

Unclassified

English text only

5 March 2025

**DEVELOPMENT CO-OPERATION DIRECTORATE
DEVELOPMENT ASSISTANCE COMMITTEE****Cancels & replaces the same document of 4 March 2025****DAC Network on Governance****Corruption as a Development Obstacle****Policy Brief on Managing the Risk of Corruption Series**

This brief builds upon the first monitoring report of the [2016 Council Recommendation for Development Co-operation Actors on Managing the Risk of Corruption](#), which was completed in December 2022 (see OECD, 2022). It is the second brief in a policy series designed to support Adherents to further implement the Recommendation.

The objective of this series is to take stock of the insights emerging from the 2017-2022 monitoring of the 2016 Recommendation and to distil learning for members to better understand and address ongoing challenges.

Other finalised policy briefs in this series include '[addressing the under-reporting of suspected incidents of corruption in development cooperation](#)' and '[unpacking the zero tolerance to corruption principle: practical implications for development co-operation](#)'.

This brief was approved by members of the Anti-Corruption Task Team (a subsidiary body of GovNet) on 17 January 2025. In line with OECD procedures, this document was declassified by the DAC Network on Governance on 28 February 2025.

Vartika Neeraj, Junior Research and Policy Analyst, vartika.neeraj@oecd.org
Catherine Anderson, Team Lead, catherine.anderson@oecd.org
Claire Naval, Policy Analyst, claire.naval@oecd.org

JT03561223

Corruption as a Development Obstacle

Understanding the problem

1. Corruption, defined as ‘the misuse of entrusted public power for private gain’ is a widespread problem that impacts societies globally (Transparency International, 2024^[1]). It not only undermines democratic processes but also erodes trust in public institutions, hindering the delivery of public goods and services, as well as the realisation of human rights and dignity. Corruption also disproportionately affects vulnerable communities and exacerbates existing inequalities (International IDEA, 2019^[2]).

2. Corruption comes in many different forms. Fiduciary corruption, such as embezzlement or money-laundering, is often quantifiable. However, non-fiduciary forms can be equally damaging. These include instances where individuals misuse their positions for personal gain and where nepotism, patronage or the abuse of power flourish (see Annex 1 for a broad corruption typology). Understanding these variances and responding appropriately to corruption cases are key to managing corruption risks adequately.

3. There is growing acknowledgement that cultural, historical, economic and political factors unique to each country contribute to manifestations, interpretations and the impact of corruption – what is considered a bribe in one context could be a gift in another (Khan, 2021^[3]). While legal frameworks and law enforcement play important roles in combating corruption, understanding corruption purely as a law-and-order issue risks oversimplifying its root causes and manifestations. Corruption reflects power dynamics, systemic inequalities, institutional weaknesses and broader problems of governance and social justice. Mitigation efforts to curb corruption would do well to consider these broader realities.

4. The importance of managing corruption risks effectively is underscored by the substantial evidence of the impact of corruption on development. Lower levels of corruption correlate with higher levels of development and corruption hinders outcomes across all sectors of development (Wathne, 2021^[4]) (Campos and Pradhan, 2007^[5]). The World Economic Forum estimates that corruption costs developing nations \$1.26 trillion annually (World Economic Forum, 2019m^[6]). However, this is not to suggest that corruption is absent in wealthier, more developed countries. It could take institutionalized forms in developed countries, such as lobbying or opaque campaign financing, which, while often legal, can still distort policy decisions and undermine public trust (Ang, 2020^[7]).

5. It is important to note that tackling corruption in a development context involves addressing risks not only at the level of the partner country but also at home in the ODA provider country. Corruption is often facilitated by transnational enablers such as illicit financial flows, weak regulation of multinational corporations and insufficient oversight of financial and legal systems in donor countries. For example, the role of tax havens to conceal illicit gains highlights how domestic weaknesses in ODA provider countries can exacerbate corruption risks abroad. This underscores that corruption is not solely a partner country issue but a shared responsibility that demands robust measures in both donor and partner countries.

6. This policy brief seeks to inform development practitioners of the negative effects of corruption on development goals. In particular, it encourages development co-operation providers to address anti-corruption across sectors. Further, by providing insights on ‘do’s’ and ‘don’ts’, the brief builds on existing literature on corruption in development to provide practical policy and operational guidance. Finally, the brief also underscores that tackling anti-

corruption and enabling integrity is the responsibility of all development practitioners - not simply of governance and anti-corruption specialists.

The development impact of corruption on partner countries

7. High levels of corruption have debilitating effects on development objectives resulting in (i) economic underdevelopment, (ii) misallocation of resources, (iii) reduced trust in governance, (iv) exacerbated inequalities and (v) challenges for external aid including official development assistance - to name a few (UNODC, 2021^[8]) (SIDA, 2019^[9]).

