of corruption?	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
g. Are any of the major media outlets privately owned?	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
h. Has the media demonstrated the political will and commitment to pursue reforms in this area?	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
Please provide any comments if necessary:	
3. Business	
a. Have any professional or business groups promoted ethical practices or standards of conduct among their members?	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
b. Do business or professional groups punish members for violating standards of conduct?	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
c. Do any independent watchdog organizations exist to monitor business practices?	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
d. Have business or professional organizations actively monitored government or engaged in dialogue with government about corruption issues?	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
e. Have these business groups demonstrated the political will and commitment to pursue reforms in this area?	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
Please provide any comments if necessary:	

PART 3. SECTORAL ANALYSIS

Corruption manifests itself in particular sectors. We would like to have your opinions on the sectors that are most vulnerable.

1. What sectors of government are most affected by corruption? (circle or fill-in up to 3 sectors where the costs of corruption are the highest)	Agriculture Customs Education Energy Environment Health Legislature Judiciary Law enforcement/police Municipalities Public service delivery <i>Other:(please indicate)</i> _____
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2. For Sector 1: (fill in from Q1)

1. There is legislation that regulates this sector: _____ (please provide name of the legislation).	Yes <input type="checkbox"/> No <input type="checkbox"/> (If No, skip to the next subheading)
2. This legislation is:	
a. adequate	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
b. consistent	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
c. implemented and effective	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
d. publicly available	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
3. There are governmental institutions that are mandated to enforce/implement this legislation, such as _____ (please provide list of institutions)	Yes <input type="checkbox"/> No <input type="checkbox"/>
4. These institutions are:	
a. adequate and impartial	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
b. implemented and effective	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
5. There are independent institutions that oversee implementation/enforcement of this legislation,	Yes <input type="checkbox"/> No <input type="checkbox"/>

such as _____ (please provide name of the institutions)	
6. These institutions are:	
a. adequate and impartial	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
b. implemented and effective	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
7. There are stakeholders (either in or out of government) who have the political will and commitment to pursue reforms in this sector	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
Please provide any comments if necessary:	
2. For Sector 2: (fill in from Q1)	
1. There is legislation that regulates this sector: _____ (please provide name of the legislation).	Yes <input type="checkbox"/> No <input type="checkbox"/> (If No, skip to the next subheading)
2. This legislation is:	
e. adequate	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
f. consistent	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
g. implemented and effective	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
h. publicly available	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
3. There are governmental institutions that are mandated to enforce/implement this legislation, such as _____ (please provide list of institutions)	Yes <input type="checkbox"/> No <input type="checkbox"/>
4. These institutions are:	
c. adequate and impartial	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
d. implemented and effective	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
5. There are independent institutions that oversee implementation/enforcement of this legislation, such as _____ (please provide name of the institutions)	Yes <input type="checkbox"/> No <input type="checkbox"/>

6. These institutions are:	
c. adequate and impartial	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
d. implemented and effective	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
7. There are stakeholders (either in or out of government) who have the political will and commitment to pursue reforms in this sector	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
Please provide any comments if necessary:	
2. For Sector 3: _____ (fill in from Q1)	
1. There is legislation that regulates this sector: _____ (please provide name of the legislation).	Yes <input type="checkbox"/> No <input type="checkbox"/> (If No, skip to the next subheading)
2. This legislation is:	
i. adequate	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
j. consistent	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
k. implemented and effective	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
l. publicly available	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
3. There are governmental institutions that are mandated to enforce/implement this legislation, such as _____ (please provide list of institutions)	Yes <input type="checkbox"/> No <input type="checkbox"/>
4. These institutions are:	
e. adequate and impartial	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
f. implemented and effective	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
5. There are independent institutions that oversee implementation/enforcement of this legislation, such as _____ (please provide name of the institutions)	Yes <input type="checkbox"/> No <input type="checkbox"/>
6. These institutions are:	

e. adequate and impartial	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
f. implemented and effective	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
7. There are stakeholders (either in or out of government) who have the political will and commitment to pursue reforms in this sector	Very much so 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> Not at all
Please provide any comments if necessary:	

Annex 3: Library of Illustrative Diagnostic Guidesⁱ

The 17 Diagnostic Guides provided in this Annex can support the Corruption Assessment Team in conducting in depth analyses of major government sectors and functions, helping the team target major sources of corruption vulnerability and outline strategies and concrete actions that are likely to reduce opportunities for corruption. The guides for several functions or sectors/institutions may be applicable across several sectors. For example, the Diagnostic Guides for privatization, public procurement, and tax and custom administration may also support assessments of the private sector. Therefore, when the team conducts assessments of the private sector it should also use some questions from these functional and institutional guides. These Guides are only illustrative and should be modified and new questions added to suit the country- or sector-specific circumstances or individuals interviewed. The following Guides are included:

Governmental Sectors and Institutions	Page
• Judiciary	2
• Legislature	6
• Public Institutions/Civil Service	9
• Supreme Audit Institution	12
• Anti-corruption Agencies	16
• Regional and Local Government	18
• Law Enforcement Institutions	20
• Electoral Commission and Election Process	25
• Political Parties	27
• Taxation System	30
• Customs	34
• Healthcare	38
• Education	41
• Private Sector	43
Cross-Cutting Issues and Functions	
• Budget and Financial Management	49
• Public Procurement	54
• Privatization	58

JUDICIARY

The judiciary is one of the key institutions in fighting corruption in any country. To be able to prosecute corruption effectively, the judiciary must be independent, free of any political influence, must have the capacity and adequate resources. But often the judiciary is vulnerable to corruption itself. Therefore effective mechanisms to prevent corruption should be embedded into the judiciary. The following guide includes both sets of questions – effectiveness of the judiciary to prosecute corruption and to prevent itself from being a corrupt institution.

DIAGNOSTIC AREA	CORRUPTION DIAGNOSTIC QUESTIONS
<p>Judicial independence</p> <p><i>Jurisdiction</i></p> <p><i>Financial Independence</i></p> <p><i>Career development</i></p> <p><i>Court ruling</i></p>	<ul style="list-style-type: none"> • Does the law guarantee judicial independence? Is the judiciary independent and free from improper influence in practice? • Control over court organization is not highly concentrated in the hands of a few officials or judges. • Do courts have jurisdiction to review the actions of the executive (i.e. Presidency, the Prime Minister’s or other Ministers and their officials) and the legislature? • Is there sufficient funding to perform functions? Is funding allocated fairly throughout courts of different jurisdictions and levels? • Does the judiciary have control over its own budget? • Is funding for the judiciary independent of the political process? • Are levels of remuneration of court personnel and of judges compatible with the salary market in country (and, for judges, is remuneration compatible to the fees that private lawyers can command)? • Are procedures for judicial appointments transparent and free from improper influence? • Does judges’ tenure exceed 10 years? • Are the recruitment and career development of judges based on merit, by law? In practice? • Is there a confirmation process for high court judges (i.e. conducted by the legislature or an independent body)? • Are personnel decisions within the court system based on publicized and transparent criteria? • Are judges protected by law or in practice from removal without relevant justification? • Is there a law that prohibits interference with judges in a course of court hearings? If there is a law, is it enforced in practice? • Are there safeguards for judicial officials who report undue pressure from political powers to their superiors, to the police, to the prosecutor, to other authorities or to the public? • Judicial decisions are not subject to significant influence from other judges, the government, or private interests. • Judicial decisions can not be reversed other than through a judicial appellate process? • Do judges have immunity for actions taken in their official capacity (by law or in practice)?
<p>Integrity mechanisms and Internal Controls</p>	<ul style="list-style-type: none"> • Do judicial codes of conduct — including procedures for ensuring compliance and for imposing disciplinary measures — exist? Are they well-

	<p>publicized?</p> <ul style="list-style-type: none"> • Are there rules on conflict of interest for the judiciary and are they effective? • Are judges prohibited from running their own legal practices? • Are there rules on gifts and hospitality and are they effective? • Are disclosure of assets rules applicable to judges or other senior judiciary officials and are they adhered to in practice? • Does anyone monitor conflict of interests, gifts and hospitalities, or life style? If there is monitoring, is it done effectively and is information publicly available? • Are there post employment restrictions and if so, are the restrictions adhered to? • Is there an ombudsman (or equivalent agency) for the judicial system? If so, is he/she protected from political interference? Does the judicial ombudsman (or equivalent agency) initiate investigations and impose penalties on offenders? • Are there provisions for whistleblowing on misconduct within the judiciary? If so, are they used? • Are bar associations well organized? Do they play a role in the judicial system? • Is disbarment used as a tool to punish offenders? • Has corruption been targeted by this institution, as an internal problem? Has it been successful targeted? • Have there been instances of successful prosecutions of corrupt judges or senior judicial officials? • Does the judiciary protect prosecutors/judges in cases of corruption?
<p>Court procedures</p>	<ul style="list-style-type: none"> • Do administrative processes follow set rules and procedures, and do mechanisms exist for ensuring that standardized procedures for handling cases are followed? • Are rules of evidence and standards for evaluating arguments applied in a predictable fashion? • Are procedural steps in court processes NOT numerous and complex? • The disposition of cases does NOT involve excessively long time periods? • Are cases heard by multi-judge panels rather than by single judges? • Do performance standards (e.g., cases decided, time limits, reversals on appeal) exist and is there compliance monitoring? • Are there alternative mechanisms for dispute resolution in addition to court system? • Are there specialized offices or functions (e.g., computerized databases) to conduct the mundane activities of the court? • Are inventories of supplies and equipment carefully maintained and audited?
<p>External Oversight and Accountability</p>	<ul style="list-style-type: none"> • Are judges required by law to give reasons for their decisions? If there is a law, do they comply in practice? • Does the judiciary have to report to anyone by law? If there is a law, is it observed in practice? • Is there an independent inspectorate that regularly checks on the details of court operations and is able to publish its findings freely and widely? • Are there effective laws/rules that govern the oversight of the judiciary? • Are there external reviews of judicial decisions and judicial opinions? • Is the media active in reporting events within the court system?

	<ul style="list-style-type: none"> • Are public hearings and/or proceedings required by law? If there is a law, is it observed in practice? Are there exemptions in practice? • Do complaint mechanisms, which provide a safe outlet to report on possible corruption, exist and if so, are they well-publicized?
Transparency	<ul style="list-style-type: none"> • Is it required for court records to be published and made publicly accessible? Is it done in practice? Is it done regularly? • Are court procedures transparent (“transparency” in this context means well-publicized rules for how cases will be processed, easy access to information on the status of cases, public announcement of hearings, openness of hearings to the public, and the publishing of judicial decisions)?
	<ul style="list-style-type: none"> • Is information regarding court scheduling, judicial decisions, and the basis for these decisions clear?
	<ul style="list-style-type: none"> • Are courtroom proceedings open to the public and the media by law and/or in practice?
Court accessibility and public trust in court	<ul style="list-style-type: none"> • Do citizens have easy access to justice/recourse to the courts by law? • Can citizens earning the median annual income afford to bring a legal suit or secure legal counsel? • In practice, can a typical small business afford to bring a legal suit or secure legal counsel? • In practice, does the state provide legal counsel for defendants in criminal cases who cannot afford representation? • Does the public trust in the judiciary? Are people willing to turn to the courts for resolving disputes? • Is there a process by which lawyers and the public can register complaints concerning judicial conduct?
Corruption in Court Ruling	<ul style="list-style-type: none"> • Do litigants often pay (money, gifts, services, or favors) judges for: favorable judgment, delay, destruction of damaging documents, access to privileged documents, or manipulation of procedural rules? • Do judges often threaten plaintiffs with delays or acquittals to collect bribes? (repeat for lawyer paying bribes, and/or court administrator collecting bribes)? • Do judges often threaten defendants with harsh rulings to get bribes? • Do judges often pressure private firms to hire their friends and relatives? •
Effectiveness in Prosecuting Corruption	<ul style="list-style-type: none"> • Are cases of corruption prosecuted within the legal system? • How successfully has corruption been adjudicated by this institution? • Are there specialized criminal courts for corruption cases? • Do judges receive particular training for prosecuting corruption cases? • Is there an objective method (e.g., random) for assigning cases to judges? • Are there required periods within which cases need to be processed? Are measures taken to ensure that legal resolution of cases is accomplished in a prompt and timely manner? • Does the judiciary issue verdicts against members of high officials of the ruling party or current administration? • Does the judiciary issue verdicts against high level but not primarily against low level officials? • Are there instances of inconsistencies in the issuance of summons, the

	unjustifiable refusal or granting of bail, discrepancies in prosecuting high profile criminal suspects versus petty criminals, unwarranted acquittals, and general disparities in sentencing?
Judicial Review of Administrative Decisions	<ul style="list-style-type: none"> • Is there a law providing for judicial review of administrative decisions? • Do civic organizations have standing to appeal an administrative decision if they have an interest in the matter? • Under the law, is the burden of proof in appeals of administrative cases on the government? • Under the law, can a court annul or reverse an administrative decision made by an administrative body that lacked legal competence or based on an incorrect application of law? • Can a court impose sanctions on an administrative agency for failure to obey a court order? • Do courts have contempt and other enforcement powers to hold public officials and agencies to account? • Are monetary damages against the government available to successful plaintiffs? • In practice, are citizens treated fairly by courts hearing administrative cases on appeal?
Enforcement of Judgments.	<ul style="list-style-type: none"> • Do bailiffs extort payments from losing parties in order to ignore the judgment or to create difficulties during the enforcement phase due to imprecise and confusing or even contradictory judgments? • Do police who object to the judge's conviction of an individual refuse to incarcerate the guilty? • Do financial institutions that are required by a judicial decision to levy the account of a powerful or wealthy individual refuse to do so?

LEGISLATURE

The legislature is the most powerful oversight institution. An independent, resourceful, proactive and dedicated legislature can be a champion and a safeguard of a national anti-corruption campaign. On the other hand, legislators themselves can become facilitators of grand corruption by pursuing their own personal agendas or favoring wealthy organized interests groups. Legislators can create space for petty corruption by setting policies allowing low level bureaucrats to subjectively interpret any law and take advantage of citizens. Questions in the following guide are structured to examine the legislature from the point of view of its role in setting and following anti-corruption policies and its ability to prevent corruption in the legislature itself.

DIAGNOSTIC AREA	CORRUPTION DIAGNOSTIC QUESTIONS
Legislature independence and capacity	<ul style="list-style-type: none"> • Is there formal operational independence of the legislative branch? • Is the legislative branch independent in practice? • The ruling party does NOT have over 2/3 of seats in the legislature which gives the ruling party complete control over the legislature? • Does the legislature control its own budget? • Is the budget of key legislative committees sufficient? • Are salary and benefit levels compatible with the salary market in country? • Are there adequate training and resources available to ensure understanding of the basic functions and responsibilities of the legislative body? • Are key legislative committees professional and adequately staffed?
Legislative Oversight	<ul style="list-style-type: none"> • Does the legislature play an active role in the oversight of government agencies? • Has the legislature established any special committee to monitor and/or investigate allegations of misdoing within the three branches of government when necessary? • Does the legislature have investigatory and subpoena powers? • Has the legislature utilized its investigatory or subpoena powers at least a handful of times over the past 5 years? • Does the legislature have a constitutional role in approving certain political appointments? • Has the legislature rejected at least one political appointee in the past decade? • Do key legislative committees regularly hold hearings?
<i>Public funds oversight</i>	<ul style="list-style-type: none"> • Is there a legislative committee that oversees public funds? • If there is a committee, is it effective, properly staffed and funded? • Is the legislature required by law to approve the budget and amendments to the budget? If it is required by the law, does the legislature exercise this authority in practice? • Is the committee that oversees public funds protected from political interference? • Does the committee initiate independent investigations into financial irregularities when necessary? • Does the legislature oversee budget expenditure effectively? • In practice, has this legislative committee been effective in calling attention to financial irregularities in the government generally or in particular agencies?

<p><i>Rule of Law and Anti-corruption oversight</i></p>	<ul style="list-style-type: none"> • Is there an effective committee/s that oversees rule of law and anti-corruption affairs? • Are anticorruption agency reports submitted to the legislature? • Does the committee regularly or effectively conducts hearings? • Does the committee have authority (and if so, does it exercise it effectively) to call executive branch to report on the issues? • Does the committee have the right (and does it exercise it) to initiate investigations into corruption? • Has the committee initiated independent investigations into corruption by high level public officials over the past 5 years? • Are the committee investigations free from political influence?
<p>Internal Controls <i>Financial Disclosure</i></p>	<ul style="list-style-type: none"> • Are there financial/asset disclosure rules for legislators? • Do legislators provide disclosure annually or at least before taking an office and after leaving office? • Is there an independent register for financial disclosures that is protected from political interference? • Does the financial disclosure registrar have legal powers to enforce disclosure, have staff to investigate allegations, and ability to sanction offenders? • Has the financial disclosure registrar successfully conducted investigations in to allegations over the last 5 years?
<p><i>Conflict of Interest/Code of Ethics</i></p>	<ul style="list-style-type: none"> • Does the legislature have an effective internal integrity/ethics committee? • Are there codes of conduct/codes of ethics for legislators with effective enforcement mechanisms? • Are there conflict of interest rules that are effectively enforced? • Are there rules and registers concerning gifts and hospitality that are effectively enforced? • Are there registers of disclosed gifts and hospitality and if so, are they maintained in practice effectively? • Are there post employment restrictions for legislators and are they effectively enforced? • Has the internal integrity/ethics committee exercised its authority to enforce code of ethics for the last 5 years? • Are legislators prevented from switching party lines mid-term and is there special oversight of this practice? • Are legislators required (and do in practice) to record and/or disclose contact with lobbyists or similar registered interest groups?
<p>Accountability</p>	<ul style="list-style-type: none"> • Are there effective and enforced in practice, laws/rules that govern oversight of the legislative branch? • Is there an active opposition in parliament that monitors the incumbent effectively? • Is there effective judicial review of the legislature’s activities? • Do parliamentary members support public interests rather than the agendas of wealthy organized interests or social groups? • Are the members of parliament required to report to their constituencies? Do they do in practice and do they do it regularly? • Is there a law that gives constituencies rights to remove/recall their

	<p>representatives from the office? Is this law enforceable? Were there instances of successfully exercising this law for the last 5 years?</p> <ul style="list-style-type: none"> • Are citizens legally and in practice able to participate in the legislative hearings and committee meetings? • Are the members of parliament prohibited from having access to off-the-books funds? • Was corruption successfully targeted by legislature as an internal problem?
Transparency	<ul style="list-style-type: none"> • Are disclosed assets made publicly accessible and is this information accessible in practice? • Is the legislative budget required to be made publicly accessible and is this information accessible in practice? • Is the accounts committee required to report publicly and do they do it in practice? • Are legislature's sessions open to the public? • Are the legislative committees' meetings open to the public and announced in advance? • Is the legislators' voting record maintained and publicly available?
Complaints/enforcement mechanisms	<ul style="list-style-type: none"> • Are there provisions for whistleblowing on misconduct within the legislature and are these provisions implemented in practice? • Are there formal powers of sanction in place against parliamentarians and have they been invoked for last 5 years? • Are legislators immune from prosecution? • Does legislative immunity interfere with prosecution of corruption?
Demonstrated Political Will	<ul style="list-style-type: none"> • Has the legislature initiated and adopted policies or legislation to address corruption, increase transparency and accountability? • Has the legislature established milestones and measurements for effectiveness of reforms? • Were reforms effective? • Does the legislature oversee effective implementation of reforms? • Is there a consensus in legislature about policies to address corruption? • Are there champions in the legislature on addressing corruption?

PUBLIC INSTITUTIONS/CIVIL SERVICE

The following set of diagnostic questions can be used for any public institution in the executive branch of the government. It includes generic questions to examine such areas as independence of the institution, its capacity and financial viability, personnel hiring and management, internal controls, accountability, transparency mechanisms, responsiveness, and political will to address corruption.

