



GUIDANCE NOTE

Integrating **Transparency, Accountability and Anti-Corruption** in Socio-Economic Impact Analysis, Needs Assessment and Response to the COVID-19 Pandemic

**UNITED
AGAINST
CORRUPTION**



FOR DEVELOPMENT, PEACE AND SECURITY

UNDP is the leading United Nations organization fighting to end the injustice of poverty, inequality, and climate change. Working with our broad network of experts and partners in 170 countries, we help nations to build integrated, lasting solutions for people and planet.

Learn more at undp.org or follow @UNDP.

Copyright ©UNDP 2020. All rights reserved.
One United Nations Plaza, NEW YORK, NY10017, USA

As part of UNDP's Governance response to COVID-19, this Guidance Note was prepared by UNDP's Global Anti-Corruption Team, with inputs from regional anti-corruption and governance focal points and Country Offices.

Contact:

Anga Timilsina

UNDP Global Programme Advisor on Anti-Corruption

anga.timilsina@undp.org

GUIDANCE NOTE

Integrating Transparency, Accountability and Anti-Corruption in Socio-Economic Impact Analysis, Needs Assessment and Response to the COVID-19 Pandemic

Table of Contents

I. Background	4
a. Impact of the COVID-19 Pandemic on Society, the Economy, and Governance	4
b. Transparency, Accountability and Anti-Corruption in the Socio-Economic Context of the COVID-19 Pandemic	7
c. Objectives of the Guidance Note	8
d. Guiding Principles	8
II. Integrating Transparency, Accountability and Anti-Corruption in Socio-Economic Impact Analysis, Needs Assessment & Response to COVID-19	9
Step 1: Assessing the Overall Impact of Corruption on COVID-19 Response and Recovery	11
Step 2: Assessing Corruption Risks in COVID-19 Management and Response	12
Step 3: Integrating Transparency, Accountability and Anti-Corruption in Socio-Economic Response	13
III. Checklist Questions to Integrate Transparency, Accountability and Anti-Corruption in Socio-Economic Impact Analysis of COVID-19	14
a. Assessing the Overall Impact of Corruption on COVID-19 Response and Recovery	14
b. Assessing Corruption Risks in COVID-19 Crisis Management and Response	14
c. Integrating Transparency, Accountability and Anti-Corruption in Socio-Economic Response	15
UNDP Focal Points and Experts on Transparency, Accountability and Anti-Corruption	17

I. Background

a. Impact of the COVID-19 Pandemic on Society, the Economy, and Governance

The COVID-19 pandemic has brought chaos, uncertainty and supply chain disruptions to the global economy, impacted lives and livelihoods, and tested the resilience of governance systems, institutions and mechanisms in responding to the crisis. While the impact of the pandemic will vary from country to country, it is increasing poverty and inequalities at a global scale, making the achievement of the SDGs even more urgent¹. As highlighted by the UN Secretary-General's Report on the Impact of COVID-19, the pandemic is deepening already high levels of inequalities, exposing vulnerabilities in social, political and economic systems, which are in turn amplifying the impacts of the pandemic.

Impact on society

During the pandemic, the risks of leaving many behind from life-saving measures and recovery priorities are huge and damaging. According to the World Bank, 40-60 million people will be pushed into extreme poverty because of the economic shocks from COVID-19. The limited amount of resources and the urgency needed in responding to the crisis have created risks of further excluding or discriminating against many sections of society. In particular, the pandemic is hitting the poorest and most vulnerable and marginalised the hardest, and has an especially devastating impact on **gender equality**. This could be manifested through the gendered nature of the health workforce (comprised of 70% women but only 25% in senior roles), the disproportionate share of unpaid care and domestic work, gender-differentiated economic impacts, and the risks of gender-based violence or gender-based corruption.

The many forms of **inequalities** - from gender to income – are exacerbated during the COVID-19 pandemic, and they could further perpetuate power imbalances, as well as result in greater risks of petty bribery and other corrupt activities in order to access services, influence policymaking or decision-making, or gain undue preferential treatment. These further increase vulnerability to shocks.

