Crises and Corruption: Emergency Responses during COVID-19. Experiences and Responses

In early 2020, the United Nations Office on Drugs and Crime (UNODC), developed and disseminated a series of regional surveys to gather information on countries’ initial responses to the crisis, including the types of emergency relief packages adopted, their associated risks of misuse through fraud and corruption, and the involvement of anti-corruption bodies and oversight institutions in designing, implementing and monitoring such packages. The aim was to understand the context in which countries were operating and the immediate challenges they faced in order for UNODC to provide informed, innovative technical assistance as the crisis continued.

With the United Nations Convention against Corruption (UNCAC) as the cornerstone, the present conference room paper represents the global report UNODC prepared to present the findings from the regional surveys with the set of recommendations for countries to safeguard the public funds in future crises.
CRISES AND CORRUPTION: EMERGENCY RESPONSES DURING COVID-19

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Background

The unprecedented COVID-19 pandemic upended the global status quo and its consequences exacerbated corruption risks in nearly every sector. The crisis forced Member States to use a broad range of measures, including limitations on travel, economic and in-person activities, to curtail the spread of the virus while balancing the needs of the economy. In many instances, to cushion the effects of such restrictive measures, countries provided economic stimulus and relief packages that ranged from direct cash disbursements to furlough schemes and unemployment insurance, among others.

The urgency to respond to the crisis and the speed at which measures were adopted led to often inadequate accountability and oversight mechanisms for the allocation and distribution of emergency relief packages. As result, risks of corruption and fraud increased and threatened the efficiency and effectiveness of response measures.

In early 2020, the United Nations Office on Drugs and Crime (UNODC), developed and disseminated a series of regional surveys to gather information on countries’ initial responses to the crisis, including the types of emergency relief packages adopted, their associated risks of misuse through fraud and corruption, and the involvement of anti-corruption bodies and oversight institutions in designing, implementing and monitoring such packages. The aim was to understand the context in which countries were operating and the immediate challenges they faced in order for UNODC to provide informed, innovative technical assistance as the crisis continued.

With the United Nations Convention against Corruption (UNCAC) as the cornerstone, UNODC used the information received also to identify and disseminate lessons learned and good practices that prevent and counter corruption in crises response and recovery, as well as to develop bespoke anti-corruption programmes.
Methodology

The principal method of collecting relevant data was through the dissemination of regional surveys. The aim of the surveys was to capture and assess the immediate responses to the COVID-19 crisis at the national and regional levels while analyzing the potential inclusion of anti-corruption mechanisms and the role of anti-corruption authorities in preventing and mitigating corruption emanating from the response to the crisis. Hence, the survey collated information from respondents concerning the following key topics:

- COVID-19 emergency relief packages: underlying legal framework, beneficiaries, budget, and available safeguards;
- The role of anti-corruption authorities;
- Transparency measures;
- Mechanisms to monitor the allocation and use of emergency relief packages;
- Mechanisms to report fraud and corruption; and
- The involvement of civil society organizations.

The survey was distributed to anti-corruption authorities in 71 countries covering most regions in which UNODC is present and providing anti-corruption technical assistance: Eastern Africa, South Asia, Southern Africa, South-East Asia, the Pacific, and West and Central Africa. It was available to respondents from May 2020 to February 2021. The time frame of the survey afforded an opportunity to identify and analyze the initial measures taken by governments within the context of an unprecedented crisis.

