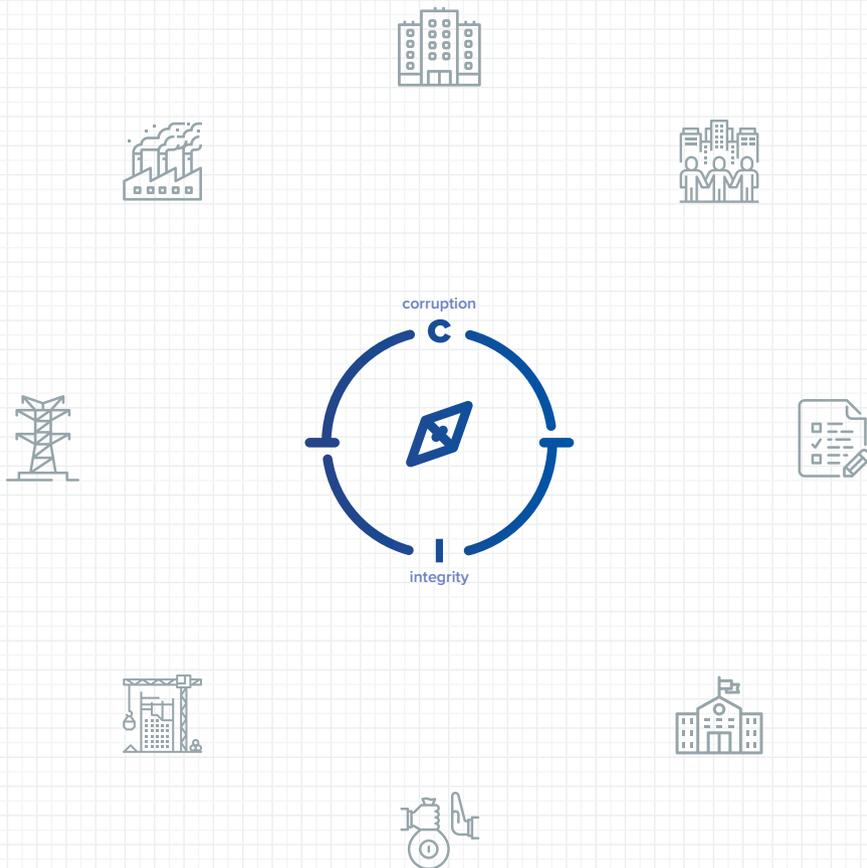


# Technical Note on the Implementation of the **Anti-Corruption Initiative Assessment** based on the **Experience** from the **Republic of Korea**

How to utilize the anti-corruption approach from the Republic of Korea as a means to ensure effective policy implementation, establish corruption prevention mechanisms, and encourage institutional anti-corruption efforts in the public sector





# Acknowledgements

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# Foreword

The 2030 Agenda for Sustainable Development is a global plan of action to achieve a better and more sustainable future that leaves no one behind. Sustainable Development Goal (SDG) 16, which aims to promote just, peaceful and inclusive societies, explicitly underscores the indispensable role of ‘effective, accountable and inclusive institutions at all levels.’ SDG 16 is seen as fundamental to the achievement of the 2030 Agenda, and good governance is a prominent enabler while corruption acts as a major barrier to all of the SDGs. Corruption depletes valuable resources for development financing, erodes public trust and social cohesion, and disproportionately harms the poor and vulnerable by undermining the access to and quality of public services.

Corruption is a complex challenge that calls for all to stand against it. Within this context, since 2002, the Republic of Korea has undertaken the Anti-Corruption Initiative Assessment (AIA), an annual evaluation tool to assess the anti-corruption portfolios of public service-related organizations. With more than 18 years of implementation experience, the Anti-Corruption & Civil Rights Commission (ACRC) has systematized the evaluation process of AIA. Through AIA, the implementation of effective anti-corruption efforts by public institutions are encouraged, thereby contributing to improved corruption prevention in Korea. Mr. Jungoh Son, the author of this Technical Note, has more than 10 years of professional experience within ACRC. Building upon the experience and expertise of Mr. Son and many other officers in ACRC and beyond, this Technical Note provides user-friendly implementation guidelines on how Anti-Corruption Agencies (ACAs) can strategically integrate AIA indicators into their key anti-corruption activities.

2021 marks the seventh year of our partnership between UNDP and ACRC on sharing AIA with developing countries. Since 2015, our two institutions have facilitated knowledge exchange on anti-corruption capacity building, through the global presence and policy expertise of UNDP and hands-on expertise of ACRC. Up to this day, UNDP Seoul Policy Centre (USPC) and ACRC have shared the AIA tool with Malaysia, Uzbekistan and Viet Nam. Our institutions will strive to support countries in benchmarking AIA and tailoring it to the public sector and policy environment of each country.

While the existing resource book ‘Introduction to Korea’s Anti-Corruption Initiative Assessment’<sup>1</sup> already provides an overview of AIA, the methodology for its implementation is often far from straightforward given the complexity of addressing corruption. We hope that this Technical Note will offer practitioners from ACAs more practical guidance to adapt the AIA to their country context. Last but not least, we would like to thank those who contributed to the publication of this Technical Note.



**Stephan Klingebiel**

Director of UNDP Seoul Policy Centre

Handwritten signature of Stephan Klingebiel in black ink.



**Sung Uk An**

Vice-Chairperson & Secretary General of  
the Anti-Corruption & Civil Rights  
Commission

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<sup>1</sup> Anti-Corruption & Civil Rights Commission and UNDP Seoul Policy Centre for Knowledge Exchange through SDG Partnerships (2016). Introduction to Korea's Anti-Corruption Initiative Assessment. Available at: [https://www.undp.org/content/seoul\\_policy\\_center/en/home/research-and-publications/ACRC.html](https://www.undp.org/content/seoul_policy_center/en/home/research-and-publications/ACRC.html).

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# Executive Summary

## **Background**

What impedes the progress of accountable and transparent governance? Corruption, as one of the biggest problems in society and governments, diverts public resources towards private gain, hinders the effective delivery of public services. Corruption fuels impunity, corrodes the rule of law, and erodes public trust and social cohesion. On the other hand, effective, accountable and inclusive governance contributes to protecting human rights, promoting access to information to hold governments accountable, and ensuring the equitable allocation and distribution of resources.