Depending on the overall effect of COVID-19 on society and the perceived effectiveness of the authorities' response to the crisis, **trust in government institutions and political leadership** may be eroded. In particular, trust in the messaging from authorities is a critical part of a successful whole-of-government, whole-of-society response to the crisis. This response, at the same time, can be important not only in building **trust between citizens and the state**, by ensuring inclusivity, dialogue, grievance mechanisms, accountability, adherence to human rights and delivery, but also in building **interpersonal trust**, which enhances social cohesion, collective action, and the resilience of society².

Impact on the economy

COVID-19 has plunged the global economy into a recession, with huge declines in global trade, severe disruptions of global supply chains, shocks to both demand- and supply-side of the economy, and falling commodity prices. These have deep and complex consequences on **economic outcomes**, from growth and income, to investments, government expenditure, revenue, employment, wages and savings.

The ILO estimated that due to the COVID-19 pandemic, 1.6 billion workers in the **informal economy** – nearly half of the global workforce – were in immediate danger of having their livelihoods destroyed, with little to no savings and no access to social protection. In the tourism industry – one of the hardest hit by the pandemic – the World Tourism Organisation estimates a potential loss of \$910 billion to \$1.2 trillion in export revenues from tourism, and an estimated 100 and 120 million jobs at risk. With **businesses and smaller enterprises** facing serious disruptions, the share of the informal economy is also expected to increase.

¹ A UN Framework for the Immediate Socio-Economic Response to COVID-19

² Please see UNDP (2020) 'Strengthening social cohesion: Conceptual framing and programming implications'.

During times of uncertainty for individuals and businesses, the devastating economic impacts, with wider ramifications on society, may increase the risks of corrupt activities in both public and private spheres, such as bribery and kickbacks, fraud in service delivery and procurement processes, embezzlement of funds, and increase in illicit financial flows and money laundering.

Impact on governance institutions, systems and mechanisms

The COVID-19 pandemic has proven to be a huge test for states and government institutions to react and adapt to the crisis, enforce policies, and provide public services. Due to the urgent need to deal with the emergency crisis of the COVID-19 pandemic, some countries have relaxed safeguards on transparency, oversight and accountability mechanisms, such as trading compliance, procurement, and open access to data, for speed and flexibility under emergency protocols.

In addition, there has also been a tendency to withhold information or suspend measures designed for constructive engagement of multiple stakeholders in various governance processes during the COVID-19 pandemic. As a result, there is reduced **access to information** and **open data**, a shrinking **civic space**, an increase in **misinformation and disinformation**, reduced **participation and activism**, as well as the erosion of **confidence and trust between citizens and the state**. (However, it is worth noting that the increased reliance on digital technologies and social media have, in some contexts, increased the voices of civil society, communities and citizens, with tech-driven opportunities to engage citizens in anti-corruption efforts³.)

Because of the lack of sufficient accountability and oversight mechanisms in crisis response and recovery, **the risks of corruption and fraud significantly increase, and these have critical implications on society and the economy**. During the COVID-19 pandemic, the impact of corruption is being felt across healthcare service delivery, policymaking, procurement processes, and management of funds (including emergency health funds, social safety nets, and stimulus packages).

As Transparency International highlighted in its report 'Exploring post-COVID-19 trends and their impact on anti-corruption, governance and development', **illicit financial flows** and **money laundering**, which are problematic even long before the COVID-19 pandemic, are causing devastating effects on public budgets, government effectiveness and inequality, with cash and proceeds of corruption stashed away in safe havens while states struggle to respond to the COVID-19 pandemic and meet the needs of all people.

Illustrating the devastating costs of corruption in the health sector

Even in normal situations, corruption in the health sector causes losses of over US\$500 billion every year. World Bank surveys show that in some countries, up to 80% of non-salary health funds never reach local facilities. According to Transparency International, bribery rates in hospitals and health facilities are up to 14%.

Cases of COVID-19-related corruption scandals can already be observed in countries across the world. The most vulnerable and marginalized populations, including the poor, women and children, suffer the most. It is clear that without addressing corruption risks in different areas, responses to the crisis may be undermined, and the impact of recovery measures may be limited.