Sixty countries responded to the survey, representing an 85 per cent response rate. Figure 1 shows the number of countries, all parties to UNCAC, that responded per region.¹

![Figure 1. Response Rate of Countries by Region](image)

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¹ Angola, Bangladesh, Benin, Bhutan, Botswana, Burkina Faso, Cabo Verde, Cambodia, Cameroon, Central African Republic, Chad, Cook Islands, Cote d’Ivoire, Fiji, Gabon, The Gambia, Ghana, Guinea, Guinea-Bissau, India, Indonesia, Kiribati, Lao People
After collecting responses nationally, the results from each country were combined to present a synopsis of the approaches taken by countries within the same region. UNODC relied on its extensive network of field-based anti-corruption advisers to administer the surveys and ensure the quality of information received. The regional findings, on which the present report relied, were also published. However, the data provided by the surveyed authorities is presented herein as it was received, as responses were not re-examined for accuracy. UNODC also attempted to include relevant information from incomplete responses and as such, incomplete responses are reflected in the data to the extent possible and are factored into the percentages shown throughout. Finally, the dynamic nature and evolution of the crisis mean that some of the results may not necessarily reflect the current situation in each country or region.

The data presented in this report represents a combined average of the final processed data from all the surveyed countries. This approach allowed UNODC to identify common patterns in governments’ efforts to respond to and recover from the pandemic and its socioeconomic consequences, as well as common patterns in the adoption of measures to ensure the integrity of the emergency response resources. Such patterns are presented in this report, together with six recommendations for governments to better safeguard public resources from corruption in large-scale crises.

**Survey Results**

The results demonstrate how surveyed countries responded to the pandemic and its detrimental consequences by establishing emergency relief packages to protect the welfare of their citizens and the sustainability of businesses. The aggregated survey results and responses from the six regions are presented below, while some of the observed good practices, which have been in part reformulated to make them broadly applicable, were taken into consideration when identifying recommendations for the future.

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1. The legal basis for COVID-19 emergency relief packages

The responses indicated that almost all surveyed countries adopted COVID-19 emergency relief packages. Countries varied on how such packages were initially adopted. As shown in figure 2, the majority of countries surveyed (63 per cent) adopted support packages through government decrees, while 30 per cent involved parliaments and passed new laws to implement relief measures. Executive branches used government decrees to declare states of emergency, some of which were not limited in time and did not foresee the exercise of parliamentary oversight. On the other hand, some of the countries that passed new laws introduced regulations granting wide discretion to the executive branches. In some instances, laws allowed the executive to reallocate the majority of national budgets or exempted public officials from civil and criminal liability in the performance of duties related to the COVID-19 relief measures.

![Figure 2. Legal Basis for Relief Packages](https://kiosk.incv.cv/1.1.44.3199/)

**Figure 2. Legal Basis for Relief Packages**

Percentage of countries according to the legal basis used to establish emergency economic relief packages

The use of government decrees varied by region. In South Asia, all surveyed countries had adopted relief measures by government decrees. Similarly, eight out of ten countries in South-East Asia used government decrees to launch support packages. Two-thirds of surveyed countries (62 per cent) in West and Central Africa also used such decrees to declare states of emergency and pass COVID-19 measures. This was markedly different in other regions, such as in the Pacific, where only six out of 14 countries took this approach.

It has not been clear from most responses if parliamentary assemblies reviewed such decrees before their promulgation or exercised oversight of their implementation. However, in Cabo Verde for example, a special plenary session of the National Assembly was held on 1 April 2020 to simultaneously authorize the declaration of a state of emergency while debating and approving legislative proposals\(^3\) that included emergency measures in response to the pandemic and its socioeconomic effects. In the Maldives, a special Parliamentary Committee performed ex-post oversight by requesting information and updates from all authorities involved in the allocation and

\(^3\) [https://kiosk.incv.cv/1.1.44.3199/](https://kiosk.incv.cv/1.1.44.3199/)
distribution of emergency funds. The Philippines embedded a similar mechanism directly in emergency response legislation, which established a Joint Congressional Oversight Committee to receive weekly reports from the President on the use and disbursement of emergency funds. Such reports were made publicly available online.

In addition to the use of decrees and legislation, seven per cent of countries surveyed adopted packages through other methods, such as through a ministerial decision or a memorandum issued by a special committee.