8. Countries with high levels of corruption often experience poor economic performance and outcomes. Corruption – through bribery, misappropriation of funds, theft etc.- contributes to a significant drain on financial resources, weakening domestic resource mobilisation and impeding sustainable development. The presence of widespread corruption discourages foreign investment due to a lack of stable and transparent fiscal processes (Wathne, 2021^[4]).

9. Corrupt practices divert funds away from projects that could promote long-term economic growth and environmental sustainability. Some of the most harmful forms of corruption affect project appraisal and budgeting, potentially diverting resources to projects with low investment returns, or result in substandard construction that reduces a project's lifespan and economic returns (Kenny, 2006^[10]). In many cases, elite capture exacerbates these issues, as powerful individuals or groups influence resource allocation to prioritise projects that serve their interests rather than the needs of the broader population. The misallocation of resources can obstruct the development of essential infrastructure and services, thereby inhibiting progress towards achieving broader societal goals. Thus, the repercussions of corruption extend beyond financial aspects and result in indirect losses as well.

10. Corruption undermines fundamental pillars of governance, including the rule of law, judicial independence, democracy and public trust. This, in turn, can impede economic growth, distorting state and societal functions, reducing economic and business productivity, and in some cases fuelling social division, criminal activities and conflict. Moreover, rampant corruption can undermine the capacity of the state to respect, protect and guarantee the rights of individuals, including human rights.

11. Corruption can disproportionately affect groups in vulnerable situations, particularly the economically disadvantaged. This typically includes those with barriers to inclusion based on gender identity and sexual orientation, race, ethnicity, age, disability or religion, including multiple and intersecting forms of discrimination. To note, corruption, including sexual exploitation, exacerbates economic challenges for women, depriving them of access to essential services like healthcare and education (see Box.1). It is important to recognise that corruption and societal inequalities, including gender inequality, are intertwined, with corruption reinforcing and deepening these existing dynamics (UNODC, 2020^[11]). Tackling corruption is pivotal in breaking this cycle and promoting a just and inclusive society.

Box 1: Spotlight on Gender, Corruption and Sexual Exploitation

Women are disproportionately exposed to corrupt practices, particularly in sectors like health care and education, due to their roles as primary caregivers and their reliance on public services. In the health sector, women often face demands for bribes or sexual favors to access essential services such as reproductive care. For example, in the education sector, girls are 3.5 times more likely to pay bribes for access, which severely impacts their educational and economic prospects. In the informal economy, where women make up the majority of workers, they are especially vulnerable to corruption, as they lack the legal and financial means to resist extortion by law enforcement or bureaucrats. This, coupled with the gender wage gap and women's lower financial independence, intensifies the burden corruption places on women, creating significant barriers to gender equality and development (*UNODC, 2020_[111]*).

Sexual corruption, a form of corruption involving the abuse of power to demand sexual favors, is another pervasive issue disproportionately affecting women. In Latin America, the Caribbean, the Middle East and North Africa, one in five women have experienced or know someone who has experienced 'sextortion', with 71% of respondents believing that it happens regularly (*UNODC, 2020_[111]*). Furthermore, sexual orientation also results in disproportionate risk of facing sexual corruption (*France, 2022_[112]*).

The international community is beginning to address these gender-specific challenges. In 2023, the adoption of CoSP Resolution 10/10 by the United Nations Convention against Corruption (UNCAC) officially recognised sexual corruption as a distinct form of corruption. To allow victims to report such wrongdoings, gender-sensitive reporting and protection mechanisms that create a safe environment for women to report corruption is essential. There is also a need to raise the level of public understanding of the phenomenon of sexual corruption to induce citizens to actively recognise, resist and report acts of corruption, including sexual corruption (*UNODC, 2020_[111]*).

Note: Inputs drafted with the help of UNODC

12. The widespread presence of corruption not only debilitates a country's internal capacity to govern and invest in development, but it also creates challenges for external interventions in the form of official development assistance. Embezzlement of aid funds, misuse of aid-funded assets and nepotism in local staff recruitment divert resources from their intended purposes and undermine the impact of donor initiatives.

13. Corruption does not always impact development as anticipated. High levels of corruption can coincide with high levels of trust in governance or with high levels of economic growth. For instance, in China, despite significant corruption, the country has experienced rapid economic growth over the past few decades (Li and Wu, 2007_[113]) (Ang, 2020_[7]). Despite existing exceptions, the pathways listed here still summarise general patterns observed globally.