To promote a transparent, accountable and corruption-resilient society, the international community has made collective efforts to prevent and address corruption through the United Nations Convention against Corruption (UNCAC) and other international and regional instruments such as the Organization for Economic Cooperation and Development (OECD) Anti-Bribery Convention. The 2030 Agenda for Sustainable Development, adopted by 193 Member States in 2015, includes Sustainable Development Goal (SDG) 16, which seeks to ‘Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.’ In line with the global anti-corruption movement, the Anti-Corruption & Civil Rights Commission (ACRC) of the Republic of Korea (RoK) has been implementing various anti-corruption policies, including the Anti-Corruption Initiative Assessment (AIA).

Despite much progress in the last decade on anti-corruption efforts, corruption remains one of the major challenges in many countries. The lack of political will, infrastructure and technical guidelines for corruption prevention are some of the hurdles that exist in tackling corruption and promoting integrity. In RoK, anti-corruption reforms are still underway. Despite being the 12<sup>th</sup> largest economy in the world<sup>2</sup>, RoK ranked 39<sup>th</sup> out of 180 countries in the Corruption Perceptions Index – an indicator of the perceived public sector corruption according to experts and business executives.<sup>3</sup> To improve its standing, RoK has strived to eliminate corruption for years, during which AIA played a key role in corruption prevention efforts across the public sector. According to the AIA Results Paper in 2019<sup>4</sup>, 78 organizations (31.1 percent of total 270 target public organizations) improved their performance from 2018, with 10.4 percent (26 organizations) having improved significantly by more than two tiers.<sup>5</sup>

<sup>2</sup> World Bank. GDP Ranking. 2019. Available at: <https://datacatalog.worldbank.org/dataset/gdp-ranking>.

<sup>3</sup> Transparency International. Corruption Perceptions Index 2019. 2019. Available at: <https://www.transparency.org/en/cpi/2019/results/table>.

<sup>4</sup> AIA categorizes 270 institutions into Tier 1 to Tier 5; Tier 1 being the best performing and Tier 5 the worst. See: Anti-Corruption & Civil Rights Commission. AIA Result Paper 2019 [original version in Korean]. Available at: [http://www.acrc.go.kr/acrc/board.do?command=searchDetail&menuId=05020703&method=searchDetailViewInc&boardNum=81856&currPageNo=1&conflId=36&conConflId=36&conTabId=0&conSearchCol=BOARD\\_TITLE&conSearchSort=A.BOARD\\_REG\\_DATE+DESC%2C+BOARD\\_NUM+DESC](http://www.acrc.go.kr/acrc/board.do?command=searchDetail&menuId=05020703&method=searchDetailViewInc&boardNum=81856&currPageNo=1&conflId=36&conConflId=36&conTabId=0&conSearchCol=BOARD_TITLE&conSearchSort=A.BOARD_REG_DATE+DESC%2C+BOARD_NUM+DESC)

<sup>5</sup> The AIA scores are not evaluated based on a permanent set of variables. The criteria and standard of evaluation change and evolve each year based on the year’s anti-corruption issues and needs. Thus, rather than considering the evaluation approach as longitudinal, each year should be considered independently.

### This Note aims to:

- Share hands-on experience of RoK in integrating key anti-corruption activities into measurable AIA indicators
- Provide practical guidelines to facilitate technical work on AIA implementation by detailing its overall objective, rationale, benefits, procedure and core components
- Demonstrate in detail how public organizations can fulfil each core AIA indicator

Overall, this Note serves as a useful entry point for practitioners, particularly to those working in Anti-Corruption Agencies (ACAs), to adapt AIA to their country context and develop their own versions of effective and cost-efficient corruption prevention tools.<sup>6</sup>

## Main Points

### 1. What is AIA?

What impedes the progress of accountable and transparent governance? Corruption, as one of the biggest problems in society and governments, diverts public resources towards private gain, hinders the effective delivery of public services. Corruption fuels impunity, corrodes the rule of law and erodes public trust and social cohesion. On the other hand, effective, accountable and inclusive governance contributes to protecting human rights, promoting access to information to hold governments accountable, and ensuring the equitable allocation and distribution of resources.

**18 +**

Years of Implementation  
(since 2002)

**10**

Core Indicators

**270**

Government Institutions  
Participated

Approximately

**USD 90,000**

Annual Budget

#### AIA at a glance

AIA assesses anti-corruption initiatives implemented by public service-related organizations, such as government ministries, hospitals and municipal governments, to strengthen national anti-corruption strategies of RoK. Consisting of coherent and straightforward indicators, AIA is an important tool to promote a corruption-free public sector. Moreover, AIA adopts a holistic approach by aligning the anti-corruption efforts of target organizations with the national anti-corruption agenda.

<sup>6</sup> Anti-Corruption & Civil Rights Commission and UNDP Seoul Policy Centre for Knowledge Exchange through SDG Partnerships (2016). Introduction to Korea's Anti-Corruption Initiative Assessment. Available at: <http://www.acrc.go.kr/en/board.do?command=searchDetail&method=searchDetailViewInc&menuId=020504&confId=64&conConfId=64&conTabId=0&currPageNo=1&boardNum=52585>.

## 2. What are the core AIA components?

ACAs around the world operate in varying political and administrative environments within their respective countries. Similarly, public organizations demonstrate different capacities for anti-corruption policies. Regardless of the country context, the core AIA indicators in this Technical Note can serve as a useful starting point and be adapted to different environments. There are ten core indicators on how public organizations can plan an anti-corruption strategy, establish a legal and institutional framework, orchestrate operational aspects of their strategy, and disseminate the performance results.