2. Categories of assistance provided in emergency relief packages

The emergency response packages included various forms of assistance, including direct cash payments, loans, deferred payments for existing loans and subsidies for essential items like utilities and food. Many countries implemented packages that incorporated and combined different forms of assistance because of the overarching yet context-specific impact of the crisis. As shown in figure 3 below, the primary form of assistance provided by countries through emergency relief packages was cash payments, followed by tax rebates and subsidies. Free to select more than one form of assistance, out of the 60 countries that responded to the survey, 50 selected cash payments (83 per cent), 43 countries (72 per cent) selected tax rebates, 31 (52 per cent) selected subsidies.

Not all of the support provided by government was economic in nature; for instance, in India, the effects of the pandemic rendered millions of daily wage earners residing in cities unemployed and therefore, logistical assistance was provided to facilitate and ease the return to their hometowns, often situated in rural areas.

![Figure 3. Categories of assistance in emergency relief packages](image)

*Number and percentage of countries according to the category of assistance provided*
3. Categories of beneficiaries included in emergency relief packages

While most countries provided support to a range of beneficiary categories as shown in figure 4 below, 80 per cent of surveyed countries included individuals (48 out of 60 countries) and 78 per cent included small and medium-sized businesses as the main beneficiaries of support packages (47 out of 60 countries). Some of the surveyed countries included other categories such as people under the poverty line, people who lost their jobs, artists, and people working in certain industries such as tourism.

![Figure 4: Categories of beneficiaries included in relief packages](image)

Number and percentage of countries according to the category of beneficiaries targeted in emergency economic relief packages

4. Anti-corruption bodies and institutional oversight frameworks

Under article 6 of the United Nations Convention against Corruption, States parties must ensure the existence of a body or bodies that prevent corruption by such means as implementing anti-corruption policies and practices and, where appropriate overseeing and coordinating their implementation, and increasing and disseminating knowledge about the prevention of corruption. States parties are obligated to grant such bodies the necessary independence to enable them to carry out their functions effectively and free from any undue influence.

In the context of a crisis, anti-corruption authorities can provide substantive guidance on proposed response measures to help mitigate opportunities for corruption and fraud and safeguard funds. They can highlight existing transparency and accountability mechanisms that may be used to help track and audit disbursed funds, reiterate underlying obligations to act with integrity and support the supervision of funding allocations. Supreme audit institutions can undertake real-time audits, advise parliaments on how to mitigate exposure to corruption risks and verify processes and procedures.

Responses indicated that surveyed countries used two main approaches: a reliance on existing oversight institutions to help ensure transparency and accountability in the allocation, distribution and management of emergency funds; or the use of newly established bodies, such as task forces
or special committees, comprised of government representatives from various institutions including anti-corruption bodies and audit institutions, to undertake oversight functions.

While most anti-corruption commissions were not directly involved in the design of emergency response packages, they continued to play an essential oversight role. In Nigeria, for instance, the Independent Corrupt Practices and Other Related Offences Commission (ICPC) developed an anti-corruption protocol for the Presidential Task Force in charge of monitoring procurements and financial transactions, introduced corruption prevention guidelines on COVID-19 relief measures, advised frontline agencies on emergency funds management and set up a monitoring team with third-party observers to report abuses and offences. In the Maldives, the Anti-Corruption Commission issued and monitored the implementation of guidelines on integrity, the prevention and reduction of risk of fraud and corruption during the pandemic. Indonesia’s Corruption Eradication Commission issued similar guidance and established a new task force to specifically prevent and investigate corruption in the implementation of COVID-19 support packages. Responses indicated that anti-corruption authorities actively monitored the distribution and allocation of emergency response packages and processed reports of potential corrupt acts brought or referred to them, according to their mandates and the specific requirements of their legal system. It was also clear from the responses received that the imposed lockdowns and the strict health-related measures impacted their work, such as by limiting access to documents and physical access to auditee premises.