Anti-corruption impacts development across sectors

14. Corruption impacts development across various public and service sectors, including health, education, climate, law enforcement and infrastructure, with unique and complex consequences (Taxell, Zaum and Johnsen, 2012_[14]) (Pyman and Heywood, 2024_[15]).

In large-scale infrastructure projects, corruption can lead to financial mismanagement and substandard construction, jeopardising public safety and economic stability. In education, it can foster academic fraud and poor-quality investments, perpetuating inequality and limiting access to quality facilities and resources. In public health, corruption depletes budgets, hindering access to essential medicines and universal health coverage. Additionally, corruption can undermine environmental sustainability by fuelling wildlife crime and poor natural resource governance (see Box.2 for an elaboration on corruption in climate financing). Addressing corruption through a sectoral lens is therefore essential to safeguarding development objectives across all sectors.

15. Despite these far-reaching impacts, corruption is often perceived solely as a governance issue, limiting engagement with sectoral experts and practitioners. This narrow approach is problematic, as each sector faces unique corruption challenges. For instance, infrastructure projects are often vulnerable to procurement-related corruption, while the telecom industry may face risks tied to licensing processes (Pyman and Heywood, 2024^[15]). Embedding sector-specific strategies allows for more effective, targeted interventions, enhancing transparency and accountability within individual sectors.

16. At the same time, the effects of corruption across sectors are deeply interconnected. Corruption in infrastructure projects, for example, not only results in substandard construction but can also weaken public services like education and healthcare. Addressing corruption in one sector can create ripple effects that benefit others. Therefore, while sector-specific expertise is necessary, a holistic approach that considers these intersectional impacts is equally relevant for crafting comprehensive and sustainable anti-corruption strategies.

Box 2: Spotlight on Corruption in Climate Finance

Corruption in climate financing undermines efforts to combat climate change by misallocating funds and issuing fraudulent carbon credits. This is a key issue given the global increase in climate financing (OECD, 2024^[16]). Significant portions of these funds may go to projects that do not genuinely reduce emissions, often benefiting well-connected individuals or entities through ineffective or pre-existing initiatives. This problem is exacerbated by the prioritisation of fast disbursement over proper governance, leading to widespread misuse and conflicts of interest. The lack of robust oversight and accurate measurement of emissions reductions allows for significant fraud and misrepresentation. This corruption not only hampers effective climate policies but also increases the vulnerability of already at-risk regions, perpetuating a cycle of inefficiency and vulnerability.

For instance, in 2008, Kenya's state-owned Geothermal Development Company, funded largely by donors including the African Development Bank, faced severe corruption and mismanagement. A whistleblower exposed the fact that executives inflated a contract by US\$19.5 million for kickbacks. This misuse of climate finance loans meant the company failed to reduce emissions or generate power, with the first project taking ten years to implement. The ongoing court case highlights the need for ethical management and robust anti-corruption safeguards to ensure the success of clean energy initiatives (Rafitoson and Valérian, 2023^[17]).

Ways forward

17. In viewing corruption as a development obstacle and by adopting a risk-based approach, mainstreaming corruption across sectors and working with a range of informed local actors, ODA can support partner countries to target the structural causes of corruption, address social vulnerabilities, enable societal resilience and better advance sustainable development.

Strengthening ODA programming for anti-corruption

18. Effective programming for anti-corruption requires systematically integrating an anti-corruption lens into development operations across project or programme phases such as preliminary assessments and diagnostics, programme design, implementation and monitoring. Such a systematic approach enables addressing corruption risks through ODA programming and creates a feedback loop of learning and programme adjustments. As a good practice example, FCDO integrates anti-corruption measures throughout programme design and implementation via its Business Case Framework. The latter includes high-level corruption analysis and detailed risk assessments, such as delivery chain analysis, to identify vulnerabilities. Projects specifically targeting corruption use focused political economy analyses, while all projects map and manage risks across the delivery chain, ensuring that all partners understand and mitigate risks to maintain financial integrity and achieve programme objectives (OECD, 2022_[18]).

19. In terms of programme design and implementation, recent shifts in corruption risk management strategies are evolving towards risk-based management, acknowledging that not all aspects of corruption equally hinder development. Some DAC members assess corruption risks as a cross-cutting issue, others adopt more thematic or projectised approaches; and in some instances also consider the risks of ‘doing harm’ (see Box.3) (OECD, 2022_[18]). Moreover, mitigating the risks of corruption at different levels and across diverse sectors of development may require trade-offs to safekeep development objectives. For instance, donors are increasingly practicing scaled and proportionate responses to incidents of corruption from partner organisations instead of strict funding freezes (OECD, 2022_[18]).