**Table 1.** Core AIA Indicators by Evaluation Area

Evaluation Area	Indicators
Planning	Establishment of an anti-corruption strategy and action plan
Legal and institutional framework	Establishment and implementation of an Integrity and Audit Division
	Establishment and implementation of in-house anti-corruption communication channels
	Establishment and implementation of public-private partnerships
	Establishment and implementation of a Code of Conduct
Operations	Detection and punishment of acts of corruption
	Corruption risk assessments conducted, and improvements made in corruption-prone areas
	Provision of anti-corruption training for employees
Dissemination and evaluation of performances	Promotion of a culture of integrity
	Use of a comprehensive assessment survey tool

### 3. How to Implement AIA

The effective implementation of the AIA mechanism requires collective and coordinated action as well as leadership of both ACA and the public sector organizations. The role of ACA, firstly, is to identify policy and practice factors that enable all levels of public sector organizations to combat corruption and enhance transparency, accountability and quality of governance. Secondly, it is to establish AIA indicators accordingly and evaluate the anti-corruption efforts of target organizations against each indicator. Public sector organizations, in turn, utilize advice and guidance from ACA based on AIA indicators, effectively develop and implement an anti-corruption mechanism tailored to their specific sector context, and contribute to addressing corruption in the respective fields.

Through an iterative process of implementing the AIA mechanism, ACA and public sector organizations create a virtuous cycle in addressing corruption and in promoting the culture of integrity at the national and subnational levels.

Key recommendations on the AIA implementation and the role of ACA are as follows:

- Anti-corruption policies must be designed and implemented not only on the national level but also on the subnational level.
- Government institutions should incorporate anti-corruption policies into their sectoral programmes.
- ACA should strike a balance between the requirements of indicators and the realistic implementation capacity of each public sector organization.
- By taking into account the organizational competency of target organizations, ACA should set a feasible agenda for effective implementation and alignment with international standards.

### 4. Key Takeaway

While AIA is an important tool for promoting integrity, it is not the sole solution to addressing all types of corruption. For example, AIA could be more effective in preventing minor, administrative corruption than in tackling large-scale corruption among senior political and management leaders. Some would also find that conducting AIA is more time-consuming than a simple investigation or enforcing sanctions against cases of corruption.

There is a strong reason to believe, however, that in the mid- and long-term AIA can help systematically prevent various types of corruption by enhancing transparency and monitoring of public sector organizations. In RoK, AIA has proven its effectiveness across institutions at all levels over the 18 years of proactive anti-corruption interventions by ACRC. Therefore, this Technical Note seeks to encourage practitioners from ACAs, national and subnational governments and ministries to leverage anti-corruption policy tools of RoK and adapt them to the national and local context.

# Acronyms and Abbreviations

Acronyms / Abbreviations	Definitions
ACA	Anti-Corruption Agency
ACRC	Anti-Corruption & Civil Rights Commission
AIA	Anti-Corruption Initiative Assessment
DMC	Daegu Metropolitan City
IACA	International Anti-Corruption Academy
IAF	Indicators for Anti-Corruption Framework
IAI	Indicators for Anti-Corruption Implementation
EWP	Korea East West Power Corporation
KEPCO	Korea Electric Power Corporation
KETEP	Korea Energy Technology Evaluation and Planning
KFTC	Korea Fair Trade Commission
KHNP	Korea Hydro & Nuclear Power Co., Ltd.
KONEPS	Korea On-line E-Procurement System
M&E	Monitoring and evaluation
MOF	Ministry of Oceans and Fisheries
OECD	Organization for Economic Cooperation and Development
PPS	Public Procurement Service
RoK	Republic of Korea
SDG	Sustainable Development Goals
TI	Transparency International
ToR	Terms of Reference
UNCAC	United Nations Convention against Corruption
UNODC	United Nations Office on Drugs and Crime
USPC	UNDP Seoul Policy Centre





## I. Rationale and Benefits of AIA

Reinforcing Anti-Corruption Efforts across  
the Public Sector



# I. Rationale and Benefits of AIA

## Reinforcing Anti-Corruption Efforts across the Public Sector

### 1. Introduction

Corruption undermines social and economic development by diverting valuable resources away from development financing, hindering access to and quality of public services, and damages public trust and social cohesion. No country is immune from corruption, and collective efforts by the whole of society – governments, private sector, civil society and communities – are necessary to tackle corruption, promote transparency, accountability and integrity, and accelerate progress on achieving the Sustainable Development Goals (SDGs).

To prevent corruption and promote integrity in the public sector, the Anti-Corruption & Civil Rights Commission (ACRC) of the Republic of Korea (RoK) developed the Anti-Corruption Initiative Assessment (AIA) and has conducted annual assessments since 2002. Unlike the corruption monitoring and evaluation (M&E) mechanisms within the national anti-corruption strategies and action plans of many countries, the uniqueness of AIA approach lies in its consistent, dynamic and institutionalized implementation mechanism, which promotes citizen monitoring and social accountability through public disclosure of the final assessment results.<sup>7</sup> While AIA shares some commonalities with other anti-corruption initiatives, it is truly unique in a sense that it has a wide coverage of public sector organizations, is consistent in its implementation over time, and includes a carefully crafted tiered ranking.

One of the roles of the national Anti-Corruption Agency (ACA) is to spearhead national anti-corruption policies and carry out national-level corruption prevention measures. ACA should also take the initiative to conduct integrity training as well as rigorous investigations of corruption. While ACA institutionalizes national plans for anti-corruption, Integrity and Audit Divisions (also referred to as Audit Divisions in this report) across public sector organizations integrate anti-corruption measures and internalize the efforts of ACA. Considering past corruption cases or risks that have yet to be resolved, the Integrity and Audit Division should strategically design and implement preventive measures against corruption and build organizational capacity for corruption prevention. In addition, investigations on corrupt practices and integrity training for internal staff members should also be led by this Division. Ultimately, these Divisions contribute to the national anti-corruption agenda by aligning them with the anti-corruption activities of ACA, which reflect the national anti-corruption strategy.

This Technical Note is a follow-up to the resource book 'Introduction to Korea's Anti-Corruption Initiative Assessment' and complements existing ACRC publications by focusing on the technical aspects of AIA. This publication can be read as a separate policy guidebook for ACAs, similar to the content of the detailed resource book on AIA tool already available.

