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REDUCING CORRUPTION

Every year, corruption diverts millions of dollars away from public spending and into the pockets of private individuals, and accelerates environmental degradation and biodiversity loss. The United States and Indonesia are working together to prevent corruption by enhancing public oversight, expanding civic engagement, and strengthening integrity in the public and private sectors.

Despite a number of successes over the last decade, Indonesia still faces challenges in addressing corruption, particularly in the areas of licensing and procurement. Licensing and procurement integrity lie at the heart of 23 percent of corruption cases handled by the Corruption Eradication Commission (KPK) in the last ten years. While corruption in procurement seriously harms the country's economy, corruption in licensing can also cause significant and long-term damage to the environment, public health, and peoples' livelihoods.

USAID INDONESIA INTEGRITY INITIATIVE

The USAID Indonesia Integrity Initiative (USAID Integritas) is a five-year, \$10 million program implemented by Kemitraan in partnership with Indonesia Corruption Watch (ICW), Transparency International-Indonesia (TI-I), and the Basel Institute on Governance. The project works closely with the KPK, Government of Indonesia (GOI) agencies, and the private sector at the national level and in five of USAID's priority provinces: DKI Jakarta, North Sumatra, South Sulawesi, East Java, and East Nusa Tenggara.

USAID and the Government of Indonesia have invested heavily in conservation, sustainability, and resilience to climate change; however, as these investments have grown, they have become attractive

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targets for the corrupt. Taking steps to build integrity and advance shared anti-corruption objectives in relevant ministries would protect these conservation investments.

PROGRAMMING AREAS

USAID Integritas focuses on identifying, preventing, and managing conflicts of interest (COIs) in licensing and procurement related to natural resources. Project activities engage with GOI institutions and state-owned enterprises and enhance awareness in and oversight from the private and public sectors.

ENHANCING POLICIES AND PRACTICES THAT REDUCE CONFLICTS OF INTEREST

- **Enhanced Prevention Mechanisms:** Providing technical assistance to the KPK and GOI agencies on COI policy frameworks and implementation, supported by new tools to identify COI and public awareness campaigns that address the public participation in corruption.
- **Private Sector Engagement:** Enhancing private sector integrity and anti-corruption engagement through collective action, enhanced capacity to implement anti-corruption safeguards, and increased dialogue with GOI and civil society organizations.
- **Political and Campaign Finance:** Enhancing political transparency through new information technology tools, monitoring, and advocacy to increase state subsidies and reporting obligations.

IMPROVING PUBLIC EDUCATION, AWARENESS, AND PARTICIPATION

- **Avenues and Mechanisms for Public Oversight:** Improving public access to information, enhancing citizen oversight, and strengthening public demands for accountability.
- **Enhancing Public Participation:** Enhancing the participation of key communities through formal and informal anti-corruption education, efforts to motivate public participation and engagement, and mechanisms to encourage reporting.

ANTICIPATED RESULTS

- Improved policies on COIs and their implementation at the national and sub-national levels;
- Robust private sector engagement in anti-corruption efforts, including collective action initiatives, enhanced integrity systems at state-owned enterprises that have a particularly high impact on the environment, and public-private dialogue and exchanges to decrease the corruption supply from the private sector, and;
- Enhanced public awareness and oversight of natural resource-related corruption, with a special focus on building a solid appreciation for the importance of COI management, through education and new transparency tools.

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