New task forces or ad-hoc executive committees comprised of oversight institutions and other government representatives served to strengthen and facilitate coordination at the national level. This is true of The Gambia, where a Special Committee was created composed of the Permanent Secretaries of the Ministries of Health and Finance, the Accountant General, the Director General of The Gambia’s Public Procurement Authority, the Director of Health Services and the Director General of the Internal Audit Office. In Benin, an ad-hoc inter-ministerial committee oversaw mechanisms to prevent fraud and corruption, regularly reporting in the national media on the funds distributed and their use.

Viet Nam used a hybrid approach, authorizing the Ministry of Labour, Invalids and Social Affairs to implement the emergency response package while a newly established Special Committee comprised of representatives from different ministries under the Prime Minister’s Office oversaw such implementation.

5. Transparency measures to communicate information on emergency relief packages
Most countries indicated that information related to the COVID-19 emergency relief packages and their disbursement was primarily communicated to the public through three main channels: official publications (70 per cent of countries surveyed), social media (58 per cent of countries surveyed), and official websites (47 per cent of countries surveyed), as per figure 5 below. For official websites, the majority of countries provided information through their Ministry of Finance.
The way in which countries published information on how to access support also created different risks and avenues for misuse. For example, while social media proved effective at reaching a large share of the population, misinformation spread by different interest groups and criminal organizations on social media was reported. Phishing information through advertisements on COVID-19 emergency relief packages online is a method reportedly used by criminals to make fraudulent applications for government support using the personal information of beneficiaries.4

6. Involvement of civil society organizations

The majority of surveyed countries, 77 per cent, indicated the non-involvement of civil society organizations in the design, distribution or monitoring of emergency relief packages, as shown in figure 6.

In West and Central Africa, 33 per cent of the responses showed that civil society organizations had been involved in the monitoring of the emergency relief packages. In addition to their essential role in disseminating information and increasing public awareness of the pandemic, in some surveyed countries civil society organizations played an active oversight role through their

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involvement in committees appointed to monitor the implementation of COVID-19 relief measures.

8. Mechanisms for reporting corruption and fraud

The majority of countries surveyed did not establish new or special complaint mechanisms for reporting potential violations or fraud related to the distribution of emergency relief packages. As shown in figure 7, around 86 per cent of surveyed countries used existing reporting mechanisms while 14 per cent created new mechanisms to report fraud and corruption related to the emergency relief packages.

Newly established reporting mechanisms across the surveyed countries were mainly special hotlines and dedicated social media accounts to receive reports from the public.

Citizens in all surveyed countries were able to use existing reporting mechanisms, most notably in-person or online complaint mechanisms. In all cases, when complaints were received, regular procedures were applied.

The majority of respondents indicated that they had received or were aware of complaints regarding the implementation of emergency relief measures. They also reported on actions taken to address such complaints. For example, in one country in Southern Africa, a multi-disciplinary committee was established to coordinate investigations emanating from complaints regarding emergency relief packages. The committee consisted of law enforcement bodies, supreme audit institutions and financial intelligence units and worked together to record the allegations, provide support to investigation teams and report on their progress. In Bangladesh, the Anti-Corruption Commission initiated ten cases, resulting in the arrest of individuals involved in fraud concerning relief packages while the Government dismissed around 50 elected local officials on the same charges. The Liberian Anti-Corruption Commission also initiated criminal investigations following reports or the detection of irregularities in the use of emergency funds.
Findings and recommendations

The national surveys conducted across sixty countries and six regions provided considerable and timely information on the initial actions taken by governments in response to the COVID-19 crisis.

The results of the surveys, as presented in the first part of this report, demonstrated that many countries took actions that were similar and justified by the nature and consequences of the crisis. The types of relief and categories of recipients of economic packages were similar in most of the surveyed countries. The results also highlighted an increase in certain types of corruption risks. These results facilitated observations and conclusions on the trends and prevailing response efforts of the countries surveyed.

A. General observations

1) The prevalence of government decrees
Emergency relief packages were mostly adopted and enforced through expedited government decrees and orders. The legislative role and involvement of parliaments were diminished on grounds of urgency. Some countries indicated that the constraints and restrictions on public gatherings prevented parliaments from meeting. Despite the reasonability of such approaches, the lack of parliamentary oversight has increased the risks of rendering the adopted measures less effective and accountable.