<sup>7</sup> Anti-Corruption & Civil Rights Commission and UNDP Seoul Policy Centre for Knowledge Exchange through SDG Partnerships (2016). Introduction to Korea's Anti-Corruption Initiative Assessment. Available at: [https://www.undp.org/content/seoul\\_policy\\_center/en/home/research-and-publications/ACRC.html](https://www.undp.org/content/seoul_policy_center/en/home/research-and-publications/ACRC.html).

## 2. AIA as a guiding instrument for anti-corruption efforts

What specific initiatives should institutions undertake to internalize a culture of ethics, integrity and anti-corruption? Many organizations may experience difficulties in identifying the first step to implementing their anti-corruption policies. In this regard, AIA can guide the direction and practices to achieve anti-corruption goals.

In essence, AIA is an anti-corruption evaluation tool that assesses each organization’s anti-corruption preparedness and provides scores based on the results.<sup>8</sup> However, AIA is more than a mere evaluation tool. Based on the anti-corruption guidelines offered by ACA, individual target organizations can identify the main contributing factors to corruption risks through the wide range of anti-corruption portfolios that exist at the global and country-level and focus on addressing them.

AIA enables target organizations to fully understand the essential anti-corruption policies to be implemented within their organizations and helps them to mobilize available resources to implement such policies. Overall, this helps to bring out collective efforts to achieve their national anti-corruption agendas. However, efforts of ACA alone are insufficient in tackling and preventing corruption within a country. In practice, anti-corruption efforts by public institutions are critical for the successful implementation of AIA and enhanced integrity in the public sector. The major advantages of AIA and ways to utilize its benefits can be summarized as follows:

**Table 2.** Potential Benefits of Implementing AIA

Target organizations	<ul style="list-style-type: none"> <li>• Increased awareness of integrity among internal staff members</li> <li>• Strengthened commitment to anti-corruption through inter-organizational competition and ranking</li> <li>• Enhanced integrity by mitigating corruption risks</li> <li>• Greater accountability to supervisory authorities</li> <li>• Improved public trust in administrative services</li> </ul>
Public sector as a whole	<ul style="list-style-type: none"> <li>• Actual implementation of national anti-corruption plans enabled</li> <li>• Increased subnational-level contribution by involving the public sector</li> <li>• Identification of anti-corruption challenges and measures to overcome them</li> <li>• Identification and sharing of best anti-corruption practices</li> <li>• Strengthened credibility and responsiveness toward the public</li> </ul>

<sup>8</sup> AIA is the policy implementation tool of ACRC which combines quantitative and qualitative assessments with a weighted scoring system and release of tiered ranking. For more information on AIA, please see: Introduction to Korea’s Anti-Corruption Initiative Assessment (2016). UNDP Seoul Policy Centre for Knowledge Exchange through SDG Partnerships, March 17. Available at: [https://www.undp.org/content/seoul\\_policy\\_center/en/home/research-and-publications/ACRC.html](https://www.undp.org/content/seoul_policy_center/en/home/research-and-publications/ACRC.html).

### 3. Benefits of conducting AIA on a regular basis

Firstly, conducting AIA on a regular basis helps to enhance the integrity of public institutions through voluntary and action-oriented efforts, creating an environment in which state-funded public organizations become more resilient against corruption. The Korean government and ACRC have learned through their experience that an organization's integrity level is directly related to its efficiency and service quality. In other words, public institutions with strong integrity can complete tasks more efficiently and deliver better services to the public. When AIA is conducted consistently, it helps to reshape existing norms and expectations about the conduct within public sector institutions and strengthens their integrity.

Second, AIA creates an objective and manageable M&E system for anti-corruption policy implementation. To facilitate and sustain substantive efforts to enhance institutional integrity, M&E needs to be clear and routinely administered. The existence of a clear evaluation procedure allows organizations to develop and revise work plans accordingly. Organizations can also demonstrate their continued interest and commitment to anti-corruption by conducting AIA regularly.

Third, AIA is a cost-effective and sustainable mechanism compared to other anti-corruption tools as it utilizes self-reporting procedures and creates incentives for allocating more human and financial resources for anti-corruption efforts.

Fourth, AIA creates political will by compelling the leaders of the organizations to pay attention to the anti-corruption tiered rankings released every year. ACRC also rewards technical-level officials who contribute to reducing corruption risks with overseas training opportunities and awards from the ACRC Chairperson.

Fifth, AIA provides ACA with specific guidelines and recommendations and serves as a good opportunity for ACA to monitor how its policies are being implemented on the ground. ACA can detect any ineffective or inefficient policies in terms of resource distribution or results. AIA enables ACA to monitor, improve and reform such policies, while also identifying organizations that have more practical and effective policies worthy of national-level adoption. However, if AIA is not conducted regularly, it is difficult to benefit from such opportunities for national anti-corruption capacity development.

Sixth, AIA is highly customizable. By conducting AIA on a yearly basis, ACA can optimize AIA in a contextualized manner to its administrative environments, in terms of both the scope of the target institutions and the indicators used. A trial and error process can also help fine-tune the AIA assessment model itself so that it is better tailored to the country-specific policy context.

**Table 3.** Possible Utilization of AIA Results

Target Organizations	<ul style="list-style-type: none"> <li>• Evaluate and monitor its year-long anti-corruption policy implementations</li> <li>• Identify learning points through a comparative study of anti-corruption efforts by other organizations</li> <li>• Publicize organization’s anti-corruption efforts</li> </ul>
ACA	<ul style="list-style-type: none"> <li>• Monitor and improve policy implementation of existing anti-corruption institutions</li> <li>• Promote and incentivize proactive anti-corruption measures for target organizations to implement</li> <li>• Disseminate best practices to all public organizations</li> <li>• Ensure transparency for the public and accountability for the target organizations</li> </ul>
Citizens & Media	<ul style="list-style-type: none"> <li>• Monitor underperforming organizations and identify high-performing transparent organizations</li> </ul>
Legislative Body	<ul style="list-style-type: none"> <li>• Utilize the anti-corruption performance results of target organizations as evidence during the national audit and parliamentary hearings</li> </ul>

For an anti-corruption strategy to be implemented as intended, M&E mechanisms should have clear baselines to track the progress of strategy implementation.