³ Transparency International (2020) 'Exploring post-COVID-19 trends and their impact on anti-corruption, governance and development'

Examples of the possible impact of the COVID-19 pandemic on society, the economy, and governance

		Examples of the negative impact	Examples of impact on anti-corruption
Society	Social cohesion, social contract and trust	<ul style="list-style-type: none"> Decreasing social cohesion and interpersonal trust Reduced trust and confidence in government institutions Reduced cooperation and collective action 	<ul style="list-style-type: none"> Reduced ability for collective action due to lack of trust Risks of undue preferential treatment in allocation of resources
	Poverty and inequality	<ul style="list-style-type: none"> Exacerbating poverty and inequality, hitting the poorest, most marginalized and vulnerable the hardest Growing inequality gap (e.g. income), but also including gender inequality 	<ul style="list-style-type: none"> Increase in petty corruption (e.g. to access public services) Increase in power imbalances due to wider inequality gap
	Access to information and fundamental freedoms	<ul style="list-style-type: none"> Increase in misinformation and disinformation Reduced access to information, freedom of information and open data Reduced space for civil society monitoring and reporting and independent media 	<ul style="list-style-type: none"> Lack of monitoring and oversight mechanisms to hold governments and private sector accountable Lack of feedback and grievance mechanisms for reporting corruption
Economy	Growth, welfare and the informal economy	<ul style="list-style-type: none"> Deep recession of the global economy Increased share of the informal economy Increase in levels of unemployment 	<ul style="list-style-type: none"> Disruption of global supply chains and ensuing shortages, resulting in incentives for corruption (e.g. bribery, kickbacks, embezzlement, money laundering, etc.)
	International support and development financing	<ul style="list-style-type: none"> Challenges to multilateralism Reduced coordination and cooperation amongst countries in global crisis response 	<ul style="list-style-type: none"> Lower prioritization of anti-corruption efforts, including prevention, enforcement, and advocacy
	Business integrity	<ul style="list-style-type: none"> Increased political and economic power of big tech companies Increased data privacy and security risks 	<ul style="list-style-type: none"> Risk of undue influence of the private sector in policy and regulatory processes Impact on democratic processes
Governance	State capacity	<ul style="list-style-type: none"> Weakened capacity of the state to respond to the crisis, adapt, function and deliver public services Worsening capacity in already fragile and conflict-stricken states 	<ul style="list-style-type: none"> Corruption risks in service delivery, procurement processes, management of funds, and policymaking Lack of coordination amongst government institutions and line ministries
	Checks and balances	<ul style="list-style-type: none"> Increased concentration of power of the central executive Weakening of oversight and accountability institutions 	<ul style="list-style-type: none"> Impunity and lack of accountability for corruption Increased opportunities and incentives for corruption
	Civil and political rights	<ul style="list-style-type: none"> Shrinking civic and media space Increased surveillance Retaliation against whistle-blowers 	<ul style="list-style-type: none"> Difficulty in engaging citizens in anti-corruption efforts Reduced mechanisms for social accountability

Adapted from Transparency International (2020) 'Getting Ahead of the Curve: Exploring Post-COVID-19 Trends and their Impacts on Anti-Corruption, Governance and Development'.

b. Transparency, Accountability and Anti-Corruption in the Socio-Economic Context of the COVID-19 Pandemic

COVID-19 is not just a health crisis and socio-economic crisis; it is also a governance crisis. In many countries, the COVID-19 pandemic has mostly been framed as a health crisis, a humanitarian crisis, or a socio-economic crisis. As such, many countries have responded to the health crisis by strengthening the delivery of health services, purchasing new medical supplies and equipment, and establishing health funds to support COVID-19 efforts. Many countries have also responded to the socio-economic crisis by providing social safety nets and economic stimulus packages⁴. However, there is increasing recognition that COVID-19 is far more than a health or socio-economic crisis; it is also a governance crisis, testing not only the resilience of governance systems and public sector institutions to adapt, function, and innovate in their delivery of public services, but also exposing underlying vulnerabilities in the social contract.

Although there is recognition that COVID-19 impacts governance systems, processes and institutions, existing socio-economic impact analyses have not specifically assessed the links between them. In some cases, context analyses within the briefs and reports mentioned transparency, accountability and anti-corruption issues in the context or situation analysis, particularly in relation to weakening rule of law, increased civil unrest and political instability resulting from COVID-19. However, these analyses do not provide a detailed assessment of the direct and indirect impact of corruption and the lack of transparency and accountability on COVID-19 response and recovery. As such, there is a need to assess corruption risks and integrate transparency, accountability and anti-corruption in COVID-19 socio-economic impact analyses.