Box 3. Good Practice Example on Risk Assessments by the Norwegian MFA

Corruption is a mandatory cross-cutting issue in the Norwegian MFA grant management system. Grant managers are therefore required to conduct corruption risk assessments on all grants, examining two aspects of corruption risk that correspond to the programmatic risk element of the Copenhagen Circles: 1) possible impact on achieving the objectives of the programme and 2) creating unintended consequences in terms of corruption (do no harm) (Norway MFA, 2016_[19]).

20. Anti-corruption measures also need to account for inequitable and asymmetrical power relations, which can manifest across various dimensions, including economic, social, political and gender-based inequities. For instance, assessing the gendered implications of planned actions and integrating tailored, gender-sensitive responses is important for more equitable development. The UNDP’s Global Thematic Programme on Anti-Corruption for Development Effectiveness promotes gender-sensitive anti-corruption strategies and the use of gender-disaggregated data in diagnostics. It also encourages women’s participation in anti-corruption initiatives, such as citizen committees and media advocacy projects (UNDP, 2010_[20]).

21. Adapting to dynamic governance environments is crucial for effective anti-corruption efforts. USAID's *Dekleptification Guide* emphasises the importance of adapting programming to seize windows of opportunity, such as shifts in governance contexts or openings for civil society engagement, to advance anti-corruption goals (USAID, 2022_[21]). Development co-operation providers are encouraged to implement flexible funding and adaptable programming arrangements to respond to the changing corruption vulnerabilities that may emerge during implementation, enabling timely course corrections.

22. Effective monitoring and evaluation, including midterm reviews during program appraisal, can assist to identify where projects and programs are addressing corruption risks or where they may be falling short of these objectives. This iterative approach allows providers to learn from on-the-ground realities, discontinue or redesign ineffective initiatives prone to corruption risks, and integrate new actors or mechanisms to strengthen program integrity.

Mainstreaming anti-corruption

23. Integrating anti-corruption efforts across sectors using a systems approach can serve to avoid fragmented interventions in partner countries and can be a useful means to mainstream anti-corruption efforts (see Box.4 for a good practice example) (Wathne, 2021_[4]). By embracing a systems approach, policymakers can effectively combat corruption within sectors by identifying key areas for impactful reforms, pinpointing the weakest links and implementing targeted measures such as strengthened regulations and enhanced oversight. A systems approach recognises that corruption operates within complex, interconnected systems where different sectors, institutions and actors influence each other. By mapping these interdependencies, policymakers can identify leverage points—critical areas where interventions can disrupt corruption networks or address root causes. This might involve addressing structural weaknesses, such as opaque financial management systems that enable corruption across multiple sectors, or improving the coordination of oversight mechanisms that monitor cross-sectoral activities. Additionally, a systems approach emphasises continuous learning and adaptation, using monitoring and results tracking to refine strategies as the system evolves (Campos and Pradhan, 2007_[5]).

Box 4. Good Practice Example on Anti-Corruption Mainstreaming by the BMZ

In 2022, the BMZ elevated anti-corruption and integrity to be one of six quality criteria of German development. The mainstreaming strategy requires all German implementing organisations, including GIZ and KfW, to incorporate anti-corruption and integrity as a cross-cutting issue into all development measures and across the entire project cycle. Besides, making systematic use of corruption risk assessment analyses and identifying risk mitigation measures, projects and programmes are required to include anti-corruption and integrity in the impact assessment of the whole project. By streamlining anti-corruption and integrity across sectors, including in the areas of just transition (regarding climate and infrastructure), the reduction of poverty, conflict sensitivity, digital transformation and feminist development policy, German development cooperation aims at becoming more effective and increasing its legitimacy in the long term (BMZ, 2022_[22]).

24. Integrating anti-corruption initiatives across relevant normative agendas in the development ecosystem is an important part of effective corruption risk management and can facilitate a systems approach. For instance, the 4th Financing for Development Conference (FfD4) scheduled for July 2025 rightly acknowledges the role of anti-corruption in increasing domestic resource mobilisation. It is also important to link these efforts with the illicit

financial flows agenda to ensure that any transnational links are identified, contained and, where feasible, addressed. Moreover, actively raising internal awareness within a development agency about the cross-cutting detrimental impacts of corruption is vital.

Targeting structural causes of corruption: Knowing your environment of operation

25. Policy interventions to combat corruption should not be generic. Understanding the local context and specific features or drivers of corruption is central to tailoring and enabling effective responses. Provision 10 of the 2016 Recommendation on Managing the Risk of Corruption states the importance of taking into consideration the risks posed by the environment of operation. This involves working closely with local staff and navigating the nuances of the local context to ensure that interventions make sense, respond to the specific challenges and dynamics of the region, and have the least potential to do harm.

