

**Testimony of Assistant to the Administrator Shannon Green  
Bureau for Democracy, Human Rights, and Governance  
U.S. Agency for International Development  
Before the Senate Foreign Relations Committee  
Implementation of the U.S. Anti-Corruption Strategy Hearing  
March 21, 2024**

Chairman Cardin, Ranking Member Risch, and distinguished Members of the Committee, thank you for your leadership on fighting corruption and the opportunity to be here today. As this Committee knows well, corruption is a direct threat to U.S. national security and global peace and prosperity, as well as USAID’s mission to promote and demonstrate democratic values abroad and advance a free, peaceful, and prosperous world.

We cannot achieve these objectives without addressing the root causes of poor governance, including pervasive and systemic corruption. Corruption is frequently cited as the primary driver of discontent with democratic systems. In global surveys, respondents often list corruption amongst the top challenges facing their country.

This year, corruption’s drag on democracy is especially salient. Many have dubbed 2024 “the year of elections,” as more than 60 countries—estimated to represent close to half the world’s population and over 50 percent of global GDP—will hold elections. When candidates can be bankrolled by foreign corrupt interests and democratic institutions can be captured by kleptocrats, citizens lose faith in their governments—and increasingly in democracy itself.

Corruption also threatens the aim of sustainable, inclusive, and locally-led development across all sectors, which is why Administrator Power calls corruption “development in reverse.” USAID recognizes that we can no longer address corruption in a silo, or focus solely on administrative corruption, when it is so closely interlinked with other sustainable development goals. When public officials use their positions of power to extort and demand payment for basic services—like clean drinking water or access to vaccines—citizens suffer dire, sometimes fatal consequences. And how can we achieve sustainable economic growth when 46 percent of companies surveyed in 2022 reported experiencing corruption, fraud, or other economic crimes in the last two years?<sup>1</sup> Or ensure fair and safe labor conditions when, as noted in the U.S. Strategy on Countering Corruption, human traffickers are among those that benefit most from environments with endemic corruption?

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<sup>1</sup> PwC, PwC’s Global Economic Crime and Fraud Survey 2022, <https://www.pwc.com/gx/en/forensics/gecsm-2022/pdf/PwC%E2%80%99s-Global-Economic-Crime-and-Fraud-Survey-2022.pdf>.

Given the stakes for both democracy and development, tackling corruption has been vaulted to the top of our agenda.

Both the President and Congress recognize the important moment we are in, as evidenced by last year's Combating Global Corruption Act, enacted as part of the National Defense Authorization Act for Fiscal Year 2024. This builds on the bold action we are taking to implement the U.S. Strategy on Countering Corruption and to cultivate partnerships across the federal government.

In addition to elevating the issue, USAID is transforming how it fights corruption.

USAID is conveying the importance of countering corruption at the highest levels with our partner countries. The Administrator consistently and pointedly raises concerns about corruption in her engagements with heads of state and other senior officials. Agency leaders—myself included, as head of USAID's new Democracy, Human Rights, and Governance Bureau—amplify this message, press government officials to take action, offer assistance when needed, and demonstrate solidarity with anti-corruption champions who are advocating for reform against great odds.

Working across USAID and the interagency, and with our partners, we are promoting anti-corruption measures like the effective use of beneficial ownership data and integrity in public procurement and addressing the enablers of corruption. USAID and the Department of State have been co-leading a multi-stakeholder platform, together with the Brookings Institution and the Open Government Partnership, to accelerate uptake of these priority fiscal transparency and integrity reforms in order to address vulnerabilities in the international financial system that allow corrupt actors to hide, launder, and transfer their ill-gotten gains around the world. We are also aiming to accelerate this work through our programs.

Corruption has significantly evolved in recent decades to become a globalized, networked, and pernicious problem, which is why we have pivoted as an Agency—as codified in USAID's first ever Anti-Corruption Policy—to confront transnational corruption, grand corruption, and kleptocracy. USAID's approach to fighting corruption is multi-pronged, cross-sectoral, politically informed, and locally led, and focuses on constraining opportunities for corruption, raising the costs of corruption, and incentivizing integrity.

Over the past three years, USAID has overhauled its approach to anti-corruption and created new capabilities to address both long-standing and emerging threats and opportunities:

- *The capability to build country resilience to transnational corruption, grand corruption, and kleptocracy.* We now have programs in place that allow us to strengthen the systems and actors needed to close loopholes, detect dirty money, follow ill-gotten gains across borders, and ultimately hold corrupt actors accountable. For example, we are enhancing the capacity of key states in Eastern Europe to resist and respond to Kremlin-linked efforts to use strategic corruption and illicit finance to manipulate their domestic political processes and discourse.
- *The capability to invest in and expand investigative journalism networks to root out corruption, including across borders.* In Latin America and the Caribbean, a recent regional investigative journalism initiative supported by USAID and the Department of State produced over 200 high impact investigative pieces. This work uncovered more than \$36.6 billion in mismanaged public funding, led to arrests, investigations, and legal and policy reforms, and fostered a robust network of journalists that continues to protect public resources from graft. In North Macedonia, USAID created two interconnected programs that bring together anti-corruption champions across sectors—one that supports government reform while another that ensures civil society and media watchdogs have input into reforms and provide oversight. Through these integrated programs, civil society oversight and media coverage lead to concrete action. For example, as the media uncovered corruption in the construction sector, their stories motivated specific government reforms in that sector. Two months into implementation of the USAID-supported Asia Investigative Reporting Network, investigative journalists and media outlets are already strengthening collaboration across Southeast Asia.
- *The capability to combat legal harassment meant to silence investigative journalists and activists.* Reporters Shield, an innovative membership-based legal assistance program, has already received applications from more than 45 countries and, so far, selected 25 member organizations. Among selected organizations are outlets from the Republika Srpska entity of Bosnia-Herzegovina, where, last year, the National Assembly re-criminalized defamation, putting journalists and human rights defenders at risk for expressing their right to freedom of expression. Cognizant of the many dangers brave activists, reformers, and journalists face, USAID is ramping up its support to and protection of these frontline actors.
- *The capability to be agile and responsive to changing needs and windows of opportunity.* USAID is focused on providing timely and targeted assistance to seize opportunities for anti-corruption reform or stanch backsliding when it begins. At a pivotal time in Zambia's fight against corruption, for instance, we are bolstering Zambian anti-

corruption institutions, processes, and policies that were purposely weakened under the prior government. This includes zeroing in on beneficial ownership, asset disclosure, civil society oversight, and rule of law reforms, especially in the health and extractives sectors. These efforts are necessary so that the Hichilema Administration can deliver on its campaign promises to turn the page on corruption and ensure that this window of opportunity in Zambia is not squandered. Beyond Zambia and more generally, through the Anti-Corruption Response Fund, USAID has supported efforts to prevent and detect corruption in licensing and procurement related to natural resources, strengthen central bank and supreme audit institution functions, and implement conflict of interest laws when windows of opportunity open for anti-corruption action.

- *The enhanced capability to hold corrupt actors accountable.* Across multiple countries, USAID is investing in programs that strengthen the capacity of executive, legislative, and judicial bodies and civil society to hold corrupt actors accountable and conduct effective oversight. For example, USAID and the Department of State have implemented activities to strengthen the Government of Liberia’s capacity to investigate pharmaceutical crime. USAID is also mobilizing citizens to demand improvements in the pharmaceutical supply chain through public awareness campaigns and supporting civil society monitoring of medical supply distribution, while the Department of State trains Liberian justice sector officials to hold corrupt actors accountable – a continued challenge. In Paraguay, USAID is training judges and prosecutors with a new emphasis on criminal organizations and transnational corruption, engaging with the private sector and civil society to increase their collaboration in the investigation and oversight of corruption cases.
- *The enhanced capability to counter corruption across sectors.* Effectively elevating the fight against corruption requires us to tackle the problem from multiple angles and across all sectors. Deepening and accelerating integration of anti-corruption across sectors is central to USAID’s anti-corruption agenda. Our Global Health colleagues, for example, are applying an anti-corruption lens to programming in a sector where, globally, corruption drives an estimated loss of \$500 billion per year. USAID has provided technical assistance to regulatory authorities in the Ministries of Health in nine sub-Saharan African countries that work to detect falsified, counterfeit and illicitly traded medicines—ensuring that quality, life-saving medicines get into the hands of those who most need them, and not corrupt actors who profit off others’ misfortunes.

The systemic change that we are envisioning will require new and enhanced partnerships, which is why we are fortifying a multi-stakeholder base to counter corruption.

In 2021, we launched USAID's 12th Grand Challenge, inviting problem solvers from around the world to offer their best ideas on Countering Transnational Corruption. USAID is seed-funding more than a dozen promising innovations, including in mineral supply chains. Our innovators are working in more than 17 countries across Africa, Asia, and Latin America. For example, USAID and the Department of State are supporting an online platform, I-KEEP, that makes corruption data more accessible in public procurement so that it can be used by citizens, journalists, government representatives, and other stakeholders. Our recent Doing Business with Integrity call for innovations has received 100 proposals from the private sector and will make awards to entities demonstrating how anti-corruption efforts can be good for business.

We have also solidified strategic partnerships at the global, regional, and country levels with the Open Government Partnership (OGP) and the Extractive Industries Transparency Initiative (EITI), and recently provided direct grants to support country level implementation of their work. Through U.S. leadership on the OGP Steering Committee, we hope to elevate our anti-corruption priorities within the broader global open government conversation and empower other members to act as good stewards of the cause.

USAID is fully invested in the United States Government's anti-corruption agenda, especially as an integral part of our broader work on democratic renewal, to respond to people's longing for dignity and greater agency to influence the decisions that affect their daily lives, enjoy fairer systems of government, and see their basic needs and concerns addressed by those in power.

Chairman Cardin and Ranking Member Risch, thank you for holding this hearing on implementation of the U.S. Strategy on Countering Corruption. USAID shares your commitment to the fight against corruption. We are grateful for the opportunity to share our experience with the Committee, and I look forward to your questions.