2) Excessive reliance on cash-based measures
An overwhelming majority of surveyed countries used various forms of cash disbursement as the primary mode of relief. Such dependence, when coupled with inadequately transparent and accountable mechanisms, as well as ambiguous eligibility criteria, has heightened corruption vulnerabilities at a number of key points along the disbursement chain. These risks have engendered fraudulent activities that include falsified documentation and the diversion of funds.

3) Limited role and involvement of anti-corruption entities
The majority of the responses to the surveys clearly indicated that oversight and regulatory bodies maintained their mandates and roles, demonstrating that states of emergency declared by national governments did not interfere with the authorities’ vested powers, notably with those of anti-corruption commissions. However, most national anti-corruption authorities were not involved in establishing and implementing emergency economic relief packages. Their limited role, during states of emergency, has significantly raised corruption risks in the overall management of public funds.

4) Transparency
The limited access to information on the distribution of packages, categories of relief assistance and other specific aspects increased the risk that critical information was not available to all target groups. This is particularly true of the most marginalized and vulnerable groups, who may lack regular and predictable access to the Internet, as many countries reported using social media and websites, after official publications, to disseminate information. The rapid and dynamic nature of
the crisis has also exacerbated the lack of transparency in emergency measures and economic relief.

5) Limited engagement of non-state actors
The majority of countries surveyed did not involve various non-state actors, such as the private sector, civil society organizations, and academia, in the overall design and implementation of emergency economic relief packages. In only a handful of cases the civil society organizations took part in the distribution of relief packages, mostly as a part of humanitarian aid.

B. Risk patterns

As a result of the context in which emergency relief measures were adopted and the limited role played by anti-corruption bodies in designing and implementing such measures, countries surveyed identified a number of potential fraud and corruption risks, as summarized in the table below:

<table>
<thead>
<tr>
<th>PUBLIC PROCUREMENT</th>
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<tbody>
<tr>
<td>Bribery of procurement officials</td>
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<tr>
<td>Excessive use of non-competitive bidding procedures, including by single or limited source tendering, with limited safeguards</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>MISAPPROPRIATION OF EMERGENCY RELIEF FUNDS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-eligible beneficiaries circumventing rules and regulations, including through bribes, to obtain access to relief and support</td>
</tr>
<tr>
<td>Diversion of donations away from intended beneficiaries</td>
</tr>
<tr>
<td>Embezzlement of profit gained from the sale and distribution of medical supplies</td>
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<tr>
<td>Manipulation and inflation of claims for economic relief</td>
</tr>
<tr>
<td>Diversion of health-care resources meant for COVID-19 patients</td>
</tr>
<tr>
<td>Companies hoarding/not discharging support received from the government to employees</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CONFLICTS OF INTEREST</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conflicts of interest between suppliers and authorities in procurement processes</td>
</tr>
<tr>
<td>Political appointees joining boards of companies bailed out by the government</td>
</tr>
<tr>
<td>Support packages distributed according to ethnicity and/or political affiliation</td>
</tr>
</tbody>
</table>
MISUSE OF INFORMATION
Use of social media to spread misinformation, undertake fraudulent activities such as phishing

INADEQUATE REPORTING/PROTECTION MECHANISMS
Inadequate reporting/protection mechanisms for whistle-blowers and witnesses
Restricted ability to report potential corrupt activities

C. Recommendations

Governments’ responses to this and other crises, and the need to safeguard the considerable exceptional resources, reconfirm that anti-corruption measures must be an integral part of crisis response and recovery as they help ensure that life-saving aid reaches those who need it most. UNODC, as the guardian of the United Nations Convention against Corruption, has continued to support countries around the world to better respond to and recover from COVID-19 through direct technical assistance and a series of knowledge products that propose action-based recommendations to better integrate anti-corruption in response efforts. This series of policy papers and guidance materials include a paper on Accountability and the prevention of corruption, a complementary note on COVID-19 fiscal response and the prevention of corruption and a UN-wide policy paper on Corruption and COVID-19: Challenges in crisis response and recovery that analyses the impact of the pandemic on relevant sectors and proposes recommended responses for Member States.