26. Political Economy Analysis (PEA) can be instrumental to assist development co-operation providers in understanding local dynamics of power, authority and control and to identify where the risks and potential drivers of corruption lie in each country context. A significant number of DAC members including USAID, SIDA, SDC and GIZ have developed frameworks for applied PEA, emphasising the importance of PEA as a learning process, although difficulties associated with operationalising those insights remain (OECD, 2022^[18]). Other forms of analysis, including sectoral mapping and stakeholder mapping and analysis, play an important role in further refining our understanding of the operating environment, including the risks of corruption and relative interest and influence of different actors.

27. Developing institutional knowledge over time is a practical means to anticipate and prevent corruption risks in country contexts. For example, SIDA's strategy for preventing corruption centers on extracting valuable insights from previous cases. Through structured knowledge-sharing initiatives such as case studies and workshops, SIDA facilitates the dissemination of lessons learned among its staff and partners and enables stakeholders to identify potential risks and implement proactive measures (SIDA, 2019^[23]).

Empowering local actors and engaging the private sector

28. Civil society engagements or the mobilisation of informed and influential oversight institutions (such as the UNCAC Coalition, a global network of CSOs promoting UNCAC implementation) can play a significant role in fighting corruption and raising awareness of corruption risks. For example, by facilitating public oversight, ODA can support efforts to deter politicians from accepting unsolicited project proposals from contractors behind closed doors. A citizen report card (CRC) is a simple yet powerful tool to provide public agencies with systematic feedback from users of public services, with a target audience that can include officers of local governments, civil society organisations, development agencies and consortiums (World Bank Social Development Department, 2004^[24]). Further, digital technology holds significant potential in promoting accountability and enhancing civic participation. Tools such as online complaint or whistleblowing mechanisms empower citizens to report corruption safely and efficiently.

29. Social accountability mechanisms empower citizens, civil society organisations, and local communities to hold governments accountable, advocate for transparency and improve governance (See Box 5). These mechanisms are particularly effective in contexts where traditional oversight structures are weak or compromised.

Box 5. Good Practice Example on the Global Partnership for Social Accountability

The World Bank's Global Partnership for Social Accountability, a multi-donor fund designed to empower citizen-driven governance initiatives, is a notable example of social accountability. In Indonesia's mining sector, GPSA supported Publish What You Pay Indonesia (PWYP) in establishing multi-stakeholder forums (MSFs) in the provinces of Aceh, East Kalimantan and Southeast Sulawesi. These forums brought together provincial authorities, civil society organisations, private sector representatives and local communities to address critical governance challenges, including inconsistent regulations, weak institutional capacity and non-transparent permit and revenue management. Through participatory diagnostic studies and public discussions, the MSFs identified key gaps and developed actionable solutions, such as implementing budget-tracking mechanisms and increasing community participation in planning and budgeting processes (*Shutt and Al'Afghani, 2020_[25]*).

30. Engaging the private sector is also key to ensuring a harmonised, systems approach to corruption and bribery. The private sector has an important role in promoting good business practices among companies headquartered in donor countries as well as companies in developing countries that may want to participate in supply chains, investment opportunities and joint ventures. As an illustration, GIZ has implemented since 2015 the Alliance for Integrity: a business-driven, multi-stakeholder initiative promoting transparency and integrity in the global economy. The Alliance brings together the private sector, public sector, international organisations and civil society to facilitate collective action, strengthen companies' compliance capacities and enhance supply chain governance. By fostering public-private dialogue, it also contributes to the development of robust regulatory frameworks and sustainable anti-corruption practices (GIZ, 2018_[26]).

Supporting incremental and feasible change for integrity

31. Acknowledging the long-term, iterative nature of efforts to tackle corruption and enabling integrity in development is important. There are rarely 'quick fixes' or easy solutions. Rather than seeking grand, all-encompassing solutions, the emphasis should be on initiating feasible, incremental changes that are accepted and sustained by relevant actors. This approach aligns with the understanding that sustained impact in combating corruption requires patient and persistent efforts.

32. Development cooperation providers are encouraged to prioritise funding anti-corruption initiatives that are both feasible and impactful. Feasibility involves developing an implementable strategy that identifies and collaborates with actors who are capable and committed to ensuring the strategy's success. Impactful means that efforts to reduce corruption should not only benefit the actors involved but also provide broader social benefits. An example of feasible anti-corruption measures comes from 'horizontal accountability' approaches that leverage local actors. In Bangladesh's skills training programs, fraud in over-reporting trainee employment was reduced by linking providers to high-capability firms that needed well-trained workers. These firms acted as horizontal checks by rejecting poorly trained individuals and discouraging fraud (Khan, 2022_[27]) (Khan and Roy, 2022_[28]).