DIAGNOSTIC AREA	CORRUPTION DIAGNOSTIC QUESTIONS
Institutional Independence	<ul style="list-style-type: none"> • Is there formal independence of the public sector? Is the public sector independent in practice? • What safeguards exist to prevent political interference in the public sector? Are they effective? • Are there rules requiring political independence of the public servants? Are they followed?
Personnel Management	<ul style="list-style-type: none"> • Is there a law and detailed implementing regulations governing public employment? • Are political appointees clearly distinguished from career civil servants and public service employees (i.e. non civil servant status) as a matter of law and policy? • Is there a legislative framework for the civil service regulating recruitment, job security and independence? Is it followed? • Are there specific rules for transparent hiring and promotion to help avoid abuses of patronage, nepotism and favoritism and to foster the creation of an independent civil service? Are these ruled enforced? • Is there a system of competitive exams for prospective civil servants? • Are vacancies advertised publicly to ensure fair and open competition? • Does the civil service lay out clear job descriptions and qualification standards for all positions for hiring and promotion? • Are civil servants hired and promoted according to professional criteria, which are known to all employees? • Are periodic reviews of staff performance carried out and documented? • Are rewards and promotions (including compensation packages and pension funds) based upon these reviews, including any infractions? Is it documented? • Are the outcomes of personnel selection and promotion regularly reviewed? Is it documented? • Is special attention given to officials in positions particularly susceptible to corruption (e.g. areas interacting with the private sector: public procurement, customs or tax administration, etc.)? • Is competition among officials promoted via overlapping responsibilities and jurisdictions (e.g., passport agencies in various areas)? • Are task assignments of supervisors and employees periodically changed to reduce insularity (for example, every 1-2 years)? • Is training conducted regularly for civil servants, on rules and procedures governing recruitment, hiring, and promotion? • Are the civil servants dismissed from employment on grounds of corruption or professional malfeasance barred from public service? • Is there an oversight body that reviews hiring and promotion decisions and

	ensures fairness and professionalism in recruitment?
Integrity mechanisms	<ul style="list-style-type: none"> • Are there codes of conduct for public servants or any other legislation regulating core value and ethics of public service? What is their legal status? Is there any evidence of their effectiveness? • Are core public service values communicated when someone joins the public service? Are they included in the employment contract/document? • Are these codes nation-wide, local, or sector-specific? • Are there rules (including registries) concerning acceptance of gifts and hospitality? • If so, are these registers kept up to date? By whom? • Are there rules on conflict of interest? Are they effective and implemented in practice? Are they applied nation-wide, locally, and across sectors? • Do restrictions on post-public service employment exist? Are they enforced? • Is bribery of civil servants/public sector officials an offence? If so, is such bribery governed by criminal or administrative law, or both? Is it enforced? Is it enforced fairly throughout all levels officials and civil servants?
Financial viability	<ul style="list-style-type: none"> • Is there a high degree of wage compression among civil servants (low ratio of median salary at the top level to median salary at the lowest level)? • What is the budget/staffing of these key public sector institutions? Are they funded sufficiently? • To what extent is the budgetary process that governs the public sector transparent? Is information about it publicly available? • Civil servants generally do not have access to off-the-books funds? • There are no (or reasonably limited number) of other agencies that are engaged in public spending other than public institutions (e.g. quasi-governmental agencies or public private partnerships)? Who spends public money other than the public sector? • Is compensation (salary and benefits) in the civil service adequate to sustain an appropriate livelihood according to the level of the economy? How do civil service wages compare with private service wages? • Are civil service wages linked to performance? • Have the officials been paid regularly in the last five years? How long have any delays been?
Incentives	<ul style="list-style-type: none"> • Are there clear rules that govern tenure? Are tenure rules followed? • To what extent has the civil service/public sector organized its work based on/committed themselves in any extraordinary way to an agenda of integrity, transparency and good governance? What is the evidence for this? • Are employees satisfied with their jobs? Are they involved in making decisions? Are communication lines open? • Are rules and regulations disseminated promptly and discussed with employees? Are rules made as specific and as clear as possible? If discretion is allowed, is there a clear delineation of responsibilities and a corresponding system of punishments, which prevents employees from “going too far”?
Accountability	<ul style="list-style-type: none"> • Are there laws/rules that govern oversight of the civil service/public sector agencies? Are these laws/rules effective? Are there rules for audit oversight? Does such oversight take place? • Are there administrative checks and balances on decisions of individual

	<p>public officials? Are these effective?</p> <ul style="list-style-type: none"> • Are public sector agencies required to report to legislature, in law? Does this accountability for its actions take place in practice? • Is the public required to be consulted in the work of key public sector agencies? Does this consultation take place in practice?
Internal controls	<ul style="list-style-type: none"> • How does internal control support corruption prevention efforts (e.g., it enable management to detect irregularities and identify procedural problems)? Does the institution analyze systemic failures and trends in criminal and disciplinary cases? Does the review of problems lead to specific recommendations to strengthen prevention strategies? Are the recommendation implemented? Are the recommendations made available to supervisory bodies or legislators? • Does the government identify corruption risks and develop appropriate safeguards and controls? • Are employees trained on how to manage corruption risks and rewarded for identifying responses to them?
Transparency	<ul style="list-style-type: none"> • What kinds of disclosure rules govern the civil service? • Do some civil servants have to disclose assets? Does this take place in practice? Is there an independent agency that monitors disclosure? • Is such disclosure required to be publicly accessible? Is it? • Must procedures and criteria for administrative decisions be published (e.g. for granting permits, licenses, bank loans, building plots, tax assessments, etc)? Are they? • To what extent are there electronic provisions for public services, i.e. making use of the internet? Have these demonstrably had an impact?
Complaints/enforcement mechanisms	<ul style="list-style-type: none"> • What are the provisions for whistleblowing on misconduct in the civil service/public sector? Have these been exercised? • Who investigates allegations of corruption committed in the civil service? • What kind of oversight mechanisms are in place for such organizations? • What powers of sanction are in place against civil servants? Have they ever been invoked? • How successfully has corruption been targeted by this institution, as an internal problem? An external problem? • Have civil servants been investigated or prosecuted in the last five years? • What capacity is there for citizen complaints/redress? • Is there a particular right of redress regarding employment?
Demonstrated Political Will	<ul style="list-style-type: none"> • Did the government initiate any policies or reforms to address corruption, increase transparency and accountability? If so, what policies and reforms were implemented? Did the government establish milestones and measurements for effectiveness of the reforms? To what extent these reforms were effective? • Is there a consensus among branches of the government and governmental institutions about reforms? Who is a champion?

SUPREME AUDIT INSTITUTION/FISCAL RESPONSIBILITY

Most countries have a supreme audit institution (SAI), an auditor-general, or a comparable body mandated to oversee performance and financial activities of the governmental institutions. This institution can be very instrumental in detecting and preventing corruption if it is independent, has broad but clearly defined authority, has adequate capacity and resources, clear standards and procedures to conduct audits, and staffed with high level professionals that comply with strict ethical standards. Political influence, weak internal controls, poor capacity and other deficiencies can easily undermine the role and ability of this institution in the country's anti-corruption effort.

DIAGNOSTIC AREA	CORRUPTION DIAGNOSTIC ASSESSMENT QUESTIONS
Authority and Capacity	<ul style="list-style-type: none"> • Is the supreme audit institution (SAI), auditor-general, or comparable body guaranteed constitutionally or through primary legislation? • Does the SAI's mandate extend to all government activities? If any national government accounts are not subject to audit by the SAI, are there other institutions that audit these accounts and what is the relationship of the SAI to these auditors? • Is the SAI responsible for auditing government activities, programs, operations, enterprises, which do not form part of the government accounts, but which depend on government grants, subventions and loans or other resources sanctioned by law? If the SAI does not audit such accounts, (i) what is the overall significance of the accounts? (ii) who audits such accounts? and (iii) what is the specific responsibility of the SAI with respect to those accounts, if any? • Is the SAI responsible for auditing sub-national governments, if any exist? If sub-national governments exist and the SAI is not responsible, how are their auditors appointed and what is the relationship of those auditors to the SAI? • What types of audits does the SAI conduct (financial, compliance, performance, those linked to high-risk operations, and/or others)? • Must all public expenditures be audited by the SAI annually? Is this done, in practice? • Is there evidence of the government (regularly) acting on SAI reports?
Independence	<ul style="list-style-type: none"> • Is there formal independence for the SAI? Is it independent in practice? In practice, has the SAI been protected from political interference? • Is the appointment of the head of the institution transparent and merit-based? Who appoints the head of the SAI? Are the terms of appointment of the head, including tenure and remuneration, at least commensurate with other equivalent positions such as High Court judges? • Who may dismiss the head of the SAI and under what circumstances? Is the head of the institution protected from removal without relevant justification? • Does the SAI have authority, independently of the executive, to appoint its staff and decide on their conditions of service, with due regard for the general conditions of the civil service? • Is the SAI able to allocate its budget independently in formal terms? In practice? • What is the budgetary process that governs the Supreme Audit Institution?

	<p>Who approves the SAI budget, the executive or parliament?</p> <ul style="list-style-type: none"> • Is the Supreme Audit Institution prohibited from having access to off-the-books funds? • Does the SAI have reasonable access to all information, facilities and persons without hindrance for the conduct of audits? • Other than that mandated specifically by law, does the SAI have operational independence to determine what, how and when to audit? • Does the SAI have the authority to make reports directly to the legislature and at such frequency as it deems appropriate? • Are the total resources of the SAI – funding and staffing level – adequate in comparison with the budgets of all the entities subject to audit by the SAI? • Have any SAI budget submissions been rejected and, if so, what were the reasons for such rejection?
Auditing Standards	<ul style="list-style-type: none"> • Has the SAI established any auditing standards? If such standards have been established, are they compatible with other international standards, such as the INTOSAI standards? • If the SAI has not established its own internal standards, has it adopted other international standards and does it use such standards in its operations? Do the internal policies and procedures (e.g. Audit Manuals) provide sufficient guidance for applying auditing standards and managing the audit process? If no policies or procedures have been established, how does the SAI manage itself?
Professional Competence	<ul style="list-style-type: none"> • Does the agency have a professional, full-time staff? • Has the SAI established policies and procedures to ensure that audits are planned and supervised by auditors who are competent and knowledgeable in the SAI's standards and methodologies? • Does the actual staffing profile of the SAI command the range of skills and experience required for the effective discharge of its mandate (including accountants, financial management experts, economists, technical, clerical, and others)? • Judging by its staff recruitment policies and some recent actual recruitment, is the SAI actively pursuing the goal of recruiting the type of staff that would provide it with the range of competencies that it needs? • Has the SAI established sufficient operational manuals, written guidelines and instructions concerning the conduct of audits? • If the SAI engages private sector auditors to undertake specific audit assignments or relies on the work of other auditors, have policies and procedures to review the quality and reliability of work been established, particularly to ensure that it was completed in accordance with generally accepted auditing standards?
Scope of Audit	<ul style="list-style-type: none"> • Is the policy established for types of audit and their frequency? Is this policy clear, free of political influence and strictly followed? • If the SAI does not undertake performance audits, what are the reasons for not doing so, e.g., mandate restrictions or lack of adequate trained staff? • Does the SAI evaluate the effectiveness of internal audits and internal control systems in its audits?
Planning	<ul style="list-style-type: none"> • Are appropriate strategic plans established taking into account the mandate, other statutory requirements, past performance and coverage, materiality,

	<p>risk, legislative and public interest and the level of resources?</p> <ul style="list-style-type: none"> • Has the SAI established adequate management information systems to track the use of its resources and the progress against plans, and an internal review system to address changing priorities?
Audit Execution	<ul style="list-style-type: none"> • Does the SAI ensure that each audit assignment is properly planned so that the objective and scope of the audit are clear, and the materiality and risks are properly assessed? • Is the type and quantity of relevant and competent evidential material to be obtained and evaluated clear? • Are procedures implemented to ensure that competent and relevant evidence is obtained and properly documented? • Are procedures implemented to ensure the objective evaluation of all evidence and that all findings, conclusions, opinions and recommendations are properly documented, supported and verified? • Does the audit process allow for the work of audit staff at each level and phase to be properly supervised to ensure fulfillment of the audit objectives and the maintenance of the quality of the audit work?
Reporting and Follow-Up	<ul style="list-style-type: none"> • Have policies been adopted and implemented to ensure, at the end of each audit, that the SAI prepares a written report? • Do such reports reflect the SAI's independence and are they objective, fair, constructive, and free from vagueness and ambiguity? • To whom does the SAI report? Does it submit its reports in a timely manner? • Can citizens access the reports within a reasonable time period and at a reasonable cost? • Does the government act on the findings of the agency? • Does the SAI conduct follow-up reviews to ensure that the executive is acting upon its findings and recommendations in substance and spirit, and does it report the results of such reviews to the authorities concerned? • In practice, has the government acted on the findings and recommendations of the supreme audit body/auditor general?
Quality Review and Control	<ul style="list-style-type: none"> • Is the SAI subject to periodic review through independent internal and external peer review of completed audits? • Where such review is being undertaken, are there procedures for implementing lessons learnt?
Accountability	<ul style="list-style-type: none"> • Are there laws/rules that govern oversight of the Supreme Audit Institution? Are these laws/rules effective? • Must the Supreme Audit Institution report to legislature, in law? Does this accountability take place in practice? • In practice, does the supreme audit body/auditor general make regular reports to the legislature? • Is the public required to be consulted in the work of the Supreme Audit Institution? Does this consultation take place in practice?
Integrity mechanisms	<ul style="list-style-type: none"> • Are there rules on conflict of interest within the Supreme Audit Institution? Are they followed effectively in practice? • Are there rules on gifts and hospitality? Are they followed effectively in practice? • Are there post employment restrictions? Are these restrictions adhered to?
Transparency	<ul style="list-style-type: none"> • Must reporting on government audits be kept up to date, by law? Is this

	<p>done in practice?</p> <ul style="list-style-type: none"> • Must reports be submitted to a Public Accounts Committee in the legislature and/or debated by the legislature? Is this done? • Must all public expenditures be declared in the official budget? Are they? • Must there be public access to SAI reports? Is there? Is the form the reports are submitted easy accessed and understood by public?
<p>Complaints/enforcement mechanisms</p>	<ul style="list-style-type: none"> • Are there provisions for whistleblowing for misconduct within the SAI? Have these provisions ever been used, in practice? • Is the public able, in law, to redress grievances regarding budget irregularities with this body? Has this taken place?

ANTI-CORRUPTION AGENCIES

Many countries tend to establish a dedicated institution to fight corruption. These institutions can be established in the form of stand-alone anti-corruption commissions/committees/bureaus/agencies with functions that vary from setting national anti-corruption policies only to a broader spectrum of activities that include conducting investigations and implementing preventative reforms and awareness programs. Another approach is to establish coordinating bodies to organize activities by the number of institutions that are involved in anti-corruption efforts. Any approach can be successful or can easily fail if there is no real political will at the very top of the government and across institutions. A lack of resources and professionalism, a lack of public trust and support are also causes for failure. Such institutions sometimes become highly corrupt themselves when there is no accountability and transparency in its operations and political interests overshadow its mandate. The following guide contains questions that help to examine this kind of institution. Depending on the nature and the mandate, the assessment team may need to use questions from other chapters, such as:

- Public Institutions/Civil Service (Personnel Management, Integrity Mechanisms, Financial Viability, Incentives, Accountability, Internal Controls, Transparency, Complaints/Enforcement Mechanisms, Demonstrated Political Will)
- Budget and Financial Management
- Law Enforcement Institutions

DIAGNOSTIC AREA	CORRUPTION DIAGNOSTIC QUESTIONS
Mandate, Capacity, and Independence	<ul style="list-style-type: none"> • Are there dedicated, government anti-corruption agencies (ACAs), or is the anti-corruption task divided up among multiple agencies/organizations? • Is there formal independence of the ACA? Is it independent in practice? Are there mechanisms that prevent ACA from political interference in carrying out its mandate? • Are appointments required by law to be based on merit? Are appointments based on merit in practice? • Are the appointees protected by law from removal without relevant justification? In practice? • Does the ACA manage its own budget line in formal terms? In practice? • Is the budget/staffing of the ACA or relevant agencies sufficient to carry out their mandate effectively? • Is the budgetary process that governs the ACA transparent and free from political interference? • What are the main responsibilities of the anti-corruption agency (or relevant organizations): investigation; prevention; education and awareness: prosecution, or other? • If the anti-corruption task divided up among multiple agencies/organizations, is coordination among these agencies established and carried on effectively in practice? • Do they cover public and private sectors? • Do they have a national and/or local remit?
Investigating Corruption	<ul style="list-style-type: none"> • If the ACA has investigatory functions, has it conducted investigations into corruption of the high ranking public officials from ruling party/administration? • Have investigations resulted in the prosecution of high ranking

	<p>government officials from ruling party/administration? From opposition?</p> <ul style="list-style-type: none"> • What is the balance of proactivity (monitoring and preventative interventions) versus reactivity (responding to complaints) in the work load? • How successfully has corruption been targeted and punished by this institution? • <i>(Additional questions are in chapter LAW ENFORCEMENT INSTITUTIONS)</i>
Accountability	<ul style="list-style-type: none"> • Are there laws/rules that govern oversight of the ACA? Are these laws/rules effective? • To whom must the ACA report, in law (legislature, executive, others)? Does this accountability for its actions take place in practice? • Is the public required to be consulted in the work of ACA? Does this consultation take place in practice?
Integrity mechanisms	<ul style="list-style-type: none"> • Does the organization have an internal code of conduct? Is there any evidence of their effective enforcement in practice? • Are there rules on conflict of interest? Are they effective in practice? • Are there rules on gifts and hospitality? Are they effective in practice? • Are there post employment restrictions? Are these restrictions adhered to?
Transparency	<ul style="list-style-type: none"> • Are anti-corruption agency reports required to be published (print and/or Internet)? Are they published? • If reports are published are they to the good level details? • Is the work and reports of this agency accessible to the public?

REGIONAL AND LOCAL GOVERNMENTS

“City governments are on the front lines of the delivery of critical services, and are the first level of representation and accountability in societies aspiring to democracy. They are political stepping-stones -- for better or worse -- for political and administrative officials, and are the birthplace of many social and political movements. While no one can deny the significance of "grand corruption" at the national level, for millions of citizens around the world the overall quality of local governments critically influences the services they receive -- and the corruption they experience. The provision of utilities and health care, the maintenance of order, the construction of safe housing and infrastructure, the education of children, the protection -- or repression -- of human rights and of opportunities to build and participate in social communities, are all linked to the quality of local government.

Unfortunately, these same critical responsibilities and opportunities also provide opportunities and incentives for corruption. Administrative corruption -- as we shall see in a later section -- tends to flourish in situations where officials enjoy discretion over the allocation of important goods and decisions, can create monopolies, and are not held accountable. Political corruption often takes the form of extended patron-client networks. Given the relatively close connections often found among levels of administration in local government, and between officials and business and social groups in the community, corrupt relationships and the conditions that sustain them can become deeply entrenched at the local level. Moreover, many local government activities -- law enforcement, inspections, construction, the delivery of services -- take place out in the field beyond the direct view of supervisors and the public. The result is that corrupt deals can easily be made -- and concealed. Social conditions within cities, such as competition and conflicts among social groups and neighborhoods, or the coexistence of a "consumer culture" (citation...) alongside desperate poverty, can also intensify temptations and incentives to corruption.”⁹

The following guide and guides from other sections will assist the assessment team to examine many aspects of sub-national and local/municipal government that either makes them instrumental in fighting corruption or on the contrary, promote corruption within the government.

Please also use questions from the following chapters:

- Public Institutions/Civil Service (Personnel Management, Integrity Mechanisms, Financial Viability, Incentives, Accountability, Internal Controls, Transparency, Complaints/enforcement mechanisms, Demonstrated Political Will)
- Electoral Commission and Election
- Legislature
- Budget and Financial Management
- Public Procurement
- Privatization

DIAGNOSTIC AREA	CORRUPTION DIAGNOSTIC QUESTIONS
Authority and Capacity	<ul style="list-style-type: none"> • Is the power and authority devolved from the central government to sub-national, local and municipal units clearly stated? • Are there fiscal policy balance between the central government and locally driven priorities? • Is a hard budget constraint between tiers of government maintained through

⁹ Controlling Corruption in Local Government: Analysis, Techniques and Action, Michael Johnston, 2000.

	<p>the intergovernmental system and the financial system?</p> <ul style="list-style-type: none"> • Is the regional/local budget sufficient to provide public services effectively? • Does decentralization (to the extent that there is a process of such) contain specific anticorruption elements? • Is there evidence that decentralization has facilitated anti-corruption efforts at the regional or local level? • Are there key government institutions related to corruption at regional and local level? (please provide a list) • Do national agencies with a remit to deal with corruption (anti-corruption agencies, ombudsmen, supreme audit institutions, and so on) work at regional or local levels and are there specific agencies with regional and local responsibilities? • Is there formal independence (vis-à-vis national government) for regional and local government institutions working on corruption-related activities? Are such regional and local government bodies independent in practice? • Are there anti-corruption responsibilities designated to regional and local government? Are there carried on effectively? • To what extent have regional/local government organized its work based on/committed itself in any extraordinary way to an agenda of integrity, transparency and good governance? What is the evidence for this? • If some public offices at the regional and local level are appointed by the national government is it done on a merit basis and in transparent fashion? What mechanisms are in place to ensure it? (<i>See additional questions in the chapter PUBLIC INSTITUTIONS/CIVIL SERVICE</i>) • Do elected officials elected through fair and just election? (<i>See additional questions in the chapter ELECTORAL COMMISSION and ELECTION</i>)
	<ul style="list-style-type: none"> • Are elected officials accountable to their constituency? (<i>See additional questions in the chapter LEGISLATURE</i>)
	<ul style="list-style-type: none"> • Are there financial/asset disclosure rules for local officials, code of conduct, and conflict of interest? (<i>See additional questions in the chapter LEGISLATURE</i>)
<p>Service Delivery</p>	<ul style="list-style-type: none"> • Are public announcement/ publicity campaigns conducted to explain the procedures, required fees, standard processing times, and the criteria for administrative decisions (granting permits, licenses, or bank loans, enrolling students, allocating healthcare, assessing taxes, etc.)? • Are there documents that establish obligations of service providers and rights of users (such as citizen’s charters)? Are these publicized to both providers and users? • Are public officials required to wear identification badges (to help facilitate identification in case of complaints due to inefficiency or corruption)? • Are alternatives for public services offered, such as contracting out or having both public and private provision of services (i.e., mail carriers or security forces)? • Are services provided at the lowest practicable level of government? • Does regional/local government evaluate the performance of public service delivery? Is this self-evaluation or independent external evaluation? Do evaluations include client surveys? Does the government act on results? Do citizens have any recourse in cases where service delivery fails?

LAW ENFORCEMENT INSTITUTIONS

The guide below suggests questions to examine law enforcement institutions that include investigative bodies (often police) and the prosecutor's office. It helps to assess both the ability of the law enforcement to investigate and prosecute corruption but also to prevent corruption within itself. Lack of resources and professionalism in combination with a lack of commitment can undermine the ability of the law enforcement to investigate and prosecute corruption. On the other hand, law enforcement agents can easily become subjected to corruption itself. Although they have the mandate to fight corruption, the police are often under the strong political influence of the ruling administration, which can result in the selective use of entrusted power against political opponents. On the petty level, bribery, clientism and favoritism can easily determine the outcome of police investigations and the prosecution of any corruption case if there is no adequate internal control mechanisms and oversight of law enforcement.

DIAGNOSTIC AREA	CORRUPTION DIAGNOSTIC QUESTIONS
LAW ENFORCEMENT INSTITUTIONS (IN GENERAL)	
Legal and institutional framework	<ul style="list-style-type: none"> • Are there institutions authorized by the law to conduct investigation into corruption cases in the country (please provide a list)? • Are there legislative instruments that are used by the police (and other authorized institutions) and public prosecutors for the investigation and prosecution of cases of corruption/bribery? • Are there special units for investigating and prosecuting corruption crimes? • Is the budget/staffing of these key institutions sufficient? • Is the budgetary process that governs law enforcement agencies fair and effective? • Are the regulations that prohibits police or prosecutors from having access to off-the-books funds?
Leadership and Commitment	<ul style="list-style-type: none"> • Is there a high-level bipartisan support and political commitment to the fight against corruption in the law enforcement sector? • Have the law enforcement administration adopted a zero tolerance policy? • Is promotion to managerial positions dependent on integrity performance? • Do senior managers and supervisors lead by example? • Are periodic surveys conducted to assess stakeholders' perceptions of law enforcement' commitment to integrity? • Is appropriate priority afforded to the anticorruption strategy in corporate vision, mission, values, resource allocation processes, and strategic planning documents?
Accountability	<ul style="list-style-type: none"> • How effective the laws/rules that govern oversight of key law enforcement agencies? • Does law require the law enforcement and prosecutors to report legislature or any other independent institution? Does this accountability take place in practice? • Is the public required to be consulted in the work of law enforcement agencies? Does this consultation take place in practice?
Code of Conduct	<ul style="list-style-type: none"> • Has a comprehensive code of conduct been adopted? • Are the contents of the code clear and unambiguous and the penalties for noncompliance understood by staff?

