



Photo: Aldo Vera

## TRANSPARENT PUBLIC INVESTMENT

Corruption undermines faith in government, hinders economic growth, renders opportunities for exploitation, and deprives citizens of basic services. In Peru, where half of all government spending is in procurement—the purchase of goods, services, and infrastructure for society’s benefit—corruption in public procurement is an acute concern.

USAID collaborates with the Government of Peru to strengthen the capacity of key public and private entities to reduce systemic corruption in public procurement and to strengthen civil society oversight. The assistance convenes government agencies, civil society actors, and private sector associations to establish standards, strengthen procedures, improve oversight, and promote a culture of integrity. The goal is to ensure that public resources are devoted to meeting citizens’ needs.

In support of Peru’s goal to accede to the Organization for Economic Cooperation and Development (OECD), this activity strengthens Peru’s capacity to prioritize the public interest over private interests using risk-based approaches with an emphasis on cultivating a culture of integrity across the whole of society. It makes public integrity a tangible institutional objective through changes in systems, culture, and accountability.

## HOW DOES THE ACTIVITY WORK?

Public procurement is extremely vulnerable to corruption due to the complexity of the processes, the discretionary influence of government officials, and the number and size of transactions. Opportunities are abundant for undue influence or fraud in analyzing competitive markets, defining government purchase requirements, selecting from competing bids, invoicing, and contract administration. This USAID activity provides training and technical expertise to address these vulnerabilities. The activity works to strengthen controls throughout the entire procurement life cycle, increase citizen oversight, and promotes private-sector ethical conduct.

The activity works with a range of public entities including the Comptroller General's Office, Public Integrity Secretariat (SIP), General Logistics and Supply Directorate (DGA), Supervisory Agency for Public Procurement (OSCE), the National Civil Service Authority (SERVIR), and selected regional governments.

## RESULTS ACHIEVED

### 1. Improved procurement controls reducing the risk of corruption

- The SIP applied a Preventive Capacity Index against Corruption as a measure of internal controls, ethical conduct, and transparency. The seven regional governments where TPI implements the project are ranked within the top 10. This contributes to institutionalizing the integrity model at the subnational level.
- The selected regional governments have improved the percentage of lifting observations and recommendations made by the Comptroller's Office in concurrent control reports. Internal controls are improving.

### 2. Enhanced citizen oversight of public investment

- Five integrity networks were formed in target regions, composed of key entities from the Peruvian government, civil society organizations, and business associations that promote integrity in public procurement processes.
- As of March 2023, the five integrity networks have overseen 100 public investment projects in the seven regions, applying public procurement integrity standards. This has helped prevent corruption in major projects and deliver public services with greater quality, transparency, and efficiency.

- USAID, through TPI, has contributed to the formation of the Solutions Journalism Network for Integrity created under the auspices of the Gustavo Mohme Llona Foundation. The network is composed of journalists and communicators from Piura, Lambayeque, Cajamarca, Loreto, San Martín, Cusco, and Lima. The journalists are trained to prepare special reports on citizen oversight initiatives for public works in their regions.

### 3. Increased private-sector commitment to fair competition

- Forty-six small and medium-sized enterprises (SMEs) completed the Anti-Bribery Model training program developed by Empresarios por la Integridad.
- Seventy-one SMEs have been trained in integrity standards, and forty-six are implementing codes of conduct. TPI has engaged five national business associations and seven chambers of commerce at the regional level.
- As of May 2024, TPI has facilitated a total of forty-five best practices for public-private collaboration to ensure the efficient and transparent execution of public works in the seven target regions.

## PROJECT INFORMATION

**IMPLEMENTER:** Chemonics International

**ACTIVITY DURATION:** January 6, 2019 – January 6, 2025

**USAID FUNDING:** \$15,892,259

**LOCATION:** Cusco, Lambayeque, Lima, Loreto, Piura, Cajamarca, and San Martin regions

**COORDINATOR:** Sobeida Gonzales

**TELEPHONE:** (51-1) 618-1244

**EMAIL:** sgonzales@usaid.gov