Upholding the ‘do no harm’ principle

33. Upholding the principle of ‘do no harm’ is critical for development cooperation providers to ensure their interventions do not unintentionally create or exacerbate corruption risks, particularly in fragile contexts with weak institutional capacity. A lack of understanding of the actors, sectors and dynamics of corruption can lead donors to inadvertently fuelling corruption by supporting individuals or areas prone to corrupt practices, especially in the absence of robust mitigation measures. Such oversight can undermine governance systems and erode the credibility of development assistance, ultimately doing more harm than good.

34. In repressive political environments, caution is needed when supporting control functions (i.e. political means of controlling freedom of media, election accountability, judicial independence etc.) and establishing anti-corruption oversight bodies, as there is a risk that these may be wielded by the regime for vested interests and may not have the institutional capacity to enhance accountability. Similarly, supporting civil society organisations requires careful consideration, as such support may be instrumentalised, especially if linked to government-supported groups in repressive contexts.

35. Development cooperation providers should refrain from interventions that risk legitimising or enhancing the international image or reputation of individual politicians in cases where there is clear evidence of corruption. Engaging in such initiatives may inadvertently bolster the reputation of corrupt individuals.

36. In the absence of a credible and functioning system of whistle-blower protection, data analysis and follow-up on reported cases or allegations of corruption, donors are advised to exercise caution. Encouraging reports of corruption in such contexts could prove extremely risky and potentially lead to harm or fatalities. Conversely, in contexts where reporting systems have been newly established, donors should view an increase in reported incidents not as a cause for alarm but as evidence of a functioning system.

37. The above provides a broad overview of some key considerations to keep in mind when managing corruption risks in fragile contexts with weak institutions. However, it is crucial to recognise that specific contexts require tailored responses to effectively meet development objectives. Further, while cautionary measures are relevant, it is equally important to acknowledge that some of the most pressing challenges faced by the international community in such contexts—such as transparency, fraud and corruption—cannot be ignored. There must be a deliberate and thoughtful discussion on how to address integrity concerns, even incrementally, to support meaningful progress.

Concluding remarks

38. Corruption significantly hampers sustainable development, contributing to the misallocation of development resources, diminishing trust in governance, exacerbating inequalities and compromising the legitimacy and efficacy of external support. Corruption also impacts development objectives across sectors and can have deleterious and cascading effects across development projects and programs.

39. Acknowledging the negative effects of corruption on development, corruption risk management and integrity efforts can act as a potential development accelerator. As this brief has discussed, this entails using ODA as a catalytic resource to tackle the structural determinants of corruption, integrate anti-corruption across sectors and silos, empower integrity-oriented local actors and upholding the ‘do no harm’ principle.

Annex 1. Typology of corruption

The following table captures the main forms of corruption. It covers administrative corruption, grand corruption, political corruption and corruption modalities within specific sectors. It is a non-exhaustive list and provides readers with a broad overview.

<i>Administrative corruption</i>	
Bureaucratic (admin) corruption	This involves low-level officials demanding bribes or kickbacks to perform routine administrative tasks or provide public services.
Corrupt procurement	Manipulating or rigging the public procurement process to favor specific suppliers or contractors who offer kickbacks or bribes.
Overpricing and misallocation	Inflating the costs of projects or goods, or allocating resources to benefit corrupt actors rather than the public.
Police corruption	It includes bribery, extortion, and abuse of power by law enforcement officers, often involving traffic stops, permits, or small-scale criminal matters.
Sexual corruption	Sexual corruption involves abusing power or authority to obtain sexual favours (dominantly from women), often in exchange for benefits, privileges, or services.
<i>Grand corruption</i>	
Bribery, collusion and extortion	Corrupt practices within the state administration system including for example, senior officials, judges, and law enforcement officials accepting bribes, colluding to secure contracts or private financial gains, or extorting money in exchange for favorable outcomes.

High-level political corruption	This encompasses corruption at the highest levels of government, involving top officials, politicians, and decision-makers embezzling public funds, awarding lucrative contracts to cronies, or engaging in corrupt practices that have a significant impact on national strategic interests and resources.
Fraud	Fraud is an economic crime involving deceit or manipulation by public officials for private gain. It covers bribery, embezzlement, illegal trade, and organized crime, often enabled by state agents, using distorted information or sanctioning illicit activities.
State capture	Where powerful private interests exert undue influence over the state's decision-making processes, often through corruption, to further their own agendas.
<i>Political corruption</i>	
Vote buying	Candidates or parties may use money or gifts to buy votes during elections.
Voter fraud	Manipulation of voter registration, ballot stuffing, or tampering with election results.
Politicisation of the judiciary	When the judiciary is influenced or controlled by political interests, leading to biased or unjust legal decisions.
<i>Corruption in the sectors</i>	
Infrastructure	Corruption in infrastructure projects can manifest through bribery, bid-rigging, and embezzlement. Corruption risks are particularly high during the