According to the UNDP publication on ‘Anti-corruption Strategies: Understanding what works, what doesn’t and why?’, although more than a dozen countries have developed anti-corruption strategies in the Asia-Pacific region since 2000, only few of them have effective implementation mechanisms, including an action plan with clear roles and responsibilities. Moreover, only a few strategies had built-in elements of evaluation and data collection at the design phase. The challenge faced by many countries is in defining measurable indicators, with established guidelines and monitoring mechanisms, to determine whether targets are being achieved. Based on the explicit challenges, the Kuala Lumpur Statement on Anti-Corruption Strategies recommends that as an integral part of strategy design, monitoring of measurable indicators is conducted on a regular basis. National bodies should be entrusted with the responsibility for monitoring, implementation and regular reporting, and provided with sustainable institutional and financial support. An independent evaluation should also be conducted to ensure accurate monitoring and reporting at regular intervals.<sup>9</sup>

M&E of strategy implementation, or lack thereof, is one of the greatest challenges of national anti-corruption strategies and is often neglected during the initial phase. M&E is crucial to prevent anti-corruption efforts from dissipating or being abandoned by government institutions.<sup>10</sup>

<sup>9</sup> United Nations Development Programme (2013). Anti-corruption Strategies: Understanding what works, what doesn’t and why?, pp.14 and 38. Available at: <https://www.undp.org/content/undp/en/home/librarypage/democratic-governance/anti-corruption/Report.html>.

<sup>10</sup> See the case of Mauritius: United Nations Development Programme (2018). Good Practices in Public Sector Excellence to Prevent Corruption. Available at: <http://www.anti-corruption.org/wp-content/uploads/2018/10/UNDP-2018-Good-Practices-in-Public-Sector-Excellence-to-Prevent-Corruption.pdf>.





## II. Implementation of AIA: Procedural Guidelines



## II. Implementation of AIA: Procedural Guidelines

### 1. The Annual AIA Process

This section focuses on how to plan the assessment procedures in a cycle of one year. As a reference, the timeline used in RoK is described as follows:



Source: English Presentation on AIA by ACRC

#### Step 1.1 Development of the annual AIA strategy: February (Based on the timeline of RoK)

AIA is closely linked with the existence of prominent or urgent cases of corruption at a given time. For example, in cases where corruption in the recruitment process of public organizations emerges, the eradication of corruption risks in employment processes calls for the adoption of relevant countermeasures as well as the active engagement of all public sector organizations at all levels. In this regard, the participation of each public agency can be included as one of the AIA indicators, to facilitate efforts to mitigate corruption risks in hiring and recruitment processes.

Incorporating the national anti-corruption agenda into focus areas of AIA can serve as a useful guide to drive this agenda. Therefore, the initial action by ACA is to prioritize key evaluation themes based on recent or ongoing corruption cases, scandals and risks. Starting off on the right foot and focusing on key priorities with this first step is crucial.

**Q** Should the implementation of AIA be accompanied by the Integrity Assessment such as in the case of RoK?

**A** Along with AIA, ACRC also conducts annual Integrity Assessments for public organizations which should not be confused with AIA. The Integrity Assessment is a much more extensive survey-based tool and complements the findings of AIA. The Integrity Assessment looks at the level of integrity of target organizations, while AIA encourages organizations to strengthen institutional-level efforts to turn corruption-prone areas into corruption-free areas. Observations show that organizations that take rigorous anti-corruption measures through AIA made major improvements in integrity levels, compared to their AIA results two to three years ago. As it is not a requirement to implement both policies simultaneously, each country should assess the corruption risks and integrity levels of public organizations by adopting methodologies that are tailored to its context. The following is a comparison between AIA and the Integrity Assessment, in terms of their objective, structure, scope, and methodology.

	AIA	Integrity Assessment
Objective	<ul style="list-style-type: none"> <li>• Improve adequacy and effectiveness of public agencies' anti-corruption efforts</li> </ul>	<ul style="list-style-type: none"> <li>• Raise public awareness of the need to fight corruption and enhance integrity</li> </ul>
Structure	<ul style="list-style-type: none"> <li>• Evaluate organization performance in Plan-Do-Result &amp; Spread stages</li> </ul>	<ul style="list-style-type: none"> <li>• External Integrity: public service users</li> <li>• Internal Integrity: internal employees</li> <li>• Policy Customer Evaluation: experts and stakeholders</li> </ul>
Target organizations	<ul style="list-style-type: none"> <li>• 270 organizations (2019)</li> </ul>	<ul style="list-style-type: none"> <li>• 609 organizations (2019)</li> </ul>
Methodology	<ul style="list-style-type: none"> <li>• Evaluation by ACRC and external experts (desk review, survey &amp; statistics)</li> </ul>	<ul style="list-style-type: none"> <li>• External Integrity: telephone survey</li> <li>• Internal Integrity: online survey</li> <li>• Policy Customer Evaluation: telephone survey</li> </ul>
Criteria	<ul style="list-style-type: none"> <li>• Set up anti-corruption action plan</li> <li>• Promote public-private partnership, reduce corruption risks, and promote integrity culture</li> <li>• Improve integrity, and disseminate best practices</li> <li>• Occurrences of corruption, and non-fulfillment of anti-corruption measures (point deduction)</li> </ul>	<ul style="list-style-type: none"> <li>• External Integrity: Corruption Index, Corruption Risk Index, etc.</li> <li>• Internal Integrity: Integrity Culture Index, Work Integrity Index, etc.</li> <li>• Policy Customer Evaluation: perception, control and experience of corruption</li> <li>• Occurrences of corrupt acts undermining the reliability of assessment (point deduction)</li> </ul>

## Step 1.2 Selection of assessment indicators and target organizations: February

### 1.2.1. Selection of evaluation indicators

To identify the main components of the AIA indicators, the first action to take is to review the indicators used in the previous year to identify performance and existing corruption issues of target organizations. RoK has also set a common list of AIA indicators, which public organizations can adopt and tailor to their areas of work. In reviewing the indicators used in the previous year, those indicators which many organizations are assessed to have made progress in should be excluded. This is because the number of assessment indicators would increase as they accumulate every year, which may create an additional burden for target organizations and an obstacle to concentrating on the core anti-corruption activities. When designing the indicators, ACA should limit the number of indicators as appropriate and prioritize its anti-corruption efforts. When anti-corruption activities are institutionalized within target organizations, they tend to be practiced even without the use of AIA. For this reason, excluded indicators should be replaced by relevant assessment indicators as part of the annual AIA strategy.