	<ul style="list-style-type: none"> • Are all supervisors required to lead by example or is there “one rule for us and another for you?” • Are all staff required to read, understand, and endorse the code? • Is prompt and appropriate action taken to redress any breaches of the code that are identified? • Has a periodic review process been established? • Was staff consulted during the development of the code?
Integrity mechanisms	<ul style="list-style-type: none"> • Are there rules on conflict of interest for police? For prosecutors? Are they effective? • Are there rules on gifts and hospitality for police? For prosecutors? Are they effective? • Are there post employment restrictions? Are these restrictions adhered to?
Transparency	<ul style="list-style-type: none"> • Are any police officials/prosecutors required to disclose assets? Do they? Is there any lifestyle monitoring? • Who is monitored? Must any records of such assets be disclosed publicly? Are they? • What aspects of law enforcement work are required to be publicly disclosed? Does this take place?
Complaints/enforcement mechanisms	<ul style="list-style-type: none"> • Is there an independent mechanism to handle complaints of corruption against the police? • Does the public have a legal role in complaint mechanisms? To what extent is this exercised? • Is there an independent mechanism for citizen complaints about the police? Does civil society have a role in such a mechanism?
INVESTIGATIVE BODIES/POLICE	
Jurisdiction and independence	<ul style="list-style-type: none"> • Are there specialized agencies in place to investigate misconduct and corruption in the public service? • Are there different bodies for disciplinary and criminal procedures? • Is the jurisdiction of the investigative bodies covers all public institutions (e.g., the whole public service, a range of public service organizations, one public service agency or department)? • Are these bodies accountable to legislature? • Do their main responsibilities include investigation, prevention, education and awareness, and/or prosecution? • Are the investigative bodies independent? • Is the head of the investigative body protected by law from political interference? • Are appointments based on merit? • Are the appointees protected from removal without relevant justification? In practice? • In practice, is the head of the police or equivalent protected from political interference?
Institutional Capacity	<ul style="list-style-type: none"> • Are the financial and human resources of the investigative bodies adequate? • Are investigators of corruption-related cases trained to collect evidence and build a case? • Are there mechanisms in place to evaluate the effectiveness of the training?

	<ul style="list-style-type: none"> • Is the law enforcement agency (the police) effective in investigating corruption? • Are “big fish” as well as small ones investigated and prosecuted?
Remuneration and Human Resources Management	<ul style="list-style-type: none"> • Has a comprehensive and strategically focused human resources management strategy been introduced incorporating sound policies on <ul style="list-style-type: none"> • recruiting and retaining the right people • developing and improving professional competencies and skills • recognizing and supporting integrity efforts? • Is staff remuneration comparable to similar public or private sector positions and sufficient to allow a reasonable standard of living? • Have procedures been established that can identify and support staff with financial difficulties? • Are objective and merit-based selection processes employed that identify personal integrity as well as academic or technical competence? • Are procedures in place to ensure appropriate security vetting for potential staff during recruitment and for existing staff periodically? • Are selection committees impartial? • Has a staff transfer or rotation policy been implemented with clear and unambiguous rules on the regular movement of staff from high-risk positions? • Have all high-risk positions and functions been identified and systems and procedures modified to limit the exercise of official discretion? • Are appropriate informal and formal training and professional development opportunities provided to build technical competence and promote integrity? • Are the administration’s code of conduct and the individual responsibilities of officials regularly reinforced during training and professional development programs? • Has a performance appraisal system been implemented that is fair, regular, monitored, and periodically reviewed? • Are supervisors required to actively manage staff performance and performance issues? • Are supervisors held responsible for the integrity performance of officers under their control?
Accountability and Internal Controls	<ul style="list-style-type: none"> • Is there a legal mechanism for holding investigative bodies to account for complaints of police misconduct or corruption? • In practice, has this legal mechanism been used? • Are there regulation and mechanisms that ensure the officers of the investigative bodies are not immune from prosecution? • Are there mechanisms to hold law enforcement officials accountable for their actions? • Do provisions exist for whistleblowing on misconduct in law enforcement agencies? Are they used effectively in practice? • Are cases of corruption in the police identified and investigated effectively? • In the last five years, have police officers suspected of corruption been prosecuted (or seriously disciplined or dismissed)?
Transparency	<ul style="list-style-type: none"> • Are investigative reports published (other than when criminal charges are pending)? • Do investigators report publicly to the legislature on the general scope of

	their work?
PROSECUTORY	
Jurisdiction and Independence	<ul style="list-style-type: none"> • Are there institutions in place to prosecute misconduct and corruption in the public service? • Does their jurisdiction cover all public institutions (e.g., the whole public service, a range of public service organizations, one public service agency or department)? • Is the criminal system based on the principle of discretionary prosecution or the principle of mandatory prosecution or a mixed system? • Are there other possibilities (actio popularis, actions brought by victims or taxpayers) that can be used in corruption cases? • What control mechanisms have been established to ensure that prosecution is not discontinued as a result of undue pressure or undue considerations? • Are prosecuting bodies empowered to bring suspected cases of corruption directly to court? • Are public prosecutors independent? • Is the public prosecutor or equivalent protected by law from political interference? In practice? • Are they accountable to legislature? • Are appointments based on merit? • Are they protected from removal without relevant justification? In practice?
Institutional Capacity	<ul style="list-style-type: none"> • Are the financial and human resources of the prosecuting bodies adequate to carry out their mandate effectively? • Is there a special unit of the prosecutor's office dedicated to investigating and prosecuting corruption and fraud by public and private entities? • Has there been active enforcement of laws against fraud and corruption by prosecutors?
Internal Controls	<ul style="list-style-type: none"> • Is there a legal mechanism for holding prosecutorial, personnel accountable for prosecutorial misconduct or corruption? In practice, has this legal mechanism has used? • Prosecutors are not immune from prosecution, aren't they? • For the last 3 years, have there been any cases of corruption within the prosecuting agencies? Have they been prosecuted?
PROSECUTING CORRUPTION	<ul style="list-style-type: none"> • How many prosecutions for corruption have been undertaken in the past years? How many have been successful? If the number is low, why? • Are there the rules regarding confidentiality of investigations (notably, relations between investigators, defense lawyers and lawyers of parties claiming damages regarding access to the file, disclosure or transmission of elements from the file, the need for a judicial authorization, and applicable sanctions; relations between the investigators and the public; and restrictions imposed on the press—e.g., prohibition from publishing certain procedural documents relating to a criminal case before it is read in public hearing)? • Does the system protect vulnerable targets in cases of corruption (victims, collaborators of justice, witnesses, judges and prosecutors)? Are protective measures taken before, during, and following the proceedings? Which

	<p>protective measures are used? Are individuals who are closely related or connected to the person directly concerned also protected?</p> <ul style="list-style-type: none"> • Can privileges or arrangements be proposed to suspects or to sentenced persons who agree to cooperate with the police and the judiciary in corruption cases (e.g. plea bargaining, reduced sentences, special protection)?
<i>Corruption Within the Criminal Process.</i>	<ul style="list-style-type: none"> • In the investigation of criminal conduct, do police have wide discretionary powers, much of which goes unchecked? • Do prosecutors have broad discretion in investigation and prosecution of cases, managing of caseloads and prioritizing investigations? • Can government ministries exert substantial pressure on the public prosecutor to stop prosecution?
<i>Corruption Within the Civil Process.</i>	<ul style="list-style-type: none"> • In the filing of a civil lawsuit, are citizens typically faced with a daunting array of court procedures, many of which are complex and arcane?

ELECTORAL COMMISSION and ELECTION PROCESS

Elections that lead to public power are highly prone to corruption. Buying votes, tampering with ballots, threatening voters, manipulating the media, illegal donations – these are just several examples of abuses that can occur in the election process. A lack of transparency in election systems is one of the most important sources of corruption. Electoral commissions can become vulnerable to corruption if they are lacking independence, capacity and authority and if there is no public oversight over the Commission. Sufficient and non-partisan election legislation and its effective enforcement is essential in safeguarding elections from being hijacked by corruption.

DIAGNOSTIC AREA	CORRUPTION DIAGNOSTIC QUESTIONS
Electoral Commission Independence	<ul style="list-style-type: none"> • Is there formal independence for the Electoral Commission (or equivalent body)? • Is the Electoral Commission (or equivalent body) independent in practice? • If not, what arrangements for monitoring elections are in place? Is this arrangement widely regarded as being non-partisan? • Is the appointment of the head of the Commission free from political pressure from ruling party/administration? • To what extent has the Electoral Commission (or equivalent body) organized its work based on/committed itself in any significant way to an agenda of integrity, transparency and good governance? What is the evidence for this? • When necessary, does the agency impose penalties on offenders?
Institutional Capacity	<ul style="list-style-type: none"> • Is the budget/staffing capacity of the Electoral Commission adequate to perform its functions affectively? • Is the budgetary process that governs the Electoral Commission free from political pressure from ruling party/administration? • Is the tenure of the head of the commission sufficient to impartially fulfill his/her duty? • The Electoral Commission does not have access to off-the-books funds, does it?
Accountability	<ul style="list-style-type: none"> • Are there laws/rules that govern oversight of the Electoral Commission? Are these laws/rules effective? • Is it required by law for the Electoral Commission report to report to Legislature? Does this accountability for its actions take place in practice? • Is the public required to be consulted in the work of the Electoral Commission? Does this consultation take place in practice?
Integrity mechanisms	<ul style="list-style-type: none"> • Are there rules for the Electoral Commission on conflict of interest? Are they effective? • Are there rules on gifts and hospitality? Are they effective? • Are there post employment restrictions? Are these restrictions adhered to?
Transparency	<ul style="list-style-type: none"> • Is information (budgets, reports, decisions, etc.) produced by the Electoral Commission required to be put into the public domain? Is this done in practice? If yes, is it done via mass media, Commission's publications and websites, other forms (please specify)? To what

	<p>extent are these forms usable?</p> <ul style="list-style-type: none"> • Is it required by law for the Electoral Commission to disclose party affairs? What aspects of party affairs must be disclosed by the Electoral Commission? Is this carried out, in practice?
Complaints/enforcement mechanisms	<ul style="list-style-type: none"> • Are there any provisions for whistleblowing for misconduct within the Electoral Commission? Have these provisions been utilized? • Is the Electoral Commission empowered by law to start investigations on its own initiative? Does it do so in practice? • Is the Electoral Commission empowered by law to impose sanctions? Does it impose sanctions in practice? If not, how are sanctions enacted? • How successfully has corruption been targeted and punished by this institution? • To what extent is there a problem of vote-buying in elections? • What legal means do the public have for redressing concerns about electoral transparency? Have these rights been exercised? With what kinds of outcomes?
Election fairness	<ul style="list-style-type: none"> • Is universal and equal adult suffrage guaranteed to all citizens? • Do all citizens exercise their right to vote freely and fairly? • Were there precedents of a pressure from the government or ruling party to influence election (buying votes, threatening voters, etc.)? To what extent it is widespread and had an impact on election? • Are elections held according to a regular schedule? • To what extent the government (President or legislature) has a power to change the schedule? How often this was exercised? Was it done on a justifiable ground? • During the most recent election, did political parties receive media coverage roughly proportional to their popular support?

POLITICAL PARTIES

Political parties are often seen as actors who abuse their powerful position to extort bribes, to supply their members and followers with lucrative positions in the public sector, or to channel public resources into the hands of party leaders or supporters. Party corruption is especially problematic in developing and transitional countries where political and economic institutions are not yet stable. In the long run, party corruption can undermine public trust and threaten the viability of democracy. Political parties are known to abuse their position by extorting bribes, engaging in nepotism, diverting public resources into the pockets of party leaders, members, and supporters, and shaping political and economic institutions for the benefit of affiliated interest groups.¹⁰ Political parties' financing and contribution is one of the most acute problem that involves corruption. The ways that parties get access to money can influence the outcome of elections and determine the relationship between party leaders and members.

DIAGNOSTIC AREA	CORRUPTION DIAGNOSTIC QUESTIONS
Regulatory framework	<ul style="list-style-type: none"> • Are there clear and consistent legislation and rules governing political parties? Party registration? Candidates? • To what extent does the regulatory framework make it possible to form opposition parties? For opposition parties to compete fairly with established parties? • Is there formal operational independence of political parties? Are political parties independent in practice? • Are there strong, established party organizations rather than parties that are fundamentally created around personalities or clans? • To what extent have any political parties organized their work based on/committed themselves in any significant way to an agenda of integrity, transparency and good governance? What is the evidence for this? • To what extent are there 'anti-corruption' parties? To what extent is there a state party only? • Is the political system truly competitive? • Is there an active opposition in parliament? Does it monitor the incumbent effectively? Are political parties monitored by an active opposition? Are there informed voters?
Election	<ul style="list-style-type: none"> • Have the last two election cycles reflected strong political contestation? • Have coalition governments during the last two election cycles reflected strong political contestation within the coalitions? • Does the political system allow for re-election or are most political positions limited to one term only?
Political parties financing	<ul style="list-style-type: none"> • Are there rules that govern the funding of political parties? What is the nature of these rules? Are these rules exercised in practice? Are there regulations governing contributions to political parties? Are there limits on individual donations to candidates and political parties? Are there limits on corporate donations to candidates and political parties? • What is the balance between private and public funding of parties? Is this balance adhered to in practice?

¹⁰ Adopted from: Fighting Corruption in Developing Countries: Strategies and Analysis. – Edited by Bertram I. Spector. Kumarian Press, Inc., 2005. p. 27

	<ul style="list-style-type: none"> • Are there significant lobby groups/think tanks affiliated with the party, subject to different funding rules? • Are there donation limits for individuals? Corporations? Are these limits adhered to, in practice? • Must (substantial) donations and their sources be made public? Is this done in practice? • Are there rules on political party expenditures? Are these adhered to? Monitored? If so, by whom? Does the monitoring agency impose penalties on offenders? What sanctions exist for violation of funding regulations? Who appoints the head of this agency? • Do any of the above rules related to political finance vary significantly during election periods? • Are party leaders typically willing to accept payoffs or illegal donations to ease the financial pressures of campaigning, often in return for future favors? • Is a portion of a parliamentarian's salary demanded as a contribution in return for party support? • Do politicians often exceed official campaign spending limits? • Do politicians have private foundations? If so, are private businesses encouraged to contribute? • Are donations expected/demanded from individual parliamentarians and candidates for promotions? Or to ensure that their names stay on the party proportional list? • Do voters expect gifts prior to elections? • Is there an agency that monitors political party finances and independently initiates investigations? Does the agency impose penalties on offenders? What sanctions exist for violation of funding regulations? Who appoints the head of the institution? • Are political party accounts published? Can citizens access the financial records of political parties within a reasonable time period and at a reasonable cost?
Accountability	<ul style="list-style-type: none"> • What kind of laws/rules govern oversight of political parties? Are these laws/rules effective? • To whom must political parties report, in law? Does this accountability for its actions take place in practice? • Is the public required to be consulted in the work of political parties? Does this consultation take place in practice? • Do party leaders often suppress criticisms of the party?
Integrity	<ul style="list-style-type: none"> • Is there regulation regarding internal party governance? Is this regulation effective? • Is the liability for financial irregularity in party affairs attached to individual officials, to the party, or both? • Do the main political parties have codes of conduct for their members? • Can 'unethical' candidates (ie those undergoing investigation/convicted of crimes) stand for election? • Are there rules on conflict of interest? Are they effective? • Are there rules on gifts and hospitality? Are they effective?

	<ul style="list-style-type: none"> • Are party members usually pressured by party leaders to vote/support their agendas? • Do party leaders often support the agendas of wealthy organized interests or social groups?
Transparency	<ul style="list-style-type: none"> • Are there rules on disclosure of party funding? Party expenditure? Are these rules followed in practice? How is this information published? • Can citizen access the financial records of political parties within a reasonable time period and at a reasonable cost? • Who is in charge of keeping such records, and are they adequately resourced for this task? • To what extent is information (accounts/budgets/assets) on political parties required to be put into the public domain? Is this done in practice? If yes, what form does such disclosure take? To what extent are these forms usable?
Complaints/enforcement mechanisms	<ul style="list-style-type: none"> • Are there any provisions for whistleblowing on misconduct within political parties? Are these made use of in practice? • Have powers of sanction ever been invoked? If so, with what outcome? • Are accounts audited or otherwise checked by an independent institution? Are they submitted to the legislature? • Does the public have the right to redress? • How successfully has corruption been targeted by this institution, as an internal problem? An external problem?
Party Control Over State Resources and Redistribution.	<ul style="list-style-type: none"> • Do political parties have a large amount of control over state institutions and society? • Is there weak party competition? • In multiparty systems, do major parties try to politicize society and control important sectors of business and public life? • In transition countries, do former high-ranking party members often use their connections to rig privatization bids, secure cheap government loans, and acquire resources for themselves and their associates? • Are continuing loyalties to state bureaucrats impeding the formation of new state institutions? The free market? • In former monopoly-party states, do members of the former ruling party control the resources available? • Do organized crime syndicates typically act as business partners to party members by paying bribes to high-ranking politicians and bureaucrats to facilitate illegal activities? Do crime syndicates act as 'substitutes' for state and party institutions, taking over formerly party-controlled functions? • Are patronage and clientelism common?
Demonstrated Political Will	<ul style="list-style-type: none"> • Are there parties that run on anti-corruption platform or promote anti-corruption reforms? To what extent is it sincere effort but not rhetoric? Please provide specific examples of this?

TAXATION SYSTEM

Corruption in the taxation system can occur when formulating tax legislation and tax administration. Influence by improper lobbying legislators and the tax authority can establish taxation legislation that favors particular industries, regions or interest groups. Implementation of the tax legislation can also be subjected to corruption at different stages and processes: the identification and registration of taxpayers, the assessment and collection of taxes due, the monitoring of incoming payments, the assessment of surcharges or refunds, or investigation by the tax authorities. Lack of clarity and consistency in taxation regulatory framework, poor internal controls, lack of transparency and weak oversight over tax administration opens the opportunity for corruption in the taxation system.

DIAGNOSTIC AREA	CORRUPTION DIAGNOSTIC QUESTIONS
Incentives to corrupt behavior	<ul style="list-style-type: none"> • Are tax regulations and procedures clear and consistent? • Is the tax regime easy to understand? Does it have uniform tax rates? Are there major exemptions and special regulations? If so, are they clear and easy to understand? • Does the tax system impose unrealistically high burdens on enterprises? • How large is the percentage of enterprises that operate in the informal economy (unregistered and non-tax-paying)? • Are tax liabilities negotiated between large enterprises and local (or, for the largest firms, even national) governments? • Are there frequent barter arrangements between enterprises and local governments (the energy provider pays no taxes but provides free electricity to public housing, etc.)? • Are public utilities priced competitively and/or subsidized? (If the latter, the way is open to barter arrangements that lower tax liabilities for these enterprises.) • Do tax officials make key impartial and fair decisions, e.g. when granting tax incentives, assessing taxes owed, selecting individuals for tax audits, initiating proceedings etc? • Do tax payers bribe officials in the tax office, in exchange for recording a lower tax liability, or for registering a legitimate tax payment made? • Are high tax rates combined with marked tax rate differentials, which normally increase willingness to engage in corrupt activities due to the greater potential benefit? • Are the tax laws and forms so difficult to understand that, in order to apply them, taxpayers require help from tax officials and are forced to deal with those officials personally? • Do a large number of seemingly arbitrary exemptions and special rules exist? • Is there the existence of certain types of tax and taxable items that are particularly susceptible to corruption? • Are the selection systems for tax audits clear and well monitored? • Are taxes paid by impersonal means — checks or transfers from bank accounts — or they are paid in person at tax offices? (The latter arrangement is more conducive to bribery.) • Is the system for collecting tax arrears well monitored? • Are there adequate sanctioning systems (fines and interest)? • Are enforcement procedures timely and manageable? • Is there an independent court of appeal? • Do tax officials recruited or paid at the local level receive subsidized housing or other payments in kind from the local government? • Is the tax system computerized? Is there a computerized national register of taxpayers (of enterprises and individuals)? Is there a computerized taxpayer register at the local tax office?
Signs of possible corruption in Administration	<ul style="list-style-type: none"> • Are corrupt actions by tax officials noticed and detected? If reported, are tax officials punished? • Is there frequent personal interaction between taxpayers and civil service officials or tax officials, especially where taxes are being assessed and

	collected?
Identification and Registration of Taxpayers	<ul style="list-style-type: none"> • Are there instances of deletion or removal of taxpayer records from the registers, files and accounting systems of the tax authorities? • Are tax numbers and tax cards allocated to fictitious taxpayers? • Are there a large number of cases where the taxpayers are incorrectly identified? • Is there a tax payer registration? • Are there multiple registrations of taxpayers in different tax districts (or jurisdictions)?
Assessment and Collection of Taxes Due	<ul style="list-style-type: none"> • Are tax laws enforced evenly and without discrimination? Is there evidence that different taxpayers situated in similar circumstances are treated differently without adequate justification? • Are there instances of political interference or exercise of discretionary authority by revenue authorities on subjective considerations? • Are tax audits of individuals and enterprises, and audits of local tax offices, carried out on a regular basis? Is there a pattern of such audits avoiding individuals and enterprises specially favored by the local (or national) government? • Is the tax collection carried out efficiently? What is the total cost of collection compared to revenue raised? • Are tax exemptions notices issued to the proper individuals, i.e., they are entitled to the exemption? • Are tax debts written off with precise explanations? • Are deferments of taxes warranted?
Monitoring of Incoming Payments and Enforcement of Payments	<ul style="list-style-type: none"> • Is there adequate supervision and control over the collection of taxes? • Are correctly assessed taxes submitted in writing? • Are correct receipts issued? • Are taxpayers supported in their efforts to delay the payment of tax arrears, for instance by tax officials being supposedly unable to locate the taxpayers or withholding the case files and failing to pass them on to enforcement agencies? • Are taxpayers charged a fee for reimbursements that should be free of charge? • Is confidential information passed from the tax declaration to the taxpayer's business competitors?
Tax Audits	<ul style="list-style-type: none"> • Is the selection criterion for taxpayers to be audited transparent?