The following recommendations are focused on addressing the findings presented above and derive from the detailed proposals outlined in the policy documents produced by UNODC.

1. Limit the use of decrees and discretionary powers to pass emergency relief measures and ensure that when used, they are time-bound and subject to parliamentary review

While the COVID-19 pandemic required an urgent response, Member States should strive to use deliberative, inclusive processes to develop and implement emergency relief measures. Where decrees or orders are used, Member States should establish short timelines for their duration, mechanisms for their ongoing review by legislative bodies and share information on accelerated processes with the public to promote accountability. Measures that provide excessive discretion to one body or limit the ordinary work of another may increase corruption risks and hamper response efforts.8

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5 [https://www.unodc.org/documents/Advocacy-Section/COVID-19_and_Anti-Corruption-2.pdf](https://www.unodc.org/documents/Advocacy-Section/COVID-19_and_Anti-Corruption-2.pdf)
8 For more information, see Corruption and COVID-19: Challenges in crisis response and recovery, UNODC (October 2021) [https://www.unodc.org/documents/Advocacy-Section/COVID-19-Crisis-responserecovery-WEB.pdf](https://www.unodc.org/documents/Advocacy-Section/COVID-19-Crisis-responserecovery-WEB.pdf)
2. Establish clear, objective and transparent criteria for the qualification of beneficiaries and recipients

When designing emergency relief packages and determining categories of beneficiaries, Member States should establish clear, objective and transparent criteria to ensure that those who are most affected by the crisis – individuals and businesses alike – receive the direct assistance they need.9

3. Develop and strengthen outreach channels to raise beneficiaries’ awareness and understanding

Outreach channels should be diverse, inclusive and readily accessible to all populations, including those that may be in disadvantaged or vulnerable situations. Such channels should also contain clear, consistent information on eligibility criteria, how beneficiaries may access support, and the amount of forthcoming relief. Administrative procedures should be simplified to overcome barriers to information.10

4. Harness the knowledge of anti-corruption and oversight institutions and include them in the design, distribution and monitoring of relief measures

Anti-corruption bodies and other oversight institutions, including supreme audit institutions, can play a critical role in ensuring that emergency relief measures are used for their intended purpose and reach eligible beneficiaries. They can provide support to legislative bodies to ensure that anti-corruption measures are incorporated in relief provisions, reiterate underlying obligations and propose solutions to enhance accountability. If so mandate, they can receive and act upon complaints by public officials and citizens alike. Supreme audit institutions can undertake real-time audits, verify processes and procedures and make recommendations to minimize exposure to corruption risks when designing and implementing emergency relief measures.11

5. Engage with non-state actors in the design, distribution and monitoring of relief measures

Non-state actors such as the private sector, civil society organizations and academia can play crucial roles in ensuring that relief measures reach all eligible beneficiaries of the population, especially the most vulnerable. Their active involvement and participation can embolden and encourage public participation as well as accountability of disbursed resources.12

6. Expand whistle-blower protection

Access to dedicated and inclusive reporting channels to report potential corruption is quintessential to detecting and fighting malfeasance at key points in the emergency economic relief disbursement chain. Adequate, secure and reliable protection measures must also be established in order to

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9 For more information, see Accountability and the prevention of corruption, UNODC (April 2020), https://www.unodc.org/documents/Advocacy-Section/COVID-19_and_Anti-Corruption-2.pdf
12 For more information, see Corruption and COVID-19: Challenges in crisis response and recovery, UNODC, 2021.
encourage and support whistle-blowers to speak up. Exploring and advancing the use of technological tools can help to this end.\textsuperscript{13}