	project appraisal, selection, and procurement stages, leading to poor-quality infrastructure, inflated costs, and delayed projects.
Telecom and media	Corruption affects licensing, spectrum allocation, and content regulation, compromising fair competition and media integrity.
Defense sector	Illegitimate procurement processes and misappropriation of funds, undermining national security and operational efficiency
Agriculture	Corruption leads to the diversion of resources intended for agricultural growth and unfair land allocation, disadvantaging local communities. Additionally, corrupt regulatory practices hinder market access for small farmers and businesses, exacerbating economic inequities.
Education and healthcare	Corruption in schools and healthcare facilities, where teachers, doctors, or administrators may demand payments or gifts for services that should be free.
Land grabbing	Illegitimate acquisition of land, often displacing local communities, with the complicity of corrupt officials.
Natural resource management	Corruption in the management of natural resources, including mining, oil, and timber, which may involve bribery, underpricing, and illegal extraction.

Source: Authors (*with inputs from the Chr. Michelsen Institute*) (Amundsen, 2000_[29]).

References

- Adam Smith International (2020), *Operational Review of Exposure to Corrupt Practices in Humanitarian Aid Implementation Mechanisms in the DRC.* [32]
- Amundsen, I. (2000), “Corruption: Definitions and Concepts”, [29]
https://etico.iiep.unesco.org/sites/default/files/201805/corruption_definitions_and_concepts.pdf.
- Asian Development Bank (2024), *Integrity Risks and Red Flags in Projects,* [35]
<https://www.adb.org/publications/series/integrity-risks-red-flags-projects>.
- Bank, W. (1999), *Corruption in Economic Development.*, [40]
<https://documents1.worldbank.org/curated/en/175291468765621959/pdf/multi-page.pdf>.
- BMZ (2022), *Quality criteria strategy Anti-corruption and integrity,* [22]
<https://www.bmz.de/resource/blob/124702/antikorrupcion-en-cps-barrz.pdf>.
- Campos, J. and S. Pradhan (2007), *The Many Faces of Corruption: Tracking Vulnerabilities at the Sector Level,* World Bank, [5]
<https://openknowledge.worldbank.org/entities/publication/66f32ad3-768d-50c8-946b-58e674b718f5>.
- Corruption Watch (2023), *Corruption kills: how it made the Turkey earthquake much worse.*, [34]
<https://www.corruptionwatch.org.za/corruption-kills-how-it-made-the-turkey-earthquake-much-worse/>.
- France, G. (2022), *Impacts of Corruption,* U4, [12]
https://knowledgehub.transparency.org/assets/uploads/helpdesk/Impact-of-corruption-on-LGBTQI-people_2022_PR.pdf.
- GIZ (2018), *Alliance for Integrity,* <https://www.giz.de/en/downloads/giz2019-en-afin-brasil.pdf>. [26]
- ICAI (2021), *Tackling fraud in UK aid.* [33]
- International IDEA (2019), *Global State of Democracy 2019: Addressing the Ills, Reviving the Promise.*, <https://www.idea.int/publications/catalogue/global-state-of-democracy-2019>. [2]
- Kenny, C. (2006), *Measuring and reducing the impact of corruption in infrastructure.*, World Bank, [10]
<https://documents.worldbank.org/en/publication/documents-reports/documentdetail/202261468177845043/measuring-an>.
- Khan, M. (2022), *Win-Win: Designing Dual-Use in Climate Projects for Effective Anti-Corruption in Bangladesh.*, Climate and Development, [27]
<https://doi.org/10.1080/17565529.2022.2027741>.