	<ul style="list-style-type: none"> • When tax audits are completed, are adjustments made and/or fines for tax evasion imposed? • Is the selection of cases for audit transparent? Are there patterns to who is selected? • Are taxpayers informed of their rights and duties? • Are removals of taxpayers from the list of individuals to be audited justified? • In appeal proceedings concerning audit results, are fair and just decisions made? • Are there threats of unwarranted investigation for suspected tax offences by the investigation service? • If tax evasion is detected, are the perpetrators prosecuted?
Legal Remedy Procedures	<ul style="list-style-type: none"> • Are legal remedy procedures timely and manageable? • Are competences of tax authorities clearly defined by law? • Do decision-making bodies have the necessary capacity?
Amnesties and Special Procedures to Cancel Taxes Due	<ul style="list-style-type: none"> • Are the amnesties and special procedures to cancel taxes due clearly defined and transparent? • Are taxes cancelled or waived frequently?
Tax administration decentralization	<ul style="list-style-type: none"> • Are tax bases decentralized? • How clear are the taxing responsibilities of sub-national governments? • Is all taxation power assigned to subnational governments with upward revenue sharing? Is all taxation power assigned to the central government with downward transfers to local government? • Is there a distinction between taxes collected by the tax administrators and taxes received by the treasury?
Demonstrated Political Will	<ul style="list-style-type: none"> • Did the Tax Administration initiate any policies or reforms to address corruption, increase transparency and accountability? If so, what policies and reforms were implemented? Did these reforms reach all levels? Did the Tax Administration establish milestones and measurements for effectiveness of the reforms? To what extent these reforms were effective? • Is there a consensus within the Tax Administration about reforms? Who is a champion?

CUSTOMS

Corruption in customs occurs in legislation, in customs procedures, in the administration of freight clearance and customs enforcement. Customs legislation that is very complex, confusing and open to multiple interpretations will ultimately fertilize the ground for corruption. Lack of information on legislation and regulations make clients dependable on customs bureaucrats' rulings. In addition, formulation of the legislation itself can be influenced by bribery and other illegal incentives and as a result it can selectively favor certain interests and industries. Corruption in freight clearance can occur in a number of procedures, including: the processing of cargo manifests and customs declarations, the classification of goods, valuation and assessment, the payment of duties, the handling of goods in transit, the release of goods and the clearance of exports. Customs enforcement that includes such measures as: risk analysis, freight inspections, inspections after customs clearance, measures to control smuggling, the sale or destruction of confiscated goods, the collection of payments in arrears and the monitoring of bonded warehouses – is also often subjected to corruption. Though the scale of corruption in customs is viewed as petty and mid-level, in reality it can be worth millions of dollars in its impact.

DIAGNOSTIC AREA	CORRUPTION DIAGNOSTIC QUESTIONS
Leadership and Commitment	<ul style="list-style-type: none"> • Has high-level bipartisan support and political commitment to the fight against corruption been obtained at the customs authorities? • Has the customs administration adopted a zero tolerance policy? • Are clear responsibilities, obligations, and accountability for all customs managers, supervisors, and staff established and understood? • Is promotion to managerial positions dependent on integrity performance? • Do senior managers and supervisors lead by example? • Are periodic surveys conducted to assess stakeholders' perceptions of customs' commitment to integrity? • Does customs lead or participate in wider all-of-government integrity initiatives? • Is appropriate priority afforded to the anticorruption strategy in corporate vision, mission, values, resource allocation processes, and strategic planning documents? • Has the use of an official amnesty been considered?
Regulatory Framework	<ul style="list-style-type: none"> • Have customs laws, regulations, administrative guidelines, and procedures been reviewed, harmonized, and simplified to reduce unnecessary duplication and red tape? • Has a process of continuous review and improvement of systems and procedures been introduced? • Have tariff rates been moderated and the number of different rates of duty rationalized? • Has a formal process for the review and rationalization of exemptions and concessions been introduced? • Has a program of consultation and cooperation with other government agencies been established to examine means of rationalizing regulatory requirements? • Have internationally agreed on conventions, instruments, and accepted standards including the Revised Kyoto Convention, the WCO HS

	<p>Convention, the WTO Valuation Agreement, the ATA Carnet Convention, and the WTO TRIPS Agreement, been implemented?</p> <ul style="list-style-type: none"> • Do regional customs unions and economic groups adopt internationally agreed on standards and work toward regional harmonization of systems and procedures? • Does the administration actively participate in international benchmarking and information sharing initiatives?
Transparency	<ul style="list-style-type: none"> • Have customs laws, regulations, procedures, and administrative guidelines been made public and are they easily accessible? • Has the basis upon which customs officials are entitled to exercise their discretionary power been defined and are variations recorded for later review and monitoring? • Have administrative and judicial appeal mechanisms been established that allow customs decisions to be challenged? • Have advance tariff and valuation rulings systems been implemented? • Have Customs Service Charters and performance targets been established that are challenging but realistic and is the administration's performance reported to the public? • Does the administration use a range of media to publicize information, including brochures, posters, Web site, and the mass media? • Are all fees and charges publicized? • Have help desks been established to assist clients in complying with customs requirements?
Automation	<ul style="list-style-type: none"> • Have automated systems for declaration processing and cargo reporting been introduced based on the IT guidelines contained in the Revised Kyoto Convention and the WCO Data Model? • Have the systems been designed to do the following: <ul style="list-style-type: none"> ○ incorporate appropriate risk assessment and selectivity capabilities ○ minimize the need for officials to exercise discretionary authority ○ minimize face-to-face contact between customs officials and traders ○ record any variations or exercise of discretionary powers for later review and audit ○ accommodate automated payment or electronic funds transfer systems? • Is the IT infrastructure appropriately managed and has adequate provision been made for ongoing hardware and software maintenance and replacement? • Have appropriate provisions been made to secure the systems from internal or external manipulation? • Have appropriate provisions been made to ensure the effective integration of manual and automated systems?
Modernization of Customs	<ul style="list-style-type: none"> • Is customs regarded by the government and the business sector as a key national asset and tool for trade facilitation, revenue collection, community protection, and national security? • Is customs ranked high on the list of government priorities for international donor assistance? • Has a comprehensive and long term reform and modernization program been established that is

	<ul style="list-style-type: none"> ○ adequately resourced, with roles and responsibilities clearly defined ○ based on an accurate diagnosis of needs ○ focused on simplifying and harmonizing systems and procedures ○ well supported by all stakeholders including staff ○ effectively coordinated and managed at the local level ○ based on sound performance data and objective performance measures?
Audit and Investigation	<ul style="list-style-type: none"> • Have effective monitoring and control mechanisms been established, including internal audit functions and internal check responsibilities? • Is the administration subject to regular and professional external audits? • Does the administration develop and maintain a strategic audit plan that identifies priorities and ensures that audit findings and recommendations are implemented? • Are staff working in audit and investigation areas appropriately qualified to undertake their tasks? • Has an internal investigation or internal affairs unit been established to promptly investigate allegations of corruption? • Has a detailed risk map of the administration been developed to identify particular vulnerabilities and devise appropriate corrective strategies? • Does the administration make use of the appropriate independent anticorruption authorities to deal with large-scale cases or allegations against senior officials?
Code of Conduct	<ul style="list-style-type: none"> • Has a comprehensive code of conduct compatible with the WCO model been adopted? • Are the contents of the code clear and unambiguous and the penalties for noncompliance understood by staff? • Are all managers and supervisors required to lead by example or is there “one rule for us and another for you?” • Are all staff required to read, understand, and endorse the code? • Is prompt and appropriate action taken to redress any breaches of the code that are identified? • Has a periodic review process been established? • Were staff and clients consulted during the development of the code?
Remuneration and Human Resources Management	<ul style="list-style-type: none"> • Has a comprehensive and strategically focused human resource management strategy been introduced incorporating sound polices on <ul style="list-style-type: none"> • recruiting and retaining the right people • developing and improving professional competencies and skills • recognizing and supporting integrity efforts? • Is staff remuneration comparable to similar public or private sector positions and sufficient to allow a reasonable standard of living? • Have procedures been established that can identify and support staff with financial difficulties? • Are objective and merit-based selection processes employed that identify personal integrity as well as academic or technical competence? • Are procedures in place to ensure appropriate security vetting for potential staff during recruitment, and for existing staff periodically? • Are selection committees impartial and made up of officials from different work areas? • Has a staff transfer or rotation policy been implemented with clear and

	<p>unambiguous rules on the regular movement of staff from high-risk positions?</p> <ul style="list-style-type: none"> • Have all high-risk positions and functions been identified and systems and procedures modified to limit the exercise of official discretion? • Is staff remuneration comparable to similar public or private sector positions and sufficient to allow a reasonable standard of living? • Have procedures been established that can identify and support staff with financial difficulties? • Are appropriate informal and formal training and professional development opportunities provided to build technical competence and promote integrity? • Are the administration's code of conduct and the individual responsibilities of officials regularly reinforced during training and professional development programs? • Has a performance appraisal system been implemented that is fair, regular, monitored, and periodically reviewed? • Are managers and supervisors required to actively manage staff performance and performance issues? • Are managers and supervisors held responsible for the integrity performance of officers under their control?
<p>Morale and Organizational Culture</p>	<ul style="list-style-type: none"> • Are staff encouraged to participate in project teams to identify high-risk areas and suggest changes to existing systems and work practices? • Are staff satisfaction surveys conducted? Are the results analyzed and acted upon? • Are all breaches of integrity dealt with promptly and investigation results made available to staff and the public? • Is the administration willing to undertake a process of self-assessment and participate in international integrity activities and initiatives? • Is customs regarded as a good employer? • Do customs officials take pride in working for customs? • Has effective whistle blower legislation been introduced to protect officials who report corrupt behavior?
<p>Relationship with the Private Sector</p>	<ul style="list-style-type: none"> • Has a client service charter incorporating objective performance standards been established? • Have formal cooperative agreements and practical consultative mechanisms been established to foster open, transparent, productive relationships with the private sector? • Has a joint customs–business task force been established to address integrity issues and identify practical solutions? • Has a communication strategy been developed that supports the prompt provision of information and promotes the achievements of customs? • Are private sector operators encouraged to report incidences of corruption? If allegations are made, are the sources protected?

HEALTH CARE

The health sector is particularly vulnerable to grand and petty corruption in many developing and transition countries and occurs in variety of processes. Procurement of drugs and expensive equipment may include bribery, kickbacks and fraud. Budget allocation to medical facilities can be influenced by favoritism and bribery, resulting in embezzlement and misapplication. Extortion, bribery and fraud are often wide spread within a provider-patient relationship. Another area where corruption occurs is within healthcare providers and insurance or government relations. It includes among others: falsification of insurance documents, illegal billing of insurance companies or the government and falsification of invoice records. In pharmaceutical supply chains, “products can be diverted or stolen at various points in the distribution system; officials may demand ‘fees’ for approving products or facilities for clearing customs procedures or for setting prices; violations of industry marketing code practices may distort medical professionals’ prescribing practices; demands for favours may be placed on suppliers as a condition for prescribing medicines; and counterfeit or other forms of sub-standard medicines may be allowed to circulate.”¹¹ The following guide examines various dimensions of the health care system. The assessment team should also use questions from other chapters if necessary: PUBLIC PROCUREMENT, EDUCATION, and PUBLIC INSTITUTIONS/CIVIL SERVICE.

DIAGNOSTIC AREA	CORRUPTION DIAGNOSTIC QUESTIONS
Provision of Services by Front-Line Health Workers	<ul style="list-style-type: none"> • Are healthcare providers paid wages that are linked to number of patients served and quality of service provided? • Is exceptional performance of healthcare staff rewarded? Is poor performance penalized? • Are wages in the healthcare sector comparable with wages in other sectors? • Is there legislation that regulates separation of public and private practices for healthcare providers? Is it effectively enforced? • Do financial ties to pharmaceutical companies influence doctors to serve the commercial objectives of these companies, thereby compromising the ethical obligations of doctors to their patients? • Do patients have (or have limited) rights to choose their healthcare provider? • Do doctors provide patients with options for treatment/services to choose from? • Is complete and uninterrupted treatment common? • Are health clinics and hospitals properly staffed (no shortage of doctors and other medical staff)? • Are health clinics and hospitals well equipped with medical supplies, equipment, medicine, etc? • Is the theft/diversion of drugs/supplies common at storage and distribution points? • Do health care workers often sell public stock of drugs for private gain? • Are there clear, standardized procedures for signing up for doctor appointments at clinics? Do patients often pay the nurse/administrator to get an appointment? • Is there a clear and transparent distinction between services provided for free and services provided for a fee? • Are the fees for services clearly established and made available for patients? • Are patients charged for drugs or medical supplies that should be free under

¹¹ Global Corruption Report 2006 (special focus on Corruption and Health), Transparency International, 2006. p. xviii

	<p>government provided health care systems or health insurance policy?</p> <ul style="list-style-type: none"> • Do doctors or clinics perform services that are not necessary in order to make a profit? • Are patients often forced to pay the doctor to get prescriptions or referrals? • Are there instances when doctors and other medical personnel insist on informal payments before providing treatments/drugs/surgery to deal with life-threatening medical emergencies? • Are public health care facilities often used to see private patients? • Do patients often receive unnecessary referrals to private practice or privately owned ancillary services? • Are there frequent instances when healthcare workers do not show up to work? • Are patients provided with effective complaint mechanisms?
Healthcare fraud	<ul style="list-style-type: none"> • Are patients billed only for services rendered? • Are patients billed for more expensive services than were rendered? (A doctor performs one service on the patient, but bills for a similar more expensive treatment). • Are patients billed for the supplies or drugs that were actually provided? (For example, a doctor may collude with pharmacist, by prescribing a brand name drug, but having the pharmacist supply the patient with a generic. The insurance is then billed for the brand name drug). • Do drug companies often pay doctors to prescribe their medicines?
Procurement and Management of Equipment and Supplies, Including Drugs.	<ul style="list-style-type: none"> • Does the government often buy high cost, inappropriate drugs and equipment? • Does the government have adequate capacity for managing procurement processes for health commodities? • Do bribes, kickbacks, and political considerations often influence the contracting process? • Does the country have an essential drug list (EDL) and is this list justified? • Is true need considered in equipment procurement and distribution? • Is the quality of drugs and equipment standard? • Are there adequate funds allocated to provide for all need? • Do bribes, kickbacks, and political considerations often influence specifications and winners of bids? • Is the procurement process transparent? Is collusion or bid rigging typical? • Are there incentives to choose low cost and high quality suppliers? • Is there an unethical drug promotion by suppliers or government? • Are suppliers typically held accountable if they fail to deliver? • Are counterfeit drugs readily available? • Is the regulatory process for approval and licensing of drugs transparent? • Are drug inspectors well paid? Are inspections clearly regulated? Are findings made public? • Are there mechanisms in place to ensure drugs and supplies are delivered? • <i>(for additional questions see Chapter on PUBLIC PROCUREMENT)</i>
Regulation of Quality in Products, Services, Facilities, and Professionals.	<ul style="list-style-type: none"> • Are fake drugs often sold on the market? • Is the process for drug approval or registration transparent? • Are there sanitary regulations and are they enforced for restaurants or food production? • What is the quality of health care facilities? Is it low or high? • Do the locations of health care facilities typically correspond to need?

	<ul style="list-style-type: none"> • Does the infrastructure often favor urban areas and elite-focused services?
Education of Health Professionals	<ul style="list-style-type: none"> • Is the application process to medical schools transparent and standardized? • Is the process for selecting candidates for medical training opportunities transparent? • Do medical students often bribe doctors/professors to get qualified? • Are health care professionals competent? • <i>For additional questions see Chapter on EDUCATION</i>
Hiring and Promotion	<ul style="list-style-type: none"> • <i>For additional questions see Chapter on PUBLIC INSTITUTIONS/CIVIL SERVICE</i>

EDUCATION

Corruption in the education sector happens at every level from the ministry down to the classroom. “At the central ministry levels, much of the corruption involves the diversion of funds associated with procurement, construction, and of the funds intended for allocation to lower levels of the system. At intermediate levels of the education bureaucracy, the corruption tends to center on procurement, diversion of money and supplies on their way to the schools, and bribes from educators lower in the system seeking to secure opportunity or avoid punishment. At the school level, corruption tends to center on bribes from parents to ensure student access, good grades, grade progression, and graduation. However, it also takes the form of teacher absenteeism—teachers collect salaries but the intended instruction does not occur. Educators at the school level also can divert funds, school supplies, and sometimes food that the schools received from community or government sources. Headmasters and teachers are also in a position to assess unauthorized fees for real or imaginary services (e.g., paper fees in order to take an exam), create the need for private tutoring, or take salaries for work not actually done.”¹² The guide below discusses most of these issues though additional questions related to procurement and personnel management can be found in the sections: PUBLIC PROCUREMENT and PUBLIC INSTITUTIONS/CIVIL SERVICE.

DIAGNOSTIC AREA	CORRUPTION DIAGNOSTIC QUESTIONS
School Level	
<i>Quality and Quantity of Education and Certification of Examination Results</i>	<ul style="list-style-type: none"> • To what extent is the grading system standardized? Is it subject to wide interpretation and discretion? • Does the teaching staff often sell examination questions, marks, report cards/certificates? • Do teachers often change grades for fees? • Does the teaching staff sell front-row seat in large classes, or accord privileges to certain students whom they accord preferential access to technical equipment, the school library, etc.? • Are students forced to buy certain materials or additional materials? Are they forced to take private lessons or to provide special payments or services? • Does the teaching staff teach only part of the curriculum during regular classes, and the rest in the form of private lessons, which must be paid for by students? • Are teachers’ salaries unreasonably low? • Are salaries linked to performance? • Are teachers paid on-time? • Is absenteeism common among teachers? • Are teachers often absent because of other income-producing work?
<i>Budget and Financial Management</i>	<ul style="list-style-type: none"> • Do budget funds reach the intended school or are they often diverted? • Are schools provided with enough budget funds to support its functions? • Are administrative procedures easy to understand and transparent? Are budgets and financial transactions easily manipulated? • Are clear records kept of school finances? • Does the administration have adequate reporting and documentation

¹² Fighting Corruption in Developing Countries: Strategies and Analysis. – Edited by Bertram I. Spector. Kumarian Press, Inc., 2005. pp. 69-70

	<p>requirements? Do auditing facilities exist? Are local community parliaments and the general public able to exercise control over the financial management of the schools?</p> <ul style="list-style-type: none"> • Who is involved in the process of financial planning and fund allocation? Is the teaching staff involved? Are students and parents, as well as other representatives of civil society? Is enough comprehensible information about the budget and fund allocation given to such parties? • Are external financial watchdogs independent? • Are school enrollment numbers inflated? • Are school fees noted for their intended purpose or often diverted? • Is there a diversion of monies in revolving textbook funds? • Are school supplies and textbooks siphoned off to the local market?
<i>Extra-budgetary funds</i>	<ul style="list-style-type: none"> • Do schools collect funds from parents for school needs in a transparent manner, i.e., providing parents with information on needs and expenditures? Do parents participate in managing extra-budgetary funds? • Are contributions to schools through fundraising transparent? Are contributions open for parents' oversight? Are contributions often diverted? • Are unauthorized fees imposed on students?
School/University Admission	<ul style="list-style-type: none"> • Is the admission and selection process at the schools/universities/colleges transparent and subject to systematic (internal/external) control? Are the "gatekeepers," i.e. the decision-makers, accountable? • Are there adequate information and documentation requirements with regard to selection criteria and concrete decision-making processes? • What is the decision on admission to a school or university, or on whether a student is admitted to the next grade or year of studies based on? If it is based on examinations, how many examinations are required? If it is one, the importance of this examination disproportionately raises the power of those who can influence the outcome. This includes all those who have access to the questions set (administrative staff, invigilators, messengers, printers, etc. in addition to those responsible for setting the questions and marking papers). • Is there a way of contesting decisions or having them reviewed?
Region/District level School Administration	<ul style="list-style-type: none"> • Do inspectors typically overlook school violations for a fee/favor? • Do school supplies reach their intended destination or they are diverted? • Can recommendations for higher education entrance be bought? Do teachers often sell recommendations?
Public Procurement	<ul style="list-style-type: none"> • Is the construction of new school/services in areas of need or does it often benefit someone in the ministry? • Are the rules and regulations on construction and supply contracts transparent? • Are schools required to purchase materials in order to create a market for certain items? • Are the textbooks and supplies procured for schools of sufficient quality to meet education criteria? • <i>For additional questions see Chapter on PUBLIC PROCUREMENT</i>
Personnel Hiring and Promotion	<ul style="list-style-type: none"> • <i>For additional questions see Chapter on PUBLIC INSTITUTIONS/CIVIL SERVICE</i>

PRIVATE SECTOR

A complex, confusing, contradicting, outdated and unreasonably strict regulatory environment for businesses in combination with broad authority and lack of accountability for bureaucrats interpreting the law makes it almost impossible for businesses to operate without being subjected to corruption. When it takes months just to open a business after visiting dozens of governmental agencies, it seems easier to slip envelopes with small bribes to speed up the process. It is often easier and cheaper to deal the same way with dozens of inspectors that are happy to supplement their low salary with rent collected from businesses. Though it is just petty corruption, it is widespread enough, placing thousands of businesses in the shadow economy and millions of dollars in private pockets. Grand corruption in the private sector occurs through buying legislation that favors particular businesses or industries, creates monopolies, and establishes a procurement, tax, customs or privatization regime to please powerful business moguls. The following guide will assist the assessment team in identifying vulnerabilities for corruption in the private sector and to assess corruption prevention measures taken by the business sector itself. Please also use questions from chapters: TAX ADMINISTRATION, PUBLIC PROCUREMENT, CUSTOMS, and PRIVATIZATION

DIAGNOSTIC AREA	CORRUPTION DIAGNOSTIC QUESTIONS
<p>Sector Overview</p>	<ul style="list-style-type: none"> • To what extent is the economy dominated by one industry or a very limited number of major companies? What are these sectors/companies? • What is the percentage of private sector v. state-owned enterprise in the economy? • Is there state ownership of key industries? • What is the ownership structure of the business sector? How widely spread is it, to what extent is it controlled by the state, oligarchs, etc.? • What kind of relationship is there between business leaders and politicians? • Do businessmen typically pay bribes to influence policy and the legal environment? • Do businesses typically buy decisions from politicians? • Do public officials often sell their influence to the highest bidder? • Do business owners often pay fees to public officials to keep their businesses running? • To what extent is the business sector organized into (sectoral or professional) lobbies? Is there a chamber of commerce and/or industry associations? • Are businessmen focused on day-to-day survival due to weak institutions, an uncertain rule of law, and insecure property rights? • Is there formal independence for business to operate in the country? Is the business sector independent in practice? • How well do the government respond to business concerns?