The second aspect to consider is the internal coordination within ACA. In case of RoK, while the Anti-Corruption Survey and Evaluation Division (hereafter referred to as the Evaluation Division) of ACRC is the main body that manages the evaluation mechanism and overall planning, many of the anti-corruption actions identified through the assessment are also handled by other departments within ACRC. Thus, it is important for the Evaluation Division to maintain constant communication with these departments.

**Q** How can indicators be designed coherently when the tasks of each public organization vary from each other?

**A** In principle, RoK has set a common list of AIA indicators, even though public organizations have different working areas. A common list of indicators is possible because there are key anti-corruption actions and overarching principles, including transparency and accountability, that all institutions should follow. Nonetheless, designing AIA indicators tailored to the different realities of each organization is challenging. Therefore, RoK has also incorporated qualitative indicators that can be adjusted to the context of the individual institutions.



Is it reasonable to evaluate subjective factors?



Subjective measures or indicators are often used to measure progress in anti-corruption efforts, given that measuring anti-corruption efforts objectively can be challenging. For example, it is nearly impossible to accurately and objectively quantify the integrity levels of the leadership of the executive head, the internal participation in integrity activities, and so on. Instead, ACRC conducts qualitative assessments of the performance of each organization or a survey on the level of integrity among internal staff members. Therefore, a combination of qualitative and quantitative indicators is often desired to capture both objective progress and subjective opinions and get a balanced picture of the developments in anti-corruption efforts.

### 1.2.2. Selection of target organizations

The next step is to put in place standards to select the target organizations (More information on the selection process can be found in the 'AIA Resource Book'<sup>11</sup>). From the perspective of ACA, targeting more organizations is desirable for the implementation of anti-corruption policies across the public sector. However, in RoK, having a set of standards for selecting an appropriate number of target organizations has proven to be efficient in terms of the time spent, budget and human resources.

#### Criteria for selecting target organizations

- 1 . Organizations with more than 150 staff members
- 2 . Organizations where corrupt practices have occurred in the last three years

In RoK, there are approximately 1,500 public institutions. Those institutions with more than 150 staff members are target organizations to implement AIA. Furthermore, RoK categorizes public organizations into different groups, such as central government institutions, local governments, provincial education offices, public universities, public medical institutions and public service-related organizations. The degree of availability of resources is also dependent on the number of internal staff members within each organization. For example, organizations with many staff members have a relatively large amount of available budget for establishing an anti-corruption department compared with smaller organizations with smaller budgets for staffing and funding anti-corruption activities. As a result, the overall performance of anti-corruption activities may be dependent on the size of the organization. Therefore, two types of organizations where the number of internal staff members may vary considerably – central government institutions and public service-related organizations – are categorized further into sub-groups according to the number of employees the organizations have. By doing so, ACRC aims to strike a balance across the organizations.

<sup>11</sup> Anti-Corruption & Civil Rights Commission and UNDP Seoul Policy Centre for Knowledge Exchange through SDG Partnerships (2016). Introduction to Korea's Anti-Corruption Initiative Assessment. Available at: [https://www.undp.org/content/seoul\\_policy\\_center/en/home/research-and-publications/ACRC.html](https://www.undp.org/content/seoul_policy_center/en/home/research-and-publications/ACRC.html).

When AIA was first introduced in 2002, in its pilot stage, it targeted 50 organizations. After gaining more experience in policy implementation over the years, ACRC gradually expanded the number of target organizations to maximize the impact of AIA. Similarly, countries that would like to newly adopt the evaluation mechanism should increase the number of target organizations gradually after gaining experience in evaluating approximately 50 organizations as RoK initially did.

### **Step 2.1** Announcement of preliminary plans and feedback: Late February

Following the selection of AIA indicators and target organizations, the next step is to announce preliminary plans and gather inputs from the target organizations. The preliminary plans consist of Steps 1 and 2 and include selected AIA indicators, target organizations and the AIA strategy.

AIA has significant influence over the direction of the overall one-year anti-corruption strategy for the public sector. Therefore, there needs to be a process to gather feedback from the practitioners in charge of the anti-corruption policies of each organization.

In RoK, ACRC utilizes various feedback channels. For example, ACRC holds an open hearing with the participation of staff members in charge of managing AIA from each of the target organizations. ACRC also gathers opinions through written or online submissions. Through this process, the clarity, feasibility and logic of AIA can be improved. For example, if a majority of the organizations state that using a certain indicator is unrealistic, ACA should then remove the indicator or revise it. In this regard, RoK adopts a participatory and consultative approach and strives to reflect the various opinions of different target organizations in order to improve the AIA processes.

### **Step 2.2** Announcement of final AIA implementation plan: Late March

In this step, ACA should conduct an internal discussion to determine the final implementation plan, including evaluating target organizations' feedback, taking into account the likelihood of successful implementation, assessing the anticipated impact on corruption, considering the available resources in target organizations, and other factors. In RoK, the Evaluation Division, which manages the overall evaluation mechanism, makes the final decision.

After the process is completed, the final implementation plan that defines the direction of the annual AIA is announced and put in place. The plan informs organizations of the anti-corruption efforts to focus on and the indicators to use within that year. From the moment of the announcement, target organizations at all levels begin to carry out anti-corruption activities until the due date of performance report submission, which is late October in RoK.

### **Step 3.1 Support for anti-corruption practices by all target organizations: April to October**

After the announcement of the implementation plan, each target organization commences the implementation of anti-corruption activities.

As target organizations implement the anti-corruption activities, ACA should proactively assist target organizations' anti-corruption portfolios by addressing any questions or issues and providing implementation support. For example, target organizations may have uncertainty about the details of indicators and seek advice on the implementation process, given that certain aspects from the preliminary planning phase may have gone unnoticed and questions often arise during the implementation phase.