- Khan, M. (2021), *Making Anti-Corruption Effective: A New Approach. Cutting Edge Issues in Development*, ACE/SOAS Programme, <https://ace.soas.ac.uk/making-anti-corruption-effective-a-new-approach/>. [31]
- Khan, M. and P. Roy (2022), *Key Anti-Corruption Strategies: Using Horizontal Accountability to Stop Wasting Money and Start Making Progress*, SOAS-ACE Synthesis Report, <https://ace.soas.ac.uk/379-2-2/>. [28]
- Li, S. and J. Wu (2007), *Why China Thrives Despite Corruption*, Old Dominion University, https://ww1.odu.edu/news/news-archive/2007/04/WhyChinaT_8969. [13]
- NORAD (2021), *Annual report on Norad's investigation cases*. [30]
- NORAD (2019), *Progress in the fight against corruption and financial irregularities in development aid*. [31]
- Norway MFA (2016), *General Conditions Applicable to Grants from the Norwegian Ministry of Foreign Affairs (Norwegian & Non-Norwegian NGOs, Grant Management Regime I and II)*, Ministry of Foreign Affairs of Norway. [19]
- OECD (2024), *Development Finance for Climate and Environment*, <https://www.oecd.org/dac/financing-sustainable-development/development-finance-topics/climate-change.htm>. [16]
- OECD (2022), *Report on the Implementation of the OECD Recommendation for Development Co-operation Actors on Managing the Risk of Corruption*. [18]
- OECD (2016), *Recommendation of the Council for Development Co-operation Actors on Managing the Risk of Corruption*, <https://legalinstruments.oecd.org/en/instruments/OECD-LEGAL-0431>. [36]
- Press., C. (ed.) (2020), *China's Gilded Age: The Paradox of Economic Boom and Vast Corruption*. [7]
- Pyman, M. (n.d.), *Curbing Corruption*, <https://curbingcorruption.com/person/mark-pyman/>. [37]
- Pyman, M. and P. Heywood (2024), *Sector-Based Action Against Corruption: A Guide for Organisations and Professionals*, Palgrave Macmillan, <https://doi.org/10.1007/978-3-031-59336-9>. [15]
- Rafitson, K. and Valérian (2023), *Corruption and Climate Change: The Key to the Past and the Fight for the Future*, Transparency International France, <https://transparency-france.org/2023/03/20/corruption-and-climate-change-the-key-to-the-past-and-the-fight-for-the-future/>. [17]
- Ronceray, M. and K. Sergejeff (2023), *No Time Like the Present to Fight Corruption: Innovative Practice for a Wicked Development Problem*, <https://ecdpm.org/work/no-time-present-fight-corruption-innovative-practice-wicked-development-problem>. [38]

- Shutt, C. and M. Al’Afghani (2020), *Indonesia - Final Evaluation of the Citizen Monitoring for Transparency and Accountability of Licensing and Revenue Management in the Mining Sector Project*, World Bank, <http://documents.worldbank.org/curated/en/099513011102274551/IDU0efbf8a8d0ff7b046df082950ee4211ad20b6>. [25]
- SIDA (2019), *Corruption as a Development Obstacle: Guidance for SIDA’s Work*, <https://cdn.sida.se/publications/files/sida62354en-sidas-handling-of-suspicious-of-corruption-and-irregularities-in-international-development-co-operation.pdf>. [9]
- SIDA (2019), *Sida’s handling of suspicions of corruption and irregularities in international development co-operation*. [23]
- Taxell, N., D. Zaum and J. Johnsen (2012), *Mapping Evidence Gaps in Anti-Corruption: Assessing the State of the Operationally Relevant Evidence on Donors’ Actions and Approaches to Reducing Corruption*, U4. [14]
- Transparency International (2024), *What is Corruption?*, <https://www.transparency.org/en/what-is-corruption>. [1]
- UNDP (2010), *Corruption, Accountability and Gender: Understanding the Connections.*, <https://www.undp.org/sites/g/files/zskgke326/files/publications/Corruption-accountability-and-gender.pdf>. [20]
- UNODC (2021), *Impact of Corruption on Development and How States Can Better Tackle Corruption Under the Spotlight at UN Anti-Corruption Conference in Morocco*, <https://www.unodc.org/islamicrepublicofiran/en/impact-of-corruption.html>. [8]
- UNODC (2020), *The Time is Now – Addressing the gender dimensions of corruption.*, https://www.unodc.org/documents/corruption/Publications/2020/THE_TIME_IS_NOW_2020_12_08.pdf. [11]
- USAID (2022), *Dekleptification Guide. U.S. Agency for International Development*, <https://www.usaid.gov/anti-corruption/dekleptification>. [21]
- Wathne, C. (2021), *Understanding Corruption and How to Curb It*, U4, <https://www.u4.no/publications/understanding-corruption-and-how-to-curb-it>. [4]
- Wickberg, S. (2013), *Literature Review on Costs of Corruption for the Poor*, U4, <https://www.u4.no/publications/literature-review-on-costs-of-corruption-for-the-poor.pdf>. [39]
- World Bank Social Development Department (2004), *A Citizen Report Card.*, <https://documents1.worldbank.org/curated/en/993711468149676855/pdf/804490WP0Citiz0B0x0379805B00PUBLIC0.pdf>. [24]
- World Economic Forum (2019m), *Corruption costs developing countries \$1.26 trillion every year - yet half of EMEA think it’s acceptable*, <https://www.weforum.org/agenda/2019/12/corruption-global-problem-statistics-cost>. [6]