	<ul style="list-style-type: none"> • How well do tax authorities and customs cooperate/coordinate with the business sector? • How well do other governmental and inspecting agencies cooperate/coordinate with the business sector?
<p>Private Sector Regulations</p>	<ul style="list-style-type: none"> • Are there a rational set of laws governing the operations of private business (formation, continuing operations, insolvency, winding up), the protection of property rights, and the enforcement of contracts? Are these laws effective? • Are business rules and regulations clear, reasonable, and not ambiguous? • Are there anti-monopoly policies and procedures to enforce them? • What kind of competition and anti-trust laws govern the business sector? Is it effective in practice? • What kind of banking regulations are in place? Are there anti-money laundering rules? Is money laundering effectively contained in practice? • Is there a reasonable rate of taxation on private businesses? • Is there an efficient system of patents and protection for intellectual property? • What is the extent of privatization activities? • To what extent are newly privatized businesses free from government control in law? In practice? • How are the capital markets structured? What are the rules on liquidity? Transaction volumes and cost? • To what extent is the general public vested in the stock market? How active are shareholders in the country's companies? Other stakeholders? • Is there an efficient and stable set of regulations governing licensing, inspections and audits on business? • Is there an efficient judiciary (and alternative dispute resolution mechanisms) for sorting out contract disputes? • Which aspects of the law cover private sector corruption? Are these regulations applicable under the civil and/or penal code? Are they effective in practice? • Have facilitation payments been eliminated from business practice? Are facilitation payments illegal? Is this enforced? • Are there any (new) draft laws being considered to address the issues raised by high-profile corporate failings or similar scandals? • Are there laws and enforcement mechanisms that ensure accountability of private firms to their shareholders and capital markets? • Are there disclosure laws that compel those in public office to disclose private financial interests? • Are there any significant voluntary anti-corruption initiatives related to the business sector?
<p>Economic Policy and Regulations</p>	<ul style="list-style-type: none"> • Are property rights protected? Does the government expropriate property without appropriate compensation? Are legal contracts honored? • Are business licenses available to all citizens? Is there a complaint mechanism if a business license request is denied? Can citizens obtain

	<p>any necessary business license (i.e. for a small import business) within a reasonable time period and at a reasonable cost?</p> <ul style="list-style-type: none"> • Do tariffs, quotas, and exchange rate restrictions comply with World Trade Organization guidelines or do they restrict competition and create opportunities for corruption? Are there price controls? Do they create opportunities for corruption? • Are there overlapping, ambiguous or excessive regulations that burden business? Are there efforts to simplify regulations? Does the government consult with business to identify and reduce administrative barriers to business development? • Are transparent methods used to sell government assets? Can citizens access the terms and conditions of privatization bids within a reasonable time period and at a reasonable cost? Are all businesses eligible to compete for privatized state assets? Are there conflict of interest regulations for government officials involved in privatization? Are these regulations enforced?
Accountability	<ul style="list-style-type: none"> • What kind of laws/rules govern oversight of the business sector? Are these laws/rules effective? • Is there a registrar of all companies? Who oversees/audits such a registrar? • To whom must the business sector report, in law? Does this accountability for its actions take place in practice? Is the public required to be consulted in the work of business in any way? Does this consultation take place in practice? • What role does the media play in keeping the business sector transparent and clean? • Does the chamber of commerce ever serve as arbiter? Is there another type of special ombudsman for the business sector?
Transparency	<ul style="list-style-type: none"> • Is general data on registered companies available to the public? • What kinds of disclosure rules pertain to corporate boards? • Are there particular transparency requirements related to stock exchange listing? • How transparent is the ownership of business? Investments? • What is the standard of CSR reporting among the business sector? • What about disclosure of company financial records more generally? • What do companies disclose/report relating to countering corruption? • Is there any third party/external verification of such reporting? • Are such reports made available to the public? • To what extent are bribery and corruption cases reported publicly? Who does such reporting?
Complaints/enforcement mechanisms	<ul style="list-style-type: none"> • What kind of whistleblower protection exists in the business sector? • Does whistleblowing occur in practice? To what extent do companies provide advice or hotlines or other channels for whistleblowing, in practice? Does the law succeed in protecting those who blow the whistle? • What significant accusations of corruption have been made against companies in recent years, whether local companies or international companies operating in the country?

	<ul style="list-style-type: none"> • Is there a stock market oversight body (e.g., SEC, FSA) responsible for publicly listed companies? Is it independent? Does it explicitly address bribery and corruption? Can it investigate or sanction those who infringe the rules? • To what extent have regulators successfully targeted and punished business sector corruption? • Are business lobbies in any way accessible to the general public? • To what extent are the public as stakeholders regularly consulted in developing/improving companies' anti-corruption policies and practice? Is the subject of business sector corruption part of public debate? Is the public engaged in any way in reform of the sector? • What is the ability of the business sector to redress concerns in courts of law, regarding decisions by public agencies or for non-fulfilment of contract? Overall, to what extent does law enforcement assist in keeping the business sector transparent and clean?
Corporate Governance	
<i>Corporate Ethics</i>	<ul style="list-style-type: none"> • Do business and professional associations promote ethical standards of conduct? Do they impose sanctions on their members for breach of ethical standards? • Have companies adopted codes of conduct or signed integrity pacts? Have companies vowed not to use secret bank accounts? Is there a register of corrupt firms? • How widely are codes of conduct used? Is there evidence that they are effective? • To what extent do companies have anti-bribery and/or anti-corruption provisions in their codes of conduct? • To what extent is the business sector free from conflicts of interest? cronyism? • Do these provisions generally extend to Boards (or the owner, in the case of family-owned companies)? • Do these provisions generally extend to subcontractors all the way down the supply chain? Are these provisions actively communicated to such subcontractors? • How actively are companies training their employees to take a no-bribery stance, including training in the above codes? • To what extent is there concern with integrity of the private sector? From within the sector? From outside the sector? • Does anti-corruption figure in the corporate social responsibility agenda? In the corporate governance agenda? • Are any companies identified/verified as having (adequate/strong) anti-corruption policies? • Do any sectors or business associations have mandatory anti-corruption rules? • Are there any sectoral anti-corruption initiatives? • To what extent is there compliance in the sector with corporate governance recommendations, such as the OECD standards (on corporate governance and MNEs)? • Have any companies subscribed to the UN Global Compact? If so, how many/which ones?

<p><i>Oversight of Public Companies</i></p>	<ul style="list-style-type: none"> • Is there a financial regulatory agency overseeing publicly listed companies? Is the financial regulatory agency protected from political interference? Does the agency have a professional, full-time staff and receive regular funding? When necessary, does the financial regulatory agency independently initiate investigations and impose penalties on offenders? • Can citizens access the financial records of publicly listed companies? Are the financial records of publicly listed companies regularly updated and audited according to international accounting standards? Can citizens access the records of disciplinary decisions involving publicly listed companies within a reasonable time period and at a reasonable cost? • What measures are in place to ensure financial transparency (e.g., restrictions on corporate entities to hold interests in another corporate entity, restrictions on the number of accounts a company can hold, etc)?
<p><i>Accounting/Auditing Profession</i></p>	<ul style="list-style-type: none"> • Are there statutory rules or codes of conduct that accountants and auditors must observe? Are accountants and auditors obliged to report suspicions of offences to law enforcement authorities? How are allegations against members of the profession investigated? • Does the government involve accountants and auditors in the development of policies aimed at detecting/reporting corruption? • What associations of accountants/auditors exist in the country and what legal status and government recognition do they have? Is there a preeminent association or institute of accountants? If so, how and when was it established? • What is the association membership, distinguishing between members with different types of accreditation (trainees, technician-level members, full professional members, members authorized to undertake audits), residence (in the country, abroad) and occupation (in public practice, working in the public sector, working in industry/commerce, working in the education sector, self-employed, retired, etc)? • Is the association authorized to self-regulate the profession? Does the association conduct its own examination system? If so, at what levels? Is it authorized to grant certificates of accreditation? What accountancy qualifications are necessary for membership? Is the right to audit limited to members of the association? • Does the association of accountants have an Executive Committee? What are its terms of reference, frequency of meetings, and number of members? How are members of the Executive Committee selected? Is the government represented on the Executive Committee? How frequently are elections held or nominations made? • Does the association publish a journal/newsletter? If so, how frequently is it published? • Does the association produce a Members' Handbook? If so, what is included in it? How frequently is it updated? • How is its income derived (subscriptions, government, students, donors etc)? How many full-time/part-time staff, analyzed by functional activity, does the association employ?
<p><i>Accounting and Auditing Standards</i></p>	<ul style="list-style-type: none"> • Who or what institution is responsible for setting national accounting and auditing standards in commercial organizations?

- What is the composition of the standard-setting body? What are the expected qualifications of its members? Is the government represented on the standard-setting body (e.g., by the finance secretary or Accountant General)?
- How is the independence of the standard-setting body guaranteed? To whom is the standard setting body responsible? Who evaluates its effectiveness?
- What accounting and auditing standards has the standard-setting body promulgated or does the accountancy profession recommend? Are the standards compatible with international standards (such as generally accepted accounting principles, IASC pronouncements, IFAC pronouncements, standards set by the INTOSAI)? Are the standards modified to suit the local environment? Are there any inconsistencies or omissions? In what form are the standards available (e.g. handbook, regulations, government gazette etc)? Is there any legislative backing for standards promulgated?
- If accounting and auditing standards are being used, to what entities do they apply? Do exemptions or separate standards apply for some entities, such as small firms or foundations? Are accounting and reporting standards mandatory or voluntary? Is compliance with accounting standards enforced? If so, by whom?
- Is it criminal to falsify or provide incomplete information on accounting documents? Is the destruction or hiding of accounting records subject to sanctions?

BUDGET AND FINANCIAL MANAGEMENT

Public finance and in particular the public budget is an essential area that should be safeguarded from corruption. At all stages of the budgeting process- starting from setting budgeting policies to formulation , approving, amending, and to implementing - opportunities for corruption can arise if mechanisms to prevent it are not embedded and strictly followed. At the budget preparation phase, favoritism, nepotism and bribery can divert public funds from public priority areas to lucrative interests of wealthy and influential groups and individuals. Poor control over spending can lead to large scale embezzlement, funds misappropriation, and fraud. The guide below will take the assessment team through analysis of corruption vulnerabilities at different phases of the budgeting process and assessment of the existing corruption prevention measures.

DIAGNOSTIC AREA	CORRUPTION DIAGNOSTIC QUESTIONS
Budget Clarity	<ul style="list-style-type: none"> • Is the budget system clear and straightforward (not very complex)? Is it transparent? • Is there a clear and comprehensive definition of public money? • Are there budgetary principles, financial regulations and administrative regulations? • Are budget accounting classifications coherent and common to all levels of government? • Is appropriation and spending authority clearly defined? • If secondary budgets exist, are they regulated effectively? • Does the government’s official budget cover all of the government’s fiscal operations? • Is earmarking used reasonably and not excessively? • Are there a reasonable and not excessive number, scope and allocation of subsidies? • Are the main summary indicators of the government’s financial position in the annual budget presentation clear? • Are assumptions underlying budget forecasts included in budget documentation justifiable? • Are estimates for budget expenditure and revenue clear and accurate? • Are explanations for variances between estimates and actual expenditures and revenues published? • Does the budgeting gives preference to maintenance projects and projects in the social sectors rather than to inappropriate and extensive investment projects? • There is no systematic preference for certain ministries in the allocation of budget funds? • Are extra-budgetary activities included in the budget documentation but they are not extensive? • Are unallocated funds, i.e. funds retained at the center for possible contingencies or for allocation in the event that projected revenues are realized, used for national priorities and with top-level approval? • Are fiscal transfers to sub national governments for general and special purposes clearly defined? • Have basic principles of supervision, intervention and audit responsibilities of intergovernmental fiscal relations been established? • Are the authorities and responsibilities for issuing and reporting on

	<p>government guarantees clearly defined?</p> <ul style="list-style-type: none"> • Is the consultation process and decision-making procedures for funds allocated to individual ministries transparent? • Is the budget preparation and monitoring process computerized?
Use of Funds	<ul style="list-style-type: none"> • Is there a limit and are there defined authorities at each level of the administration for transferring funds within the approved budget? • Are there measures that prevent transfers between personnel costs and other subheads of the budget? • Are there rules that specify how unspent budget funds at the end of the fiscal year should be treated? • Are sanctions for overspending established, clear, and enforced universally? • Are persons responsible for spending money legally required to implement management control practices? • Are the dates of outgoing payments for the purchase of goods and services and transfers (e.g. Pension payments) manipulated? Does the issue of payment instructions reflect an unofficial schedule for the payment of arrears? • Are payments made through the banking system? • Are all goods and services ordered approved in the budget? • There are no instances of payments to be made to fictitious staff members, goods and services? • Does the government reconcile and justify to the legislature deviations between budget estimates and actual forward spending estimates?
Accountability - Reporting	<ul style="list-style-type: none"> • Are financial reports (including extra-budgetary funds) required by law from all agencies/funds? • Is the creation and spending of extra-budgetary funds included in the overall fiscal position reported by government? • Are external financial reports required by law to be made available to the legislature, major creditors and the general public? • If external financial reports are required by law to be made available (to the legislature, major creditors and the general public) is the law enforced and are reports submitted on a timely basis, e.g. annual reports within six months of year-end, and within-year reports within one month of period-end? • Do external reports show in sufficient detail whether resources were obtained and used in accordance with the authorized budget, and in accordance with legal and contractual requirements, including financial limits established by appropriate legislative authorities? • Do external reports provide comprehensive information about the sources, allocation and uses of financial resources? • There are no instances that significant categories of public expenditure fall outside the state budget? • Are internal financial reports made on a regular basis (at least monthly) by all spending agencies/funds to the finance ministry? • Do budget managers receive regular periodic reports on their expenditure and their unexpended balances within a reasonable time after the end of each period? • Are performance reports (on physical progress, outputs or outcomes)

	<p>required for all agencies/funds?</p> <ul style="list-style-type: none"> • Are performance reports made available to managers on a timely basis, e.g. annual reports within 6 months of year-end, and within-year reports within 1 month of period-end? • Are performance reports integrated with financial reports?
<p>Accountability – Financial Management</p>	<ul style="list-style-type: none"> • Are the principal accounts of the government (such as cash books, investment records, public debt) maintained with computerized system rather than with manual or mechanized systems? • Is there a sufficient integrated national financial management system to provide reliable information for public decision-making? • Do government entities follow clear procedures for accounts receivable, accounts payable, and for the payment of grants, subsidies, reimbursements, and loans to other government entities, quasi-government enterprises and sub-national governments? • Is there a comprehensive register listing all locations where cash handling occurs? • Are the final accounts produced, audited and tabled in parliament shortly after the end of the fiscal year? • Does the system provide for recording commitments (obligations) as well as cash transactions? • Are the accounting staffing levels, both quantitatively and qualitatively, adequate and are salary levels is sufficient? • Is there adequate skills training for middle and senior management? • Are the reviews of accountants and auditors in public practice sufficient?
<p>Financial Control and Oversight</p> <p><i>Internal Audit</i></p> <p><i>External Audit</i></p>	<ul style="list-style-type: none"> • Is the legal basis for management (internal) control and internal audit well established? • Is there a clear division of competences and coordination between existing internal and external monitoring bodies? • Is there an internal audit or inspection unit in line ministries and/or agency? • Do ministries regularly perform audits of their own budgets? • Is the mandate for internal audit or inspection units complete (financial audit, system audit, procurement audit process, or review of management internal control arrangements)? • Is there a sufficient number of politically and operationally independent external monitoring bodies? • Is there a strong mandate and adequate competencies of the monitoring bodies to detect corruption (especially rights of inspection and information), to identify systemic weak points for corruption, to put forward and monitor recommendations on how to eliminate those weak points, to introduce sanctions, and with respect to cooperation with judicial authorities, possibly local parliaments/parliamentary commissions, and access to the public? • Does the external auditor have authority to audit/clear all public and statutory funds and resources? • Does the audit competence of the monitoring bodies extend to all activities of the state (including parastatal enterprises and recipients of public subsidies)? • Is the capacity and expertise of monitoring bodies sufficient in the

	<p>development and application of monitoring techniques and procedures to detect corruption, including the monitoring of actual expenditure and results (ex post evaluations) and systemic monitoring?</p> <ul style="list-style-type: none"> • Are there sufficient reporting duties, and/or complete, systematic, and timely provisions of financial data by administrations to monitoring bodies, Parliaments and the public? • Are there precautions against corruption within the monitoring bodies themselves? • Are off-budget costs of government programs accounted for and reported by the Ministry of Finance or equivalent? • Is there regular, complete accounting of the existence and ownership of the value of all assets and liabilities of particular agencies?
<p><i>Accounting and Auditing Standards</i></p>	<ul style="list-style-type: none"> • Is there an institution responsible for setting national accounting and auditing standards in government? • Are the composition and qualification of the staff of the standard-setting body sufficient? Is the government represented on the standard-setting body (e.g., by the finance secretary or Accountant General)? • Is the independence of the standard-setting body guaranteed? Is the standard setting body responsible to the legislature? Is there an independent body that evaluates its effectiveness? • Are the standards compatible with international standards (such as generally accepted accounting principles, IASC pronouncements, IFAC pronouncements, standards set by the INTOSAI)? Are the standards modified to suit the local environment? How consistent and comprehensive these standards? Are the standards publicly available in convenient format (e.g. handbook, regulations, government gazette etc)? Is there any legislative backing for standards promulgated? • If accounting and auditing standards are being used, are they applied to all (or majority) entities evenly? If there are exemptions or separate standards that are applied for some entities, such as small firms or foundations, are their defined clearly and applied fairly? Is compliance with accounting standards enforced? If so, by whom? • Is it criminal to falsify or provide incomplete information on accounting documents? Is the destruction or hiding of accounting records subject to sanctions? • Are there sufficient educational and professional standards required for entry into the accountancy profession?
<p>Public Transparency of the Budgeting Process</p>	<ul style="list-style-type: none"> • In practice, is the national budgetary process conducted in a transparent manner allowing for public debate by the legislature as well as input at budget hearings? • Are budget assumptions and drafts publicly available? Are they easy to access? • Is the budget publicly available and in a format that is understandable by the public? Is the level of detail clear enough to see fund allocation? Can citizens access information about specific budget allocations? • Are there pre-budget consultations about budgetary priorities between government and the civil society (the business community, public interest groups, NGOs, labor unions, and farmers' associations)? • At the start of budget preparation, is there a review of budget priorities

by the legislature or a legislative committee?

- Does the legislature undertake independent analyses of the budget?
- Does the legislature hold public hearings on budget priorities?
- Are citizens or civic groups able to participate in budget hearings and present their views and information?
- Does civil society undertake independent analyses of the budget?
- Does the government regularly publish periodic budget execution reports?

PUBLIC PROCUREMENT

Public procurement, like the public budget, presents numerous opportunities for corruption. Large and small amounts of public funds can end up in private pockets through kickbacks, bribery, favoritism, nepotism, and other forms of corruption. Procurement regulations can be created under the strong influence of powerful forces to favor a particular segment of the private sector or industry.

Requirements and criteria for selecting bidders can be tailored to a specific vendor. Poor implementation of the contracts can be overlooked by a bureaucrat in exchange for a favor or bribe.

The following guide suggests a set of questions to examine major aspects of procurement policies and practices that can be prone to corruption.

DIAGNOSTIC AREA	CORRUPTION DIAGNOSTIC QUESTIONS
Procurement regulatory framework	<ul style="list-style-type: none"> • Is there one prevalent law that governs procurement? If yes, are they based on any international model such as the UNCITRAL Model Law? If not, what are the key regulations that govern procurement in the country? • Do the above rules for public procurement require open bidding as a general rule? What proportion of total procurement is subject to open competitive bidding? Do strict formal requirements limit the extent of sole sourcing? • If open bidding is the general rule, are the exceptions regulated in the law? In practice, are the exceptions abused? If it is not, what rules apply in what cases? • Does the law provide rules (weighting evaluation criteria, use of price lists, certified quality standards, awards set by committees, etc.) to ensure objectivity in the contractor selection process? How well do these rules operate in practice? • Does the law provide criteria regarding when contracts can be awarded, such as would govern a competition being closed without awarding a contract? Are such criteria followed in practice? • If there is a local industry protection policy explicit in the contracting rules is it used reasonably and fairly? • Does the law provide for the use of standard bidding documents? Are these used in practice? • Does the law require clarifications and amendments during the bidding process to be shared among all bidders? Does this take place in practice? • Does the law require criteria concerning the modification of awarded/ongoing contracts? Are these criteria followed in practice? • Is there formal operational independence of the public contracting system? • Is the public contracting system independent in practice? • What kind of tender board is in place? Are the tender board members selected on a merit basis? • Is it mandatory to subject contracting processes to the budget and plans of government? Is this done? • Does the law on public contracting include oversight mechanisms (via congress/parliament) to monitor public contracting?
Procurement Practices/Structure	<ul style="list-style-type: none"> • To what degree are procurement regulations properly followed in practice? • To what extent is procurement centralised/decentralised? Is this arrangement consistent with the administrative design of the country?