With this background, UNDP organised two webinars⁵ to discuss transparency, accountability and anti-corruption in the context of the COVID-19 pandemic. In taking stock of the demand for knowledge guidance, the anti-corruption team in the Global Policy Network (GPN) found a high demand on the ground for a methodology for Country Offices to integrate transparency, accountability and anti-corruption into COVID-19 socio-economic impact analyses.

Two main issues emerged:

1. There is a lack of knowledge and guidance on how to integrate transparency, accountability and anti-corruption in socio-economic impact analysis. Most socio-economic analyses do not assess the impact of COVID-19 from a governance and anti-corruption perspective.
2. There is a lack of coordination between anti-corruption institutions and the institutions focusing on socio-economic aspects.

Thus, this guidance note seeks to address these two issues, by providing a methodology including examples of checklist questions on integrating transparency, accountability and anti-corruption in socio-economic impact analysis; and by bringing together the anti-corruption community and practitioners working on socio-economic impact analyses.

As the technical lead for the socio-economic response to the COVID-19 pandemic in the UN system, UNDP and its country offices (COs) worldwide are working to assess the socio-economic impacts of the COVID-19 pandemic on economies and communities to develop and implement effective strategies for COVID-19 response and recovery. The methodology for conducting the socio-economic impact analysis has been contextualized based on the realities of each country⁶.

⁴ See, for example, UNDP Position Note “[The Social and Economic Impact of COVID-19 in the Asia-Pacific Region](#)”

⁵ 1) UNDP Governance Community of Practice Webinar on “[Transparency, Accountability and Anti-Corruption during COVID-19 Crisis Management and Response](#)” (5 May 2020) and 2) UNDP COVID-19 Webinar Series: Webinar #36 “[Impact of corruption during the COVID-19 pandemic: implications for transparency, accountability and anti-corruption](#)” (20 May 2020)

⁶ Methodologies, for example, have considered some of these characteristics: remittance-dependent countries, natural resource-dependent countries, levels of human development in the country, Least Developed Countries, Small Island Development States, etc.

For example, some impact analyses conducted by UNDP COs have focused on shocks to the supply-side and demand-side of the economy; while others have focused on assessing the micro- and macro-level impacts of the pandemic. Some also analysed the impact by various themes: social aspects, economic aspects, and financial aspects; while others have conducted sectoral impact analysis on specific social and economic sectors. In addition, some COs have analysed direct vs. indirect effects, as well as short-term vs. long-term socio-economic impacts. As such, within this context, this guidance note seeks to integrate transparency, accountability and anti-corruption within the various types of impact analysis conducted by UNDP COs.

c. Objectives of the Guidance Note

As the world grapples with the crisis, there is urgency to connect health and humanitarian needs to social, economic and environmental wellbeing. The UN Framework for Socio-Economic Response to COVID-19 focuses on the needs and rights of the most vulnerable, over five pillars: (1) Health first: Protecting health services and systems during the crisis; (2) Protecting people: Social protection and basic services; (3) Economic response and recovery: Protecting jobs, small and medium-sized enterprises, and the informal sector workers; (4) Macroeconomic response and multilateral collaboration; and (5) Social cohesion and community resilience.

As the technical lead of the UN's socio-economic response, UNDP through the next phase of its Prepare, Respond and Recover offer, 'Beyond Recovery: Towards 2030', is helping decision-makers make choices and manage complexity during uncertainty in four integrated areas: **governance, social protection, green economy, and digital disruption**. These four integrated areas were identified and prioritized by UNDP by mapping immediate and emerging demands from our partners on the ground.

The main objectives of this guidance note are:

1. To contribute to the next phase of UNDP's COVID-19 crisis response, and in particular, to UNDP's technical lead role in the UN's socio-economic response by providing guidance on transparency, accountability and anti-corruption in socio-economic response.
2. To complement the UNDP Guidance Note on Transparency, Accountability and Anti-Corruption Service Offer for COVID-19 Response and Recovery.
3. To address the knowledge gap, as highlighted by the anti-corruption community, on how to integrate transparency, accountability and anti-corruption in socio-economic impact assessment.
4. To foster cooperation between the socio-economic and governance/anti-corruption practitioners on the implications of the COVID-19 crisis to ensure integrated responses in line with the 2030 Agenda.

d. Guiding Principles

预览已结束，完整报告链接和二维码如下：

https://www.yunbaogao.cn/report/index/report?reportId=5_11622