At the same time, ACA can use the exchange of questions and answers to monitor whether target organizations understand and adequately uphold the AIA requirements.

### **Step 3.2 Selection of external evaluation team: First half of the year**

While this step is not a requirement in conducting AIA, it is used in RoK and can be a point of reference for other countries. ACRC allocates approximately one million Korean Won of its budget to service the cost of hiring an external evaluation team. This team is in charge of conducting a qualitative assessment of the AIA indicators and drafting and publishing the assessment reports.

The evaluation team is selected through an open and competitive bidding process through the Korea ON-line E-Procurement System (KONEPS). ACRC uses KONEPS to invite tenders by providing the Terms of Reference (ToR) for an external evaluation team. After an evaluation (written assessment and presentation) of multiple bidders, the assessment committee, composed of internal members of ACRC and external professionals, selects experts to evaluate AIA. The selection of the external evaluation team is often completed by the first half of the year.

The selected external evaluation team receives an in-depth briefing by ACRC, including the main objectives and indicators of AIA, and the composition of the target organizations. The team then creates evaluation standards for qualitative indicators to assess the anti-corruption action plans of each target organization. Through consultation with the evaluation team, the expert group within each target organization seeks to make the assessment standards as concrete as possible while preventing subjective interpretations, which can undermine the objectivity and rationale of AIA.



What aspects need to be considered for the external evaluation group to maintain impartiality?



It is crucial for the external evaluation team to ensure impartiality in their evaluation. The job description of the team in ToR should stipulate rules on what happens ‘in the case where members of the selected expert group violate the obligation to conduct an objective assessment.’ If the expert violates this obligation, s/he can no longer engage in any work related to the target organizations until the end of the evaluation process.

For example, an expert A in charge of AIA cannot be involved in events, be part of an advisory or evaluation committee, or consultations requested by a target organization B. Such acts are considered conflicts of interest and would violate the requirements in ToR. After considering the gravity of the violations, ACRC would request for the evaluation team to which A belongs, to exclude A from the assessment procedures. If determined to be more serious, the external team as a whole could be excluded from further engagement. In RoK, organizations conducting anti-corruption policy studies have conducted qualitative evaluations and have found violations such as the examples given above.

#### **Step 4.1 Submission of performance report by target organizations: November**

In this step, individual organizations submit a performance report on the anti-corruption activities implemented through the online reporting database and consultation website of ACRC, namely the Clean Portal System<sup>12</sup>, by the due date announced in the implementation plan. The report should use a standard template that will be distributed during the process. Evaluation scores could be deducted in case of late submission to encourage timely submission. After the submission of the report, additional material to support the report may be requested at a later stage.

#### **Step 4.2 Evaluation of performance reports: November to December**

In this step, ACA and the external evaluation team assess the performance reports. Quantitative indicators are evaluated according to the standards stipulated in the implementation plan, while the evaluation of qualitative indicators is done according to the standards developed by the external evaluation team. Due to the large number of indicators and target organizations, a significant amount of time may be needed to complete the evaluation.

<sup>12</sup> Clean Portal (2021). Available at: <https://www.clean.go.kr/index.es?sid=a2>.

The Evaluation Division of ACRC, which spearheads the overall process of evaluation, sets the timeline, conducts a preliminary evaluation using quantitative indicators (approximately three weeks allocated), releases the results to target organizations through the Clean Portal System, and receives any objections on the evaluation results (approximately two weeks allocated). For qualitative indicators, the expert group could take approximately a month to conduct the evaluation.

On-site research should also be carried out with a sample of the target organizations (for example, 10 percent of organizations) to ensure the validity and accuracy of the submitted performance report. To illustrate, an organization could provide inaccurate photographic or written evidence which could compromise the evaluation of the performance reports. While this is considered an unlikely risk, on-site research can nonetheless motivate organizations to be honest and transparent in their reports. After all the processes are completed, the total scores are consolidated by adding up the performance scores of all the indicators.

### **Step 5.1** Aggregation of evaluation results and development of feedback paper: Following January

The Evaluation Division develops a final report after aggregating the evaluation results of all target organizations. The report should identify the following aspects:

1. Meaningful improvements compared to the previous year's results
2. Organizations that have yielded best practices
3. Organizations that have demonstrated improvements in their progress
4. Institutional-level initiatives that could be disseminated as good examples

After which, the Evaluation Division prepares a feedback paper with comments on individual organizations' performance on AIA indicators.

### **Step 5.2** Release of evaluation results and dissemination of good practices: Following January

ACRC utilizes various channels for outreach and visibility of AIA evaluation results, such as through press releases and its official website. Recently, ACRC has also reported the evaluation results at cabinet meetings, attended by the President and Ministers, thereby promoting engagement at all levels of the Government of RoK. Meanwhile, high-performing organizations or individuals are also publicly recognized. The final decision is made by the Nomination Committee, composed of senior management in ACRC, professionals and practitioners from civil society organizations.

The dissemination of best practices is also critical. During the evaluation stage, ACRC often discovers public institutions that manage to develop and implement innovative anti-corruption measures in their implementation of AIA. Sharing such best practices across the public sector will encourage other agencies to actively develop and adopt measures according to their contexts. Overall, this will allow ACA to improve anti-corruption mechanisms in the country by facilitating knowledge exchange, experience sharing and learning. ACRC has annually published and disseminated best practices and initiatives through policy handbooks.

## 2. Public disclosure of AIA results and tiered ranking

### A. Disclosure of AIA Results

The evaluation results of AIA should be publicly disclosed to incentivize and motivate target organizations to strengthen their anti-corruption efforts, as well as promote citizen monitoring and social accountability of anti-corruption efforts across the public sector. Disclosure of AIA results allows high-performing organizations to be recognized by the public and encourages underperforming organizations to implement more extensive anti-corruption efforts in the following year. The disclosure of AIA results comprises of two parts: (1) disclosure of the overall assessment results; and (2) disclosure of the assessment results of individual target organizations.

In RoK, ACRC produces a comprehensive overview report on the anti-corruption efforts of the target organizations and shares its findings with the public, media and public sector organizations.