	<ul style="list-style-type: none"> • Is there a central procurement agency? Are its main functions, such as regulation, supervision, etc. defined clearly? • If there is a central procurement agency, is it funded sufficiently? • If there is no central procurement agency, do agencies that have their own procurement regulations comply with nationally established standards and procedures? • Is there an e-procurement system operating in the country? If yes, what areas does it cover? • Are procurement responsibilities distributed differently in the cases of privatization processes? • Is parliamentary lobbying for the inclusion/exclusion of projects in plans, programs and budgets legally regulated? Is it regulated in practice? • Are technical specifications clear and non-discriminatory between suppliers? • Do instructions to bidders include all the information necessary to prepare responsive bids, such as eligibility requirements, basis of bid, language and currency of bid, the source and date of the exchange rate to be used? • Do invitations to bid state the deadline and place for the receipt of bids and the opening of bids? • Do instructions to bidders clearly explain evaluation criteria? • Is sufficient time allowed to obtain documents and prepare and submit bids? Are requests for clarification answered promptly in writing and sent to all prospective bidders? Are bidders allowed sufficient time to revise their bids following any revision of the documents? • Are evaluations done by committees of appropriately qualified persons? Are bids evaluated solely on the basis of the criteria stated in the documents? Are contracts awarded to the responsive and qualified bidder that meet established criteria? Are contracts awarded without further negotiation? Are procurement decisions made public?
Accountability	<ul style="list-style-type: none"> • If there is a central procurement agency, does it report to legislature? • Is there a periodical contracting plan made publicly available? • Is the use of public hearings mandatory (or a practice) in contracting process? Do they actually take place in practice? If yes, at what stage of the process do they take place? Is there any evidence of their impact? • Are there laws requiring the creation and maintenance of records of procurement? Are change and variation orders, invoices and payments, progress reports, certificates of inspection, acceptance and completion, and records of claims and disputes and their outcome properly maintained? • Is there an institution that is responsible for supervising adherence to procurement regulations? What powers does it have and how effective is it in practice? • Are there appropriate procedures to monitor delivery of goods and services and verify quantity, quality and timeliness? Are contracts generally completed on schedule and within the originally approved contract price, or are time and cost overruns frequent? How often are contracts extended or amended? Are contract changes and variations handled promptly in writing and in accordance with contract conditions? Is there an early warning system for over-expenditures?
Integrity mechanisms	<ul style="list-style-type: none"> • Does the law require staff involved in (different stages of) contracting to have special qualifications, related to their tasks? Are these requirements

	<p>followed in practice?</p> <ul style="list-style-type: none"> • Does the law provide for procurement staff rotation? How does this operate in practice? • Does the procurement law regulate that the staff in charge of offer evaluations must be different from the staff responsible for elaboration of the terms of reference/bidding documents? Does the law regulate that both of the above staffs must also differ from those undertaking any control activities? Are these rules followed in practice? • Do the bidding/contracting documents contain special anti-corruption clauses? If yes, how do these operate in practice? • Does the law/regulation require bidders to have codes of conduct in place and the corresponding compliance mechanisms? Are these requirements followed in practice? • How is integrity upheld in the tender board? • Does the procurement law regulate conflict of interest situations with regard to preparation of the terms of reference and bidding documents, and that apply to bid/offer evaluators? If yes, are these rules followed in practice? • Are there any formal restrictions or criteria for acceptance of gifts by public officials? Are these restrictions/criteria followed in practice? • Are public employees who participate in procurement processes prevented from contracting afterwards with the individuals/companies that participate in such processes? If yes, is this rule followed? • Are there regulations and mechanisms in place that prevent high-level public officials to have an influence over the scope and magnitude of public investment projects?
<p>Transparency</p>	<ul style="list-style-type: none"> • Are public officials in charge of procurement obliged to make periodical affidavits on their assets and income before and after being in office? Are assets, incomes and lifestyles of public procurement officers monitored in practice? • Is the agency that is in charge of keeping such records, and is it adequately resourced for this task and independent? • Are procurement rules laid down in documents publicly accessible? • Does the procurement law establish unrestricted dissemination of invitations to tender and terms of reference in all public contracting processes? Are they disseminated without restriction in practice? • Are procurement award decisions made public? Are the justifications included? • Does the procurement law require the maintenance of registers and statistics on contracts (irrespective of the contracting method)? Are these registers kept? Are they accessible? • Are all relevant contracting process documents accessible to the public? • Does the procurement law require the publication of decisions on changes and adjustments of contracts in execution? Are these decisions published? • Does the procurement law require the publication of the contract implementation monitoring results? Are these results published?

	<ul style="list-style-type: none"> • Are all bids kept unopened until the official opening? Where are bids kept and who has access? Do opening or evaluation procedures differ for goods, works and consultancy services? Are bid openings conducted immediately after the deadline for submission? Can bidders (or their representatives) attend? Are bids read aloud, and are they recorded at the time? Are late bids rejected?
<p>Complaints/enforcement mechanisms</p>	<ul style="list-style-type: none"> • Are there provisions for whistleblowing on misconduct in contracting procedures? Have these provisions proved effective? • Does the law establish which control bodies are responsible for the supervision of activities related to public contracting? Are these bodies an internal or external control? Are these bodies professional and independent in practice? • Do special control mechanisms govern contracts awarded under exceptional procedures? • Is there a procedure to request review of procurement decisions? Is the entity or office in charge of the review independent? Has this procedure been used in practice? • Can an unfavorable decision be reviewed in a court of law? Is this done in practice? • Are companies proved to have bribed in a procurement process excluded from future procurement processes? Is a list of such companies made publicly available? Are there administrative sanctions (e.g. prohibition to hold public office) for criminal offences against the public administration in connection with contracting? Have these sanctions been enforced? • Are actions detrimental to public resources in public contracting qualified as criminal offences? Are there actual cases of prosecution? • Does the law consider civil or social control mechanisms to monitor the control processes of public contracting? What happens in practice? • How successfully has corruption been targeted by the contracting system, as an internal problem? An external problem? • Are there regulations and procedures to settle contractual disputes? Can unsuccessful bidders instigate an official review of procurement decisions and challenge procurement decisions in the courts? Do appeal procedures work in practice? Are companies guilty of major violations of procurement regulations (e.g., bribery) blacklisted and prohibited from participating in future procurement bids?

PRIVATIZATION

The vulnerability of the privatization process to corruption is determined by the legal environment but also practices of its implementation. In most developing and transition countries that undergo privatization - either it is privatization of a multimillion oil production enterprise or lucrative piece of public property or just a tiny apartment – it becomes very vulnerable to corruption ranging from grand to petty levels. Bribery, favoritism, nepotism, kickback – are the most common forms of corruption in the privatization processes. Like in public procurement, corruption can occur in any phase of the privatization, starting from setting overall policies to earmarking objects for privatization, selecting privatization method, establishing criteria and requirements for bidders, and selecting bidders. The following Guide will take assessment team through examining different stages and aspects of privatization process helping to pinpoint the most vulnerable to corruption processes.

DIAGNOSTIC AREA	CORRUPTION DIAGNOSTIC QUESTIONS
Privatization Policies and Institutions	
General	<ul style="list-style-type: none"> • Are there legislation and effective mechanisms to prevent parliament/legislature from being influenced by private sector during privatization processes? Does it work in practice? • Is there transparency in public administration in general? Does the government always make public and transparent decisions? • Does the public at large (including in particular the civil society) have adequate information about government programs, processes and decisions? Are there opportunities for public discussion of government programs and decision making? Are there opportunities for the public and the civil society to participate in the development of privatization strategy and policy, and of the privatization law, institutions and program? • Is there an effective control system (by the parliament, the administration and/or external, independent institutions) for the privatization program? • Are there accountability systems and controls for the politicians and officials involved in the privatization program? • Are there opportunities for the public or for officials to register suspicion of corruption in privatization confidentially or anonymously? • Are there criminal, civil and disciplinary processes against politicians and officials who have become implicated in previous cases or have become otherwise suspect of corrupt behavior during privatization? • Are there effective criminal sanctions instruments and institutions as well as effective enforcement of existing sanctions instruments to investigate and prosecute corruption in privatization? • Are there national rules for the public disclosure of assets, income and potential conflict of interest by politicians and public officials involved in privatization decisions AND are these rules properly enforced? • Is there continued service of politicians and officials in critical positions despite obvious conflict of interest (possibly even despite accusations and/or convictions under previous corruption offences)?
The Privatization Policy	<ul style="list-style-type: none"> • Is there a general privatization strategy and policy? • Was the determination of the privatization policy public and transparent (e.g. adopted or approved by the parliament/legislature)? • Does the privatization policy have the common good as its principal objective rather than a favor to certain domestic or foreign interested parties?

	<ul style="list-style-type: none"> • Is the privatization policy publicly supported, as indicated by the media? • Are the goals and criteria for the privatization program clear, precise and not easily manipulated?
The Privatization Law	<ul style="list-style-type: none"> • Is the preparation of the privatization law public and transparent? • Is the privatization law clear, consistent, and is not open to discretion of the officials administering it? • Does the privatization law appear to have the common good as its principal objective? Or does it appear to favor certain domestic or foreign interested parties?
The Privatization Institutions	<ul style="list-style-type: none"> • Are the Privatization Agency and/or the Share/Trust Fund set up and staffed in a public manner? • Is the leadership and senior staff of the Privatization Agency and/or of the Share/Trust Fund professionally competent and experienced experts in their field? • Are the tasks, powers and authority of the Privatization Agency and/or the Share/Trust Fund clear and/or independent of government? Are the privatization decisions free from politicians influence or pressure? • Is there an adequate internal and external audit? Is there adequate political accountability and control of the Privatization Agency and/or the Share/Trust Fund and/or of their officials?
Individual Enterprise Privatization	
	<ul style="list-style-type: none"> • Are necessary planning and feasibility studies conducted that address regional, sectoral and macro-economic conditions for individual enterprise privatization as well as adequately researched conditions surrounding the placement of the enterprise, which do not allow for subsequent manipulated “modifications”? • Are objective strategic decisions sufficiently supported/justified, including adequately explained (documented) selection of the privatization method? • Are advantages/privileges for national or international bidders (except for those based on legal provisions) adequately explained? • Are the legitimate concerns of employees and managers of the enterprise to be privatized handled responsibly and transparently? • Are there opportunities for the public/civil society to monitor/control the decision to privatize a specific enterprise?
Preparation for Privatization	
	<ul style="list-style-type: none"> • Can procedures and decision making be monitored and controlled by the public? Are decisions on privatizing a specific enterprise made with the necessary planning and feasibility studies on macro-economic, sectoral and regional aspects? Are decisions on privatizing a specific enterprise made at the political level with adequate transparency and accountability? Are the decisions in compliance with laws and privatization rules and regulations? • Is there an adequate justification of proposed investments or physical changes prior to the privatization (which are appropriate): <ul style="list-style-type: none"> ○ any financial strengthening of the enterprise before privatization (by new credit or write-off of old debt) ○ proposed changes in management structure or personnel reduction • Is there an inadequate or missing justification for the decision to relieve the enterprise of any old environmental obligations (“old environmental debt”)

	<p>at the expense of the public?</p> <ul style="list-style-type: none"> • Are demands on the buyer explained and justified regarding: <ul style="list-style-type: none"> ○ Financial investments, ○ Labour protection measures, ○ Social protection programs, ○ The handling/removal of environmental burdens, ○ Continued production and quality of product, ○ Limitation (minimum time) on the subsequent sale or closure of the enterprise • Are decisions about personnel reduction made with the appropriate involvement and protection of the labor force (the degree of affordable protection for the labor force depends of course on the general economic situation in the country)? • Are there adequately explained and justified decisions for one of the several privatization methods or selection of one privatization method even though another one appears superior or more appropriate? • Is there a clear, transparent formulation of the tendering and negotiating conditions? Or does it allow too much room for subsequent interpretation as well as making compliance uncontrollable? • Is the value of the enterprise transparent, explained and market-based? Is there a detailed time plan with interim deadlines and a realistic, enforceable time plan? • In case of Employee or Management Buy-Out: Is there adequate provisioning for the protection against financial, operational and/or management-problems? • Does a conflict of interest exist among one or several of the politicians and officials involved in the process? • Is there sufficient responsiveness to indications of suspicion and violations and to complaints or warnings from the relevant control and audit institutions? • Is the process for selecting Consultants and/or Investment Banks to assist with privatization based on an open, objective and competitive process? Are contracts 'sole-sourced'? • Do financial institutions selected to offer assistance to the privatization process or the newly private enterprise try to influence substantive decisions in an undue manner, such as trying to steer the selection decision to a bidder favored by it?
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Marketing Phase

	<ul style="list-style-type: none"> • Are decisions and justification clear, fully documented and transparent for selection of: <ul style="list-style-type: none"> • the “Strategic Investor”, • the “controlled” rather than the “open” method of tendering, • bidders who are invited to the “controlled” tendering procedure • enterprises to be addressed during the Roadshow (where, when, how publicized etc) • Is there adequate publication of the invitation to tender? Is the invitation to tender in more than publication? Is the text of the invitation to tender clear and informative? • Does the consultant/Investment Bank make major efforts to maximize the
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	<p>number of companies participating in the tendering?</p> <ul style="list-style-type: none"> • Are there realistic deadlines for the participation in the tendering or the auction? Are there conditionalities attached (large cash down-payments, unusual security requirements for the remainder)? • Is there a transparent, clear system for the distribution or sale of vouchers, including clear rules about the rights of the voucher holders – on how to exercise the voucher and how to sell it – as well as a market for the trading in of vouchers? • Are there clear policies and rules about block-building – to what extent is it desirable (to assure effective management for the enterprise) or undesirable (avoidance of mafia-type control structures and influence networks)? • Is there a clear, unequivocal statement about the financial, operational, economic, and management risks of the Employee-Management Buy-Out method?
Evaluation of Tenders, Negotiations and Concluding the Contract	
<i>General</i>	<ul style="list-style-type: none"> • Are bidders successful because of their financial and technical competence? • Are officials/politicians who have previously been suspected of corruption or with a conflict of interest in the transaction, involved in the privatization process? • Are there convincing parliamentary or judicial reactions and corrections to previous accusations of corruption and other abuses of power? • Are apparent violations of the laws and other rules and regulations adequately sanctioned by the public? • Are time limits and deadlines realistic and easily complied with by the interested parties? Are delays in the process explained and documented? • Do officials comply with the rules of the process, or do they allow delayed bids or waive security requirements that favor some but not all of the bidders? • Is there a regulatory institution (regarding the privatization of public services enterprises with monopoly character such as water and sewerage, power supply, telecommunications or transport services)?
Strategic Investor	<ul style="list-style-type: none"> • Is the selection process for the Strategic Investor adequately justified and documented? Are the negotiations for the final contract transparent? • Is the selected Strategic Investor competent, financially, technically and operationally strong, and the most advantageous buyer that the interests of the state would call for? • Are there appropriate financial, operational and social demands upon the Strategic Investor which the value of the enterprise, and its significance for the country's development, would suggest? • Are there adequately dated commitments, security, insurance etc, protecting the compliance by the Strategic Investor with his obligations? • Are there adequate, effective sanctions that enforce timely compliance by the Strategic Investor with his commitments (fulfillment of obligations, contract penalties, liability for damages etc)?
Open or Controlled Tendering	<ul style="list-style-type: none"> • Is the selection/evaluation done in a transparent, adequately justifiable and documented fashion for: <ul style="list-style-type: none"> ○ the “controlled” over the “open” tendering method; ○ bidders which are invited to the “controlled” tendering; ○ the competing bids (separately for the quantitative and qualitative elements); and selection of the “most advantageous”

	<p>or “best” offer?</p> <ul style="list-style-type: none"> • Are evaluations of bidders’ offers unfounded-positive or superficial? • Is the financing plan of the bidder for his acquisition transparent, adequately documented and secure? • Is non-transparent, unjustified favoring of one of the bidders a common/frequent outcome of the evaluation?
Auction	<ul style="list-style-type: none"> • Is the assessment of compliance with pre-qualification requirements before the auction transparent, adequately justified and documented? • Is the auction process transparent and adequately documented? Does the system assure equal and fair treatment for all bidders?
Voucher System	<ul style="list-style-type: none"> • Is the voucher system transparent, clear and easy to understand? • Are there control and sanction opportunities to assure the desired broad distribution of vouchers and preclude manipulated/corrupt assignment of vouchers? • Is block-building (and thus potential control over the enterprise by mafia-type powers and networks) allowed?
Monitoring of Privatization Process	
	<ul style="list-style-type: none"> • Is there an adequate and reliable control system in place? • Is there parliamentary control and oversight? Is it enforced? • Is there follow-up to suspicion or accusations of corruption? • Is the state or public interested in identifiable or anonymous accusations of corruption? • Does the public and/or civil society have access to documents and information held by the control and audit institutions, and to their proceedings? • Are whistleblowers encouraged and protection systems and procedures in place for whistleblowers? • Are there audit requirements? Is an audit system in place? Are audits performed on a timely basis and are there consequences for poor performance? • Is the audit report adequate and published in a timely manner? • Does a critical audit report make an impact (i.e. reaction by the legislature, the country’s Court of Audit, the judicial authorities and/or the administration)?

NOTES

¹ The following sources were used to develop Diagnostic Probe Guides:

1. Corruption in the healthcare sector, CORIS Website at <http://www.corisweb.org/article/articlestatic/41/1/283/>
2. Customs Modernization Handbook, Luc De Wulf and Jose B. Sokol, eds., The World Bank, 2005.
3. Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ). – Avoiding Corruption in Privatization: A Practical Guide, Eschborn 2005.
4. Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ). - Preventing Corruption in Public Finance Management: A Practical Guide, Eschborn 2005.
5. Global Corruption Report 2006 (special focus on Corruption and Health), Transparency International, 2006. http://www.transparency.org/publications/gcr/download_gcr
6. Fighting Corruption in Developing Countries: Strategies and Analysis. – Edited by Bertram I. Spector, Kumarian Press, 2005
7. Judicial Transparency Checklist: Key Transparency Issues and Indicators to Promote Judicial Independence and Accountability Reforms, Keith Henderson, Violaine Autheman, Sandra Elena, Luis Ramirez-Daza and Carlos Hinojosa, IFES, 2003.

8. Managing Government Expenditure, Salvatore Schiavo-Campo and Daniel Tommasi, 1999
9. National Integrity System Country Studies: Questionnaire Guidelines, Robin Hodess and Marie Wolkers, Transparency International, 2005.
10. Tools for Assessing Corruption & Integrity Institutions: A Handbook, Dr. Anthony Lanyi and Dr. Omar Azfar, The IRIS Center (under contract with USAID), 2005.
11. Transparency International Global Priorities. - http://www.transparency.org/global_priorities
12. U4 Anti-Corruption Resource Center at <http://www.u4.no/themes/health/main.cfm>

Annex 4: Brief Review of Existing Corruption Indicators and Assessment Approaches

This review of existing corruption indicators and assessment frameworks highlights the richness and diversity of thinking in this field over the past few years. Each approach discussed below was designed to fulfill the purposes of its developer or sponsor. However, if program managers and analysts understand the strengths and limitations of these indicators and frameworks, they can apply them reliably to assess corruption trends in their countries of interest. More information is available on the web concerning each of these approaches.¹³

Review of Corruption Indicators

Table 1 presents a comparison of five major corruption indicators that are often referred to in the literature.¹⁴ Two are produced by the World Bank, one by Transparency International, one by PriceWaterhouse Coopers, and one by the Center for Public Integrity. While they all purport to measure the same phenomenon – corruption levels in general – a closer analysis demonstrates that each is best used to measure a different dimension of the corruption problem due to its methodological origins.

If interested in **assessing transparency and openness in government**, the **Opacity Factor** is the most appropriate measure. It measures how open and accessible government procedures and institutions are from multiple perspectives.

If interested in **assessing public awareness and perceptions** about corruption in general, the **Corruption Perception Index** is appropriate. It measures how serious, pervasive and visible corruption is believed to be in a country due to media coverage, political discussion, actual increases in corruption, or increases in anti-corruption interventions.

If interested in **assessing the extent of undue influence of business interests** over government decisions and policy, **State Capture Index** is the appropriate measure. It tracks expert assessments of corruption from the point of view that the private sector is often the initiator of the corrupt transaction. It also accesses measurement of the corruption phenomenon at a fundamental and systemic level.

If interested in **assessing the development of good governance procedures and institutions**, **Control of Corruption Index** is the most appropriate indicator. It measures the extent to which anti-corruption initiatives have been effective and the degree to which governments have developed mechanisms to reduce or manage corruption so that it remains under control.

¹³ Other indicators and approaches do exist that are not included in this review, such as the World Bank's Business Environment and Enterprise Performance Survey (BEEPS) and the World Bank's Country Policy and Institutional Assessment. Some were excluded because they cover only particular geographic regions and others because the data or methodology are not publicly available.

¹⁴ For a more detailed analysis of these indicators, see Bertram Spector and David Duong (2002) "Handbook on Using Existing Corruption Indices," Washington, DC: Management Systems International (under contract to USAID/E&E).

Table 1. Comparison of Several Existing Corruption Indicators

	Opacity Index	Corruption Perception Index	State Capture Index	Control of Corruption Index	Public Integrity Index
Author	Pricewaterhouse Coopers and Kurtzman Group (www.opacityindex.com)	Transparency International (www.transparency.org)	World Bank and EBRD - Business Environment and Enterprise Performance Survey (www.ebrd.com/pubs/econo/beeps.htm)	World Bank Institute Governance Indicators (http://info.worldbank.org/governance/kkz2004/)	Center for Public Integrity (www.globalintegrity.org/default.aspx?act=13)
What is measured?	The existence of corruption and lack of clear, accurate, formal, easily discernible, and widely accepted practices in the legal, economic, accounting, and regulatory systems	The degree to which corruption is perceived to exist among public officials and politicians	The extent to which businesses seek to buy legislation, political parties, and court decisions to gain undue influence	The extent to which corruption is controlled through governance procedures	The existence of public integrity mechanisms, including laws and institutions that promote public accountability and limit corruption; the effectiveness of these mechanisms; the access that citizens have to public information to hold their government accountable
How do you read the scale?	0 = most transparency 100= most opacity	0 = most corrupt 10 = most clean	0 = least affected by state capture 1 = most affected by state capture	-2.5 = least control over corruption 2.5 = most control over corruption	Very Strong (90-100); Strong (80-90); Moderate (70-80); Weak (60-70); and Very Weak (Below 60).
Country coverage	35 countries (2001) 48 countries (2004)	More than 150 countries	26 countries in Central Eastern Europe and NIS	209 countries (2004)	25 countries
Timeline data	2001 and 2004	Annually since 1995	1999 and 2002	1996, 1998, 2000, 2002, 2004	Early 1990s through 2003
Data source	PWC's own survey of economic elite and expatriates; aggregates data from several organizations	Aggregates several surveys of other organizations	World Bank's own survey	Aggregates several surveys of other organizations	In-country experts and peer review panel
How valid and reliable is the index?	Moderate: <ul style="list-style-type: none"> Limited sampling Measures perception Multidimensional 	Low: <ul style="list-style-type: none"> Methodological problems Measures perception Unidimensional 	High: <ul style="list-style-type: none"> Large sample Measures behavior Multidimensional 	Moderate: <ul style="list-style-type: none"> Methodological problems Measures perception Multidimensional 	Moderate-High: <ul style="list-style-type: none"> Limited number of countries and data points

If interested in **understanding if the preconditions for anticorruption programs exist** in a country, the **Public Integrity Index** is the most appropriate indicator. It measures the extent to which integrity mechanisms are already in force that are typically required to mount a comprehensive anticorruption program.

Trends and the most recent data may be found on the web. While each index has its shortcomings, if data is available longitudinally across appropriate time frames, they may be useful in interpreting the impact of particular anti-corruption initiatives and progress toward reducing the problem of corruption. Caution must always be taken when using any of these indicators to infer the effects of anti-corruption programs.

Review of Corruption Assessment Approaches

Table 2 provides a quick comparison of the strengths, weaknesses and lessons learned for USAID from a wide variety of assessment approaches.¹⁵ Several insights can be drawn from the assessment comparisons in Table 2.

1. The four categories of assessment approaches have strengths and weaknesses. The self-assessment is quite popular within regional arrangements and international organizations; however, there is a strong potential for bias in their results. Alternatively, the external/peer assessment approach and the aggregate data approach offer a greater likelihood of objectivity. The large sample surveys provide an element not present in the other approaches – citizen participation.
2. Data collection is a doable and practical exercise across all approaches. Many approaches provide a good and detailed set of questions and checklists that are usually focused on particular sectors or functions. However, the basis of these questions varies across approaches, some based on logic, some on theory, and some on best practice. If these questions and checklists can be integrated in accordance with an acceptable analytical framework, it would yield a unique resource for corruption assessment. But none of these approaches offer a definitive and objective measurement tool of corruption, anti-corruption efforts, or key situational factors that impact corruption. Most measurement approaches resort to expert evaluations, perceptual data, and reviews of laws and procedures. The most systematic approaches use checklists to make measurement more consistent and comparable.
3. In general, the assessment results from each of the approaches provide a useful map of what exists and where the gaps and deficiencies lie. However, most do not provide a sense of priority concerning the gaps and what might be done to fill those gaps.
4. It is difficult for these assessment frameworks to directly link deficiencies identified with appropriate remedies. However, this has been accomplished, on a departmental-level, in the Integrity Development Review (IDR) using an analysis of best practices to associate identified deficiencies with the next best initiative or reform.

¹⁵ For a more detailed analysis of each assessment tool, refer to *Development of a Corruption Assessment Framework and Methodology: Review of the Literature, Development Experience and Existing Methodologies for Corruption Assessments*. Washington, DC: Management Systems International. January 10, 2005.

5. Most of the approaches monitor and diagnose the state of core governance practices at the central level and do not examine subnational problems or sector-specific governance practices, for example, in the health, education, food security, or environmental areas. The survey approaches seem to be best suited to probing sectors and local government levels.
6. Few assessment approaches focus on grand corruption or state capture. The exception is the Open Society Institute EU Monitoring and Advocacy Program (OSI EUMAP) approach, which asks more probing questions in this regard.
7. USAID corruption assessments have found a way to compare alternate stakeholder perspectives and to produce useful information concerning the amorphous notion of political will by assessing the broader concept of “anti-corruption readiness.” Moreover, they have been able to probe more deeply into sectors than some other approaches.
8. Some of the approaches focus on monitoring the clearly observable, whether laws, institutions, regulations and procedures exist. These are considered prerequisites for good governance and supportive of an anti-corruption regime. However, only some of the approaches attempt to measure whether these laws, institutions, regulations and procedures are operational and implemented. It is critical to assess not only what exists “in law” but to evaluate what exists “in practice.”
9. Multi-method approaches appear to be more effective in diagnosing the situation. They uncover multiple perspectives and can probe into a variety of sectors. From an efficiency perspective, these multi-method approaches can be engineered in a staged fashion, first, monitoring broad trends through existing indicators; second, completing quick checklists that identify areas of greatest vulnerability and risk; and third, prioritizing in depth diagnostic activity in particular sectors or at particular levels of government.
10. Most approaches do not distinguish between differences in the development contexts of countries and how that might influence corruption profiles, corruption risks and the utility of various possible interventions. Generally, approaches are missing evaluations of (a) institutional capacity to prevent/control corrupt practices and conduct anti-corruption programs, and (b) the political and economic dynamics in a country, that is, the political forces and economic incentives that facilitate or inhibit corruption. . Such an examination would entail, at a minimum, looking at the kind of regime in place (for example, consolidating democracy, late nation-builder, retreating democracy, consolidating authoritarian, or re-integrating state); the unity and capacity of the government (including a look at factions, constituent bases, and patron-client networks); and the people and groups who control specific institutions (for example, is the Justice Minister a relative of the president, or from a rival faction of the governing party?) It also would include looking at any openings for reform, such as a scandal causing pressure for change in some areas, a politician pledging specific reforms, an economic crisis, or external pressure (such as the IMF or World Bank).

Table 2. Assessment of Existing Corruption Assessment Approaches¹⁶

Approaches	Key Characteristics	Lessons Learned
Self-Assessment Approaches		
ADB/OECD Stocktaking Reports	<ul style="list-style-type: none"> • Helps identify gaps where Action Plans are needed • Facilitates cross-country comparisons • Does not assess whether past activity has been implemented successfully • No prescribed methodology on how to conduct monitoring • No validation of self-reporting • Primarily legal and institutional focus 	<ul style="list-style-type: none"> • Gaps directly point to remedies • Need for common monitoring methodology to assure consistency
UNDP CONTACT	<ul style="list-style-type: none"> • Very comprehensive checklists based on best practices • Primarily financial management focus 	<ul style="list-style-type: none"> • Measures highly targeted sub-sectors in depth
OECD Survey of Prevention	<ul style="list-style-type: none"> • Measures existence and effectiveness of control mechanisms, as opposed to corruption 	<ul style="list-style-type: none"> • Usefulness of focusing on institutional prerequisites
OECD Trust in Government	<ul style="list-style-type: none"> • Measures existence and effectiveness of variety of ethics programs/mechanisms 	<ul style="list-style-type: none"> • Usefulness of focusing on ethics policies and practices
Integrity Development Review (developed by Development Academy of the Philippines)	<ul style="list-style-type: none"> • Multi-method approach for monitoring • Extremely detailed checklists for variety of governance domains • Geared to monitor one government agency at a time; can be used at central or local levels 	<ul style="list-style-type: none"> • Multi-method approach for monitoring is preferable where practical • Checklist and vulnerability assessment highlight specific remedies to yield improvements
OAS Follow-up Questionnaire	<ul style="list-style-type: none"> • Monitors existence and adequacy of legal frameworks • Focused on compliance with international convention 	<ul style="list-style-type: none"> • Produces social pressure to comply
External and Peer Assessment Approaches		
TI National Integrity System	<ul style="list-style-type: none"> • Deals with major governance institutions and sub-sectors • Clearly delineates between what exists on paper versus what is implemented 	<ul style="list-style-type: none"> • Clear indication of what reforms exist in practice is essential • Developing comprehensive picture of governance structure is critical
GRECO Peer Evaluations	<ul style="list-style-type: none"> • Focuses primarily on compliance with EU and COE conventions 	<ul style="list-style-type: none"> • Creates peer pressure to improve anti-corruption standing
OSI EUMAP	<ul style="list-style-type: none"> • Focus on legal policies and institutional structures • Yielded more information on grand corruption and state capture 	<ul style="list-style-type: none"> • Questions probed further than most into grand corruption and state capture
Public Integrity Index	<ul style="list-style-type: none"> • Focus on anti-corruption mechanisms in law and in practice 	<ul style="list-style-type: none"> • Data is gathered and displayed in systematic fashion to facilitate comparison

¹⁶ For more detailed information on each of these approaches, please refer to *Development of a Corruption Assessment Framework and Methodology: Review of the Literature, Development Experience and Existing Methodologies for Corruption Assessments*. Washington, DC: Management Systems International. January 10, 2005.

USAID Country Assessments	<p>Emphasis on political will and institutional capacity</p> <ul style="list-style-type: none"> • Offers ability to compare alternate stakeholder perspectives on situation and potential reforms • Usually conducted with multi-method approach 	<ul style="list-style-type: none"> • Readiness is a key concept that incorporates political will, but goes beyond it to incorporate available resources, capacity and demonstrated intent • Comparison of stakeholder interests/capacities is critical in making recommendations •
USAID/E&E TAPEE	<ul style="list-style-type: none"> • Conceptual framework based on program categories • Useful for developing programs once focus areas have been selected • Unclear how to operationalize the framework to conduct an assessment 	<ul style="list-style-type: none"> • Framework naturally orients assessor to thinking about program options
Aggregate Data Approaches		
WB Governance Indicators	<ul style="list-style-type: none"> • High level of aggregation makes diagnosis rather abstract based on indicators alone • Indicators can be several years out-of-date 	<ul style="list-style-type: none"> • If data is up-to-date, indicators can serve as first cut on where vulnerabilities lie and where additional detailed diagnosis is required
Large N Survey Approaches		
Three-Pronged Surveys (World Bank Institute)	<ul style="list-style-type: none"> • Provides sector-by-sector information • Three prongs produce useful comparison across key stakeholders • Perceptual data is often criticized as not reflecting reality of situation, but popular image • Surveys can be expensive and can take a long time to conduct 	<ul style="list-style-type: none"> • Survey instrument is efficient for delving deeply into particular sectors • Useful information for assessing political will and readiness of stakeholders
Social Audits and Report Cards (developed by CIETInternational, World Bank and others)	<ul style="list-style-type: none"> • Provides detailed access into corruption processes within particular sectors • Perceptual data may not reflect reality 	<ul style="list-style-type: none"> • Useful in generating sector-specific diagnoses • Useful in developing local ownership of assessment results and future anti-corruption programs

Annex 5:

Annotated Outline for Legal and Institutional Framework Report: The Prerequisites for Fighting Corruption

1. ANTI-CORRUPTION INSTITUTIONS AND PROGRAMS

1. *For the following kinds of institutions, provide brief information on their mandate, levels of independence, capacity and effectiveness:*
 - Does it have a mandate to **establish national anti-corruption policy** (anti-corruption commission/agency/committee)?
 - Does it have a mandate to **coordinate/lead implementation** of the national program/action plan?
 - Does it have a mandate to provide **oversight** concerning the implementation of the program/action plan?
2. *If there is a national **anti-corruption strategy/program/action plan**, please provide the following information:*
 - Year it was adopted, implementation period, major areas it address, and major components
 - What are the specific milestones/benchmarks and performance indicators?
 - Who are the implementers?
 - Are specific actions defined, implementers assigned, and implementation terms, expected results and outcome indicators defined?
 - Does the strategy/program/plan extend to the regional and local levels? Do regions and municipalities have anti-corruption strategies/programs of their own?

2. ENFORCEMENT LEGISLATION AND INSTITUTIONS

Please provide the following information:

- **Laws** that address corruption (anti-corruption law; criminal code; civil code; civil service code; laws on money laundering, asset recovery in corruption cases, and witness protection, etc.) - provide their exact names, registration numbers and dates they were passed. How do these laws define corruption? What kinds of specific misconduct are defined as illegal by legislation or as misconduct (eg., extortion, bribery, indirect bribery (using an intermediary), kickback, embezzlement, nepotism, clientelism, influence peddling, speed money, attempted bribery, partiality in official decision-making, using public resources for private gain, using confidential state information for private gain, money laundering, non-disclosure of information, inaction of the civil servant, other – please describe)? What punishment does the legislation indicate for corruption?
- **Institutions** that have a mandate **to enforce** anti-corruption legislation (investigation and prosecution, including the courts). Please describe their mandate, levels of independence, capacity and effectiveness.
- **Institutions** that have a mandate **to oversee** enforcement of anti-corruption legislation. Please describe their mandate, levels of independence, capacity and effectiveness.

3. CORRUPTION PREVENTION LEGISLATION AND INSTITUTIONS

Please provide brief information for each of the following corruption prevention mechanisms. Information should include:

- **legislation** that address these mechanisms – name of the laws, how long they were in existence, and how comprehensive, enforceable and effective they are;
 - **institutions** that have a mandate to implement and/or oversee this legislation – name of the institutions, their mandate, levels of independence, structure, authority, capacity, and effectiveness.
1. Conflicts of interest for public officials
 2. Asset disclosure for public officials and political candidates
 3. Ethics standards for public officials and civil servants
 4. Whistleblower protection (protection for people who report cases of corruption)
 5. Lobbying of public officials
 6. Ombudsman office
 7. Accounts Chamber/Inspector General
 8. Legislature/Parliament mandate to oversee anti-corruption efforts
 9. Public hiring, promoting and appointing policies
 10. Levels of immunity of elected or senior executive public officials from being prosecuted
 11. Citizen access to public/governmental information (freedom of Information)
 12. Citizen access to meetings of the government (legislature and executive) and its commissions (sunshine laws)
 13. Political party funding and expenditures
 14. Election and Electoral Commission
 15. Business regulatory environment
 16. Public financial management systems
 17. Audit of public accounts
 18. Legislature/Parliament mandate to oversee budgets and expenditures
 19. Public procurement

4. NON-GOVERNMENTAL PARTICIPATION

Please provide the following information:

1. What **civil society organizations** are involved in anti-corruption activities? What are the most typical activities of these civil society groups? Have these organizations initiated actions that have had an impact on government policy? Please provide examples. What is the capacity and resources of these groups? How do they coordinate their activities among themselves?
2. Are laws in place that protect the **mass media**'s right to investigate cases of corruption? Are laws in place that inhibit the media's ability to investigate cases of corruption (for example, libel laws)? Do "gag laws" exist that restrict media reporting on corruption?
3. How active and mobilized is the **business community** to fight corruption? What are the major groups within the private sector that demonstrate an interest in addressing corruption? How effective are they? Have any professional groups formed associations to promote ethical practices or standards of conduct among their members? Do any independent watchdog organizations exist to monitor business practices? If so, to what extent over the past year have these business organizations actively monitored government or engaged in dialogue with government about corruption issues?

Annex 6: Review of Existing Anti-Corruption Toolkits

Several compendia of anti-corruption techniques have been compiled that describe how such tools have been applied in different countries with varying effect. These “toolkits” provide users with a range of program options and case study accounts that can prove helpful in designing new anti-corruption programs. Once the assessment team has identified the vulnerabilities in depth, it would be useful to review these toolkits to consider appropriate anti-corruption responses. These toolkits are available on the web.

1. United Nations Office on Drugs and Crime (UNODC): [Anti-Corruption Tool Kit](http://www.unodc.org/unodc/corruption_toolkit.html)
(http://www.unodc.org/unodc/corruption_toolkit.html)

The Anti-Corruption Tool Kit has been prepared by the United Nations Global Programme against Corruption (GPAC). The purpose is to suggest measures used successfully by other countries in their efforts to uncover and deter corruption and build integrity.

Part 1 is a general introduction to what the tool kit covers, how to use it, forms of corruption, and lessons learned. The challenge is to find combinations or packages of tools that are appropriate for the task at hand, and to apply these tools in the most effective possible combinations and sequencing. A guide to help decide on the right combination and sequencing of tools is given in the general introduction.

Part 2 gives a general description of institution building followed by suggestions of anti-corruption strategies for reforming government institutions. The first three tools deal with the process and assessment of the problem to be resolved, and what tools (policies, infrastructure, measures) are available to deal with the problem. Each tool in the tool kit is summarized. Parts 3-8 cover tools for prevention, public empowerment, enforcement, anti-corruption legislation, monitoring and evaluation, and international judicial cooperation.

You can download the entire UN [Tool Kit](#) as a pdf -file. However, the file is very large and it is recommended that you download it chapter-by-chapter from the web page.

2. Transparency International: The Corruption Fighter's Tool Kit
(http://www.transparency.org/tools/e_toolkit)

The Corruption Fighter's Tool Kit shares experiences of TI's national chapter programs, best practices, and lessons learned. The aim is to foster discussion, spark ideas, and inspire those fighting corruption around the world. The tool kit presents cases of anti-corruption activities that can be replicated or adapted by civil society groups in other countries. Emphasis is on empowering civil society to engage both the public and private sectors.

The reader will find detailed descriptions of the stages of implementation, positive and negative results and lessons learned. The tool kit covers activities ranging from reform of the judiciary to corruption control in public procurement. For brief overviews of tools, Fact Sheets provide a concise summary of more detailed information.

The publication highlights the potential of civil society to create mechanisms for monitoring public institutions and to demand and promote accountable and responsive public administration. At present, the Corruption Fighters' Tool Kit includes 46 tools. The special edition for 2004, *Teaching Integrity to Youth*, includes 11 additional tools of youth anti-corruption education and provides many illustrations, cartoons and photographs which accompany the text.

3. Transparency International Sourcebook 2000 – Confronting Corruption: The Elements of a National Integrity System
(<http://www.transparency.org/publications/sourcebook>)

The Sourcebook provides discussions of anti-corruption tools used for institutional, legal and procedural reforms. It starts out by reviewing the challenges of promoting and establishing national integrity systems. The second section deals with the institutional pillars of national integrity systems and examines them in terms of their roles and the necessary preconditions of independence and accessibility that enable them to discharge their functions effectively. The “pillars” include government, the media, the private sector and civil society. The third section looks at the tools – the rules and practices which the institutional pillars need to have at their disposal. It discusses not only bureaucratic practices and the enforcement of laws, but also the need for more broadly based reforms. A fourth section gives a short overview of the lessons learned to date in the global fight against corruption. A fifth section provides a compilation of emerging best practice.

4. Transparency International: Anti-Corruption Handbook (ACH): National Integrity System in Practice (http://www.transparency.org/policy_and_research/ach)

The ACH is a practical guide which aims to assist the process of designing and applying anti-corruption measures – from legal reform to institution-building. Intended as a one-stop reference for practitioners around the world, it provides a unique and up-to-date overview of key reform elements, developing guidelines for their effective implementation illustrated by examples of good practice. The ACH is based on TI's National Integrity System approach to countering corruption, which offers a framework for assessing the adequacy and effectiveness of national anti-corruption efforts. The ACH seeks to build on this approach, addressing the key elements of anti-corruption reform in a useful and practical way. The Handbook features key measures for tackling corruption grouped into six main areas: country strategies and policies, oversight and control bodies, the public sector, the political system, the legal system, and non-governmental actors.

5. **Independent Commission Against Corruption, New South Wales, Australia: Tools for Building Corruption Resistance**
<http://www.icac.nsw.gov.au/index.cfm?objectid=EF3066-9990-4A22-F1493C9E95F3C5DE>

These tools are designed to help government agencies increase their corruption resistance. The following components are available online:

- [Do-It-Yourself Corruption Resistance Guide](#) (2002). The guide sets out benchmarks for key corruption resistance measures and lists resources that can help agencies achieve them.
- [Fighting Fraud: Guidelines for state and local government](#) (2002). Fraud threatens the ability of agencies and councils to carry out their functions. These guidelines look at ways of responding to fraud through risk assessment and management, prevention and detection strategies, thorough investigation and appropriate follow up action.
- [Fighting Fraud Checklists](#) (2002). The checklists cover: fraud prevention, job monitoring, transaction monitoring, investigating fraud and discovered fraud management.
- [Recruitment and Selection: Navigating the best course of action](#) (2002). This publication aims to guide public sector officials towards the best course of action in situations where the integrity of a recruitment and selection process may be compromised.
- [Codes of Conduct: The next stage](#) (2002). This publication looks at how to make codes of conduct more effective. Steps include: reviewing your code, how to structure a good code of conduct, and how to implement your code successfully.
- [Fact-Finder: A 20-step guide to conducting an inquiry in your organization](#) (2003). This guide will help you to carry out a fact-finding inquiry on behalf of your agency. It provides an overview of the fact-finding process and covers the generic matters that you need to know about during an inquiry.
- [The First Four Steps](#) (2001). This quick guide tells you what organizational integrity is, how it can benefit your organization and how you can take the first four steps towards achieving organizational integrity in your agency.
- [Corruption trouble-shooting \(2001\). Lessons learned about identifying and dealing with corruption hot spots.](#) It suggests actions that management can take to overcome these risk areas and lists resources that they can use.

6. GTZ: Literature Reviews on Key Anti-Corruption Areas and Tools
(<http://www.gtz.de/en/themen/politische-reformen/korruption/6259.htm>)

GTZ sponsored the development of literature reviews and practical manuals on major corruption vulnerabilities and techniques. The goal is to "mainstream" corruption prevention. Key activity areas include:

- Advising on good governance with emphasis on avoidance and prevention of corruption in public administration, public finance, law and justice, gender, and in the public domain, e.g. in health, education and social services
- Advising on the distribution of public goods and resources such as land and water, and privatization processes.

7. Utstein Anti-Corruption Resource Centre (www.u4.no)

- The U4 Utstein Anti-Corruption Resource Centre is a web-based resource center in the field of anti-corruption that shares lessons and experiences about practical

8. World Bank Institute: Governance and Anticorruption Knowledge Base
(<http://www.worldbank.org/wbi/governance/index.html>)

This WBI website offers a wealth of data sources, research papers, and diagnostic tools for anticorruption assessments.

9. Organization for Economic Cooperation and Development (OECD): Anti-Corruption Toolkit -- Anticorruption Legislation: Amnesties, Money Laundering, Burden of Proof, and Whistleblower Protection
(<http://siteresources.worldbank.org/INTLAWJUSTINST/Resources/aclawissues.pdf>)

To promote compliance with new anticorruption measures, some countries have experimented with provisions that forgive past offenses. Others have enacted new laws 1) banning money laundering, 2) requiring officials accused of corrupt behavior to explain the sources of their wealth, and 3) protecting public servants who disclose the corrupt acts of other government workers. This anticorruption toolkit from the OECD discusses the issues raised by each of these initiatives and includes examples and case studies of how such provisions have been implemented.

Annex 7: Anticorruption Case Data Base Tool

A new compendium of international experiences applying anticorruption techniques has been compiled in the Anticorruption Case Data Base. It contains 74 cases from countries in all regions and can offer ideas and guidance to an assessment team on anticorruption programs that might be successful in the targeted country.

The cases have been compiled from the available literature and have been coded in terms of the country's corruption syndrome, the type of interventions implemented, the sectors in which the interventions were carried out, and the outcome of the intervention. Users can search for and select cases from an easy interactive query page. The output page lists all cases that satisfy the selection criteria, the outcome of each of these cases, and a hyperlink to the narrative report on the case. Over time, it would be beneficial for USAID to maintain and update this data base.

Annex 8: Corruption Assessment Report: Annotated Outline

List of Acronyms

Executive Summary

- a. Two paragraph description summarizing current status of corruption and anti-corruption efforts in the country, including a forward-looking perspective of likely trends.
- b. Brief discussion of the country's corruption syndrome, including how corruption manifests itself and implications of the syndrome for reform programs that are likely to be effective.
- c. Summary description of the primary causes of corruption in the country and a discussion of opportunities and obstacles for change.
- d. Description of the anti-corruption strategic outlook and direction, identifying the core strategies and associated implementing strategies.
- e. Recommended program options to fight corruption described sector-by-sector, including cross-sectoral options that cut across sectoral programs.
- f. Suggested starting points for USAID anti-corruption programming, including priority recommendations for program options that can be accomplished quickly and are likely to yield effective results.

1. Introduction

- a. Discussion that puts the state of corruption and anti-corruption programs into historical context and in the perspective of political-economic and developmental dynamics.
- b. Brief description of the report's structure and methodology

2. Overview of Corruption in Country X

- a. The corruption syndrome described and analyzed in the country context, including how corruption manifests itself and the implications of the syndrome for success in programmatic reforms.
- b. Factors that contribute to the spread of corruption in the country.
- c. Factors that reduce the spread of corruption in the country.
- d. Corruption trends as measured by corruption indicators, surveys and past assessments.

3. Policy and Legal Framework to Fight Corruption

- a. The status of national anti-corruption policy and recommendations for improvement.
- b. The status of anti-corruption enforcement legislation and recommendations for improvement.
- c. The status of corruption prevention legislation, including, at a minimum, reviews of laws on conflicts of interest, codes of conduct, public hiring and appointments, assets disclosure, access to information, citizen complaint mechanisms,

whistleblower protection, sunshine laws and citizen participation.
Recommendations for improvement.

4. Anti-Corruption Stakeholders in Country X

- a. Overview of governmental institutions that fight corruption, including, at a minimum, cross-sectoral, oversight, and law enforcement institutions; civil society organizations; business organizations; and mass media outlets.
Recommendations for improvement.

5. Proposed Strategic Directions for Country X

- a. Based on analysis of preceding data and trends, identify proposed strategic directions for anti-corruption programs, including core strategies and implementing strategies that support these core elements.

6. Corruption in Government Sectors and Functions

- a. Sector or Function X....
 - i. Overview of corruption in the sector or function
 - ii. Major corruption vulnerabilities in the sector or function
 - iii. Opportunities and obstacles for anti-corruption programs
 - iv. Practical recommendations for program options
 - v. Summary table of anti-corruption options that summarizes each option, major counterparts that would be involved in program implementation, potential obstacles, nature and level of impact on corruption (high, moderate, low), likelihood of short-term success (high, moderate, low), and likelihood that option can be implemented quickly (high, moderate, low).
- b. Sector or Function Y.....

7. Corruption in Institutions (same as 6a)

- a. Institution X.....
- b. Institution Y....

8. Cross-Sectoral Programs

- a. Program A...
 - i. Overview of the corruption vulnerabilities addressed
 - ii. Sectors, functions and institutions affected
 - iii. Opportunities and obstacles for anti-corruption programs
 - iv. Practical recommendations
- b. Program B...

9. Priority Recommendations for Anti-Corruption Programming

- a. Highlighted recommendations described – those that can be implemented quickly, deal with a prominent corruption vulnerability and priority USG area, and have a high likelihood of success.

- b. Summary table of priority recommendations that lists high and moderate priority program options, linking each to core strategic directions and ongoing or planned USAID/USG programs, if appropriate.

Bibliography

Annex: List of Interviewees

Annex 9. Methodological Note for Corruption Syndromes

by Michael Johnston

I. Introduction

This methodological note offers a discussion of what the idea of “syndromes of corruption” means in practical terms and documents the data sources and calculations underlying the most recent groupings of countries. The conceptual discussions draw upon, and are presented in greater detail in, my recent book *Syndromes of Corruption: Wealth, Power, and Democracy*.¹⁷ The most recent versions of the datasets—those used in the book—are available online, along with full documentation.¹⁸

What are Syndromes of Corruption?

The basic notion behind the syndromes scheme is that patterns of corruption, and its implications, differ among societies in ways that reflect deeper and long-term development processes and problems. Identifying the kind of corruption problems a country has, therefore, helps us diagnose basic difficulties and devise countermeasures that are appropriate to the setting and not just band-aids for symptoms.

The key contrasts here are qualitative, not quantitative; amounts of corruption or scale-type rankings are a secondary concern at most. Defining and testing for syndromes is a matter of asking, *not* how much corruption a society has (a question we will never be able to answer with any precision), but rather what underlying influences might influence the ways people pursue, use, and exchange wealth and power. Once we have concluded that a set of syndromes make sense—a case I make in the book, using statistical and case-study approaches—we can look at other countries, identify their particular syndromes of corruption, and make informed guesses as to the underlying problems that anti-corruption reforms must attack. The syndromes scheme does not generate “tool kits” for reform, in the sense of a neat list of corruption controls producing quick results. Instead, the recommendations it generates are strategies for attacking deeper problems of participation and institutions in the middle to long term. But in no way does the syndromes approach replace or invalidate specific control measures. The goal, instead, is threefold:

- By defining syndromes in terms of deeper development problems, to help us understand the anti-corruption potential and risks inherent in longer-term development strategies we already pursue (such as, but not limited to, economic liberalization, developing civil society, encouraging political will, building administrative and political capacity, encouraging electoral competition, and the like)

- By directing a portion of reform energy to those deeper problems, to bring about a situation in which more specific anti-corruption measures and controls have a better chance of success over the middle to long run

¹⁷ Michael Johnston, *Syndromes of Corruption: Wealth, Power, and Democracy*. Cambridge and New York: Cambridge University Press, 2005. Sections of this report incorporate material from Chapter 3 of that book. Further information at <http://www.cambridge.org/uk/catalogue/catalogue.asp?isbn=0521618592>

¹⁸ Documentation: <http://people.colgate.edu/mjohnston/Data%20Sources%20and%20Documentation.doc>
Data file in SPSS *.sav format: <http://people.colgate.edu/mjohnston/syndromes.zip>
Data file in Excel *.xls format: <http://people.colgate.edu/mjohnston/Syndromes%20of%20Corruption%20data%20--%20Excel.xls>

•By linking emphasizing the broader goals, risks, and implications of specific countermeasures, the syndromes approach can provide useful guidance on measures to avoid (a good idea in one context might be irrelevant or harmful in another), and on measures to be deferred until later stages of an anti-corruption effort.

Applying the syndromes scheme in those ways not only creates a place for detailed local knowledge but in fact *depends* upon that sort of contribution. No country will have one unique form of corruption extending across its whole system; there are some practices (e.g. police corruption) found to varying extents everywhere. Two or more syndromes might be found in differing regions or sectors, or at various levels, of a system. Further, while any characterization of corruption syndromes is a kind of freeze-frame view, corruption and societies change and evolve. Thus, local knowledge will be useful in determining which cases and what changes are most representative, and most important, within a country; pairing that sort of knowledge with the syndromes used as diagnostic tools can define anti-corruption targets and are important within their setting and basic in their significance. Even where the syndromes classification appears, on the basis of local knowledge, to be wrong or to apply only in some respects, making that determination requires us to look afresh at what we know about a corruption situation and to assess that knowledge in a broader and deeper context.

Deeper Influences

What are the underlying forces that shape syndromes of corruption? I divide them into two categories: **participation** in a country's political and economic arenas (who seeks, uses, and exchanges wealth and/or power, in what ways, using what strategies, tactics, and resources?) and the **institutions** (what rules and boundaries define acceptable and unacceptable uses of, and connections between, wealth and power, who if anyone enforces them, and how effective are they in practice?) defining and linking those two realms. Both are defined in deliberately broad terms: participation includes a wide range of activities, formal and informal, legitimate and illicit; institutions may be legal, political, or social. Both may be found within or outside of the formally established structure of the system. It is entirely possible for weak institutions to coexist with a coercive state and/or durable individual interactions and community organizations. Conversely, strong official institutions are not guarantees that all is well at other levels: the United States, for example, scores well on institutional indicators yet, if Putnam (2000) is correct, has a civil society in decline. Contrasts among countries' corruption problems, and the natures of the syndromes of corruptions they experience, grow out of the ways those influences facilitate and reward some ways of pursuing, using, and exchanging wealth and power while discouraging others. Not all such activities are corrupt by any means.

The four syndromes are defined conceptually, and identified in real cases, by the interplay of political-economic dynamics (the state and trends of political and economic opportunities) within a given setting of state, political, and social institutions. In the sort of developmental ideal at which many of our policies ultimately are aimed, free, open, and competitive politics and economic activity take place within a framework of sound, legitimate and credible institutions. Those institutions both sustain activities in the political and economic spheres while restraining excesses; they also provide legitimate channels of access between the political and economic domains through which economic interests can seek political influence, and political actors can interact with the economy, in acceptable, public and non-corrupt fashion. Where participation and institutions exist in this sort of balance neither political influence, nor the power of wealth, can dominate the other sphere of activity; civil, political,

and property rights are protected; and informal economic and political processes--black markets, for example, and private armies--are very much the exception, not the rule.

Each of our four corruption syndromes, *including Influence Markets*, falls short of that ideal in distinctively different ways. Problems with participation and weaknesses in institutions foster distinctive ways of using, pursuing, and exchanging wealth and power that set each syndrome apart. The value of the syndromes approach, therefore, lies not only in distinguishing various kinds of corruption problems from each other, but also--because of their connections to underlying political and economic dynamics, and to institutional problems--because recognizing the existence of a particular syndrome is a major step toward diagnosing the long-term causes of corruption and, therefore, strategic priorities for reform.

While the four corruption syndromes are named in broad terms—Influence Markets, Elite Cartels, Oligarchs and Clans, Official Moguls—it is important to remember that they are not “system types” as such, but rather *patterns of corrupt activity*. They are not the whole governance story in any country, but rather are intended to be a useful simplification. Because of data limitations and the need to keep the classification scheme reasonably straightforward and applicable across the largest number of countries, other major variables are not included in the classification scheme or figure into it only indirectly. Examples would include personalities, agendas and political will at top levels; the strength and independence of the news media, political parties, educational and research institutions, and political interest groups; the ethnic structure of civil society and elite factions; cultural traditions; and the activities of external aid, trade, and lending partners.

II. Searching for patterns

To search for syndromes of corruption is to ask, *what are the underlying developmental processes, and problems, of which a society's corruption is symptomatic?* Huntington (1968), for example, suggested years ago that where economic opportunities are more plentiful than political ones, ambitious people use wealth to seek power. Where political opportunities abound and economic ones are scarce, by contrast, he expected power to pursue wealth. Where institutions are weak, other contrasts may emerge: a weak state may be vulnerable to illicit private pressures, unable to restrain the conduct of officials, or both. Civil society may not exist, or be strong enough to sustain social trust or check elites' power. Some states protect property rights effectively and intervene in the economy in judicious ways; in others, legalities mean little while state policy enriches those at the top. Indeed, weak institutions create incentives for more corruption as people seek protection in an uncertain environment.

Four categories

The challenge is to identify country categories broad enough to preserve important commonalities, to avoid creating categories too numerous to be useful, and yet to bring out important contrasts. We need to compare societies in terms of (a) the range and openness of political and economic opportunities they offer, and (b) the extent to which official and unofficial institutions protect economic, political, and property rights, guarantee fair play, and restrain abuses by the powerful. The categories that result will not exhaust all possible combinations of participation and

institutions—far from it. They are only useful simplifications, offered as ideal types (see Coser, 1977: 223-224) intended to highlight patterns and connections for closer study.

Still, types of political and economic systems, and levels of institutional strength, do tend to fall into identifiable, if far from perfect, patterns. Established democracies, for example, tend to have mature market economies; where open and competitive politics and markets have been in place for a long time economic and political institutions are likely to be moderately to very strong. But there are also consolidating or reforming market democracies in which political competition is still emerging or undergoing significant change; in many cases their economies are becoming more competitive too. Institutional frameworks in such societies seem likely to be moderately strong, but weaker than those in the first group. Chile, Botswana, South Korea, and the more consolidated post-communist democracies of Central Europe might be examples. Countries in a third group are undergoing major political *and* economic transitions. Many kinds of change are happening at once, institutions are weak, and relationships between wealth and power will form and change rapidly. Russia, Turkey, India (with its economic transition), the Philippines, and Ghana are possible examples of this sort. Finally, undemocratic regimes by definition are marked by political opportunities that are few in number and tightly controlled—often becoming the stakes of corrupt deals. While such regimes are strong, their institutions, other than those created *de facto* by personal power, are often quite weak. Further, in part because of international pressures and incentives many such countries have opened up their economies, to varying degrees, over the past generation. Even if they are nowhere near fully competitive, growing economic opportunities result; but where the system is dominated by a powerful few there is little to prevent top figures from exploiting or handing out such opportunities as they please. In this last group we might find countries such as China, Indonesia, many but by no means all sub-Saharan African states, and Middle Eastern countries such as Jordan and the Emirates.

These four combinations of participations and institutions are described in deliberately broad terms, yet some countries may fit none of them. The connections between those combinations of underlying conditions and the four syndromes of corruption that they encourage—Influence Markets, Elite Cartels, Oligarchs and Clans, and Official Moguls—are outlined in the following diagram. The diagram is not a flow chart and the arrows along the left-to-right dimension are not intended to represent the passage of time. Instead, they illustrate the expected connections among combinations of political and economic opportunities (participation), strong-to-weak political and economic institutions, and the kinds of corruption countries experience:

APPENDIX 10. Illustrative Scope of Work for a Corruption Assessment

Introduction

This scope of work calls for the completion of two interrelated tasks: (1) an assessment of the corruption problem and anticorruption programs in _____ [country]; and (2) the development of a USAID strategy and programmatic recommendations to address targeted corruption issues in _____ [country]. The assessment portion of the work will be conducted using the USAID Corruption Assessment Framework. The strategy and recommendations will also follow the guidance laid out in this framework. This scope of work does *not* call for a full and detailed program design.

Background

Provide a brief description of

- The political, economic, legal and institutional factors in _____ [country] that produce corruption trends.
- The challenges of corruption, where it hurts governance and growth, and where there are opportunities to control corruption.
- Ongoing USG, other donor, and host government programs to fight corruption and their performance to date.

Objectives of Assessment

The goals of the assessment are to provide a clear and detailed understanding of the nature of corruption in _____ [country], a strategic vision of the problem, and a recommendation as to how USAID can develop programmatic initiatives to control the problem.

Assessment Methodology

The team will apply the Corruption Assessment Framework attached to this scope of work. This assessment approach seeks to provide analysts and programmers with a more detailed and straightforward alternative to the aggregate corruption indices and corruption perception surveys that may be available. It provides a framework that facilitates both a broad view of the factors influencing corruption and a way to drill down to understand the detailed dynamics of the problem on a sector-by-sector basis. Most importantly, the Framework also provides tools to assist the assessment team in identifying and ranking appropriate and practical program options to deal with detected corruption problems based on international best practice.

The assessment methodology is divided into four steps, each step complete with helpful tools and techniques to support the team in conducting its analysis. The first step involves the *collection and integration of relevant information*, as well as guidance on appropriate staffing of the team. At the second step, the methodology supports development of a *comprehensive strategic outlook* that helps in the formulation of a tailored anticorruption program. In this regard, the team will be guided to describe the country's development dynamics and its proclivity to particular types of corruption in terms of "corruption syndromes." The syndrome helps the team understand the broad dynamics of corruption beyond

institutional and procedural weaknesses -- why corruption affects the country as it does, how the corruption problem can be framed in general terms, and what broad implications might be drawn about different approaches to anticorruption reform. Syndromes focus primarily on the issues that facilitate grand corruption and state capture, the types of corruption that are often perceived to be most detrimental to a country's economic and political development, but at the same time, the most difficult to tie down with hard evidence.

Contributing to this strategic analysis, as well as to a prioritization of key sectors and functions that are particularly prone to corruption, a corruption checklist will be completed by local experts targeting the status of corruption trends and anticorruption initiatives in a wide variety of sectors and functions. On the basis of the syndrome designation, the checklist analysis, USAID/USG priorities and other criteria, the team will select the government sectors and functions that appear to be most vulnerable to corruption, but where there also appear to be opportunities for reform.

In Step 3, the team will conduct detailed diagnostic probes of these high priority areas. The assessment methodology provides a library of guiding questions to detail the nature of corruption in many of the sectors or functions that will be identified. These in-depth diagnoses will support directly the major sections of the assessment report, providing detailed assessments of how corruption impacts the sectors, what the opportunities and obstacles are for reform, and what the specific recommendations are for program options.

Finally, in Step 4, the team will transform the detected corruption problems into practical programmatic recommendations. In addition to the conclusions drawn from Steps 1-3, the team will be able to consult an interactive database of past anticorruption interventions to consider a wider range of initiatives – with the benefit of historical perspective -- that might be feasible within the country under assessment. Several criteria are offered to the team by the assessment framework to help them develop and prioritize its final set of recommended actions – taking into account the anticorruption strategic outlook, USG priorities in the country, and what appears to be feasible and practical.

Overall, this handbook provides step-by-step assistance in both implementing the methodology and producing the assessment report. Much of the guidance is based on pilot assessments that tested earlier versions of the methodology and resulted in well-received reports. The tools and framework are meant to provide useful guidance and direction to the assessment team, not necessarily “the” answers. Given this guidance, the assessment team will have to analyze what it has learned from a variety of sources and integrate that understanding into the assessment and program recommendations that result from the activity. Each assessment team may find that it will want to adapt, expand or otherwise alter these approaches based on the needs of the final users and/or the specifics of the country being assessed.

Team Composition and Proposed Level of Effort

Implementation of this assessment calls for a team of two international specialists and two or three local specialists who can be engaged part-time. The contractor should propose the technical specialties that it thinks is needed for the team based on its assessment in this proposal of the types of issues, sectors or functions that will require targeted analysis. Typically, as to the international experts, the team ought to include a country or regional specialist, an anticorruption institutional specialist, and/or an anticorruption civil society specialist. As to the local experts to be included on the team, typically they should include (a)

a legal/regulatory specialist who can elaborate in detail on the current legal, regulatory and institutional framework related to anticorruption issues; (b) an economist who specializes in public finance issues; and/or (c) sector specialists in country-specific vulnerable areas, such as health or education. In addition, one Mission program officer will work full-time with the Contractor's team to produce the assessment.

Team Leader (expat) –
18 days work in country
2-4 days travel
5 days U.S. preparation
5 days follow up and report finalization

Team Member (expat) –
18 days work in country
2-4 days travel
3 days U.S. preparation
3 days follow up and report finalization

Team Members (local) - 19 days work in country

If debriefings in Washington are desired, it might be appropriate to allocate an additional day to the team leader.

Team Member Experience

Team Leader and Member (expatriate): Senior Analysts with advanced degree in a relevant discipline. At least five years experience in anticorruption or good governance analysis. Experience in assessing political-economic dynamics, legal and institutional frameworks, and sectoral/functional areas in depth. Anticorruption institutional expert or civil society expert. Regional experience and/or country knowledge is required.

Team Members (local): A social scientist, public sector management specialist, or researcher. Minimum degree BA/BS. Good understanding of legal-institutional framework related to corruption issues and/or sectoral expertise. At least five years. work experience required. Knowledge of USAID and other donors in _____ [country] would be helpful.

Period of Performance

The work called for in this scope will start o/a _____ and will be completed in approximately eight weeks.

ⁱ The following sources were used to develop Diagnostic Probe Guides:

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1. Corruption in the healthcare sector, CORIS Website at <http://www.corisweb.org/article/articlestatic/41/1/283/>
 2. Customs Modernization Handbook, Luc De Wulf and Jose B. Sokol, eds., The World Bank, 2005.
 3. Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ). – Avoiding Corruption in Privatization: A Practical Guide, Eschborn 2005.
 4. Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ). - Preventing Corruption in Public Finance Management: A Practical Guide, Eschborn 2005.
 5. Global Corruption Report 2006 (special focus on Corruption and Health), Transparency International, 2006. http://www.transparency.org/publications/gcr/download_gcr
 6. Fighting Corruption in Developing Countries: Strategies and Analysis. – Edited by Bertram I. Spector, Kumarian Press, 2005
 7. Judicial Transparency Checklist: Key Transparency Issues and Indicators to Promote Judicial Independence and Accountability Reforms, Keith Henderson, Violaine Autheman, Sandra Elena, Luis Ramirez-Daza and Carlos Hinojosa, IFES, 2003.
 8. Managing Government Expenditure, Salvatore Schiavo-Campo and Daniel Tommasi, 1999
 9. National Integrity System Country Studies: Questionnaire Guidelines, Robin Hodess and Marie Wolkers, Transparency International, 2005.
 10. Tools for Assessing Corruption & Integrity Institutions: A Handbook, Dr. Anthony Lanyi and Dr. Omar Azfar, The IRIS Center (under contract with USAID), 2005.
 11. Transparency International Global Priorities. - http://www.transparency.org/global_priorities
 12. U4 Anti-Corruption Resource Center at <http://www.u4.no/themes/health/main.cfm>