#### Results shared with the public and media:

1. Organizational results – organizations that improved and worsened, in comparison with the others in respective assessment groups
2. Indicator results – indicators that have high achievement rates and low achievement rates
3. Tier results – tiers 1 to 5

#### Results shared with individual target organizations:

1. Comparison with other organizations for each indicator
2. Recommendations on ways to improve each indicator

Target organizations are grouped into tiers based on their scores. Tier 1 consists of the best performing institutions, while Tier 5 consists of institutions with the lowest scores. Tier 2 consists of institutions whose average score for all indicators exceeds 90. Tier 1 institutions vary each year, and many factors laid out in AIA indicators are considered in addition to the minimum requirement of having an average score of over 90.

In 2019, 35 institutions in RoK were ranked as Tier 1, accounting for 13 percent of all participating institutions. Such ranking standards and regulations can be adjusted depending on different policy environments.

## **B. How to publish AIA results**

The public disclosure of AIA results may be a burden for some underperforming target institutions. For this reason, target organizations may resist cooperating with ACA. To implement anti-corruption efforts smoothly in all target organizations, ACA should expect some level of opposition beforehand and develop ways to minimize resistance.

There are many ways to publish AIA results of target organizations. For example, ACA can publish the scores, tiers or pass/fail status of a given organization. However, all three methods could equally place underperforming target institutions under public criticism. Given the pros and cons of each method, it is ultimately to the discretion of ACA on which form of disclosure to adopt. As disclosing results can not only stimulate anti-corruption efforts but also spur public criticism towards low-performing organizations, ACA needs to strike a balance between encouraging anti-corruption efforts and mitigating pressure from the public.

## **3. Incentives for high-performing organizations and individuals**

### **A. Awards for high-performing organizations and personnel**

For the staff within the Integrity Division of each target organization, conducting AIA certainly requires significant time and commitment. Thus, rewarding high-performing organizations and their staff managing AIA is seen as an important way of motivating them.

In RoK, ACRC awards high-performing institutions and their personnel in charge of their anti-corruption activities based on the final AIA assessment scores. Organizations with the highest score receive an official Merit Award on Anti-Corruption, while the anti-corruption staff at the organization with the second-highest score receive an Individual Award. The three types of awards given to both the institution and the teams are the Presidential Award, the Prime Minister's Award, and the ACRC Chairperson's Award, with the Presidential Award being the most honorable commendation among the three.

Awards can positively influence the promotion of public officials, as good performance and integrity are all essential to be considered for a promotion. Other ways of recognizing outstanding performance may put the public officials on the fast track to promotion. They serve as an important incentive to motivate them to contribute to the anti-corruption efforts.

## **B. Opportunities for anti-corruption training**

Another incentive for high-performing organizations and individuals is to provide overseas anti-corruption training opportunities. Since 2015, selected anti-corruption staff have received training at the International Anti-Corruption Academy (IACA), an international organization specializing in anti-corruption education. On average, 20 institutions are chosen to participate each year. ACRC funds the training fee of \$1,000 per individual, and each target organization pays for the travel expenses. The one-week training includes studying theories on anti-corruption, case studies, and making field visits to the premises of the United Nations Office on Drugs and Crime (UNODC) and ACA in Austria. Therefore, the overseas training opportunity has the benefits of both motivating the anti-corruption staff before the selection process and allowing them to deepen their understanding of anti-corruption through the training opportunities.

## **4. Advantages of a pilot assessment**

A pilot assessment is recommended before the implementation of AIA. This is because implementing a new policy can bring unexpected problems, even if it is implemented after careful review of precedents in other countries. This is not necessarily due to the lack of capacity of ACA, but because applying a new policy may differ in new countries due to contextual differences.

When implementing a pilot assessment, ACA should set a small sample of indicators and target organizations. A pilot AIA has the following advantages:

First, a pilot assessment can serve as a trial run for ACA. New policies always come with challenges and AIA is no exception. Conducting a pilot assessment will allow ACA to take note of the obstacles that target organizations may face and identify problems in the different stages of AIA – from planning to assessment. ACA can then assess the pilot stage and make improvements before the actual implementation of AIA. The pilot assessment is especially helpful in getting a grasp of the average capacity of target organizations to implement activities according to each indicator, thereby allowing ACA to adjust the indicators accordingly.

Second, a pilot assessment can also serve as a trial run for target organizations. It is not always easy for the anti-corruption staff at each target organization to immediately learn and implement AIA. A pilot assessment allows target organizations to experience and learn from challenges in advance to execute the anti-corruption plan more efficiently once AIA is properly implemented.

For example, as part of the SDG Partnership on Transparency & Accountability promoted by USPC ('Development Solutions Partnerships' at the time of initiation), USPC and ACRC exchanged knowledge on AIA with Viet Nam, from 2015.<sup>13</sup> A pilot assessment was administered in 2016, and a manager from the Government Inspectorate of Viet Nam later agreed that the lessons learned from the pilot assessment proved to be a big help to the implementation.

**Q** Is an external evaluation team necessary during a pilot assessment?

**A** An external evaluation team may be assigned after AIA has been institutionalized to some degree. ACAs should be primarily responsible for evaluating target organizations. During a pilot assessment, the number of indicators and target organizations is likely to be limited to a small sample. For this reason, the assessment could be within the capacity of ACA.

Moreover, if ACA assigns an external evaluation team without a full-fledged understanding of its assessment procedures, ACA may lack the ability to solve technical problems such as setting the assessment criteria. Hastily involving an external evaluation team can also compromise the objectivity and validity of the assessment by ACA. Therefore, ACA should directly monitor the assessment procedure, the expected time needed, human resources and the time needed for the pilot assessment.

<sup>13</sup> UNDP Seoul Policy Centre (2017). Partnership with Korea on Achieving the Sustainable Development Goals. Available at: [https://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=&ved=2ahUKewiBz9iZkMLrAhUJWX0KHT9qBBMQFjAHegQIC-BAB&url=https%3A%2F%2Fwww.undp.org%2Fcontent%2Fdam%2Fuspc%2Fdocs%2FFinal%2520HLPF%2520brochure%2520\(7.14\).pdf&usg=AOvVaw0ccUxW3Zjn5icNmauFimC5](https://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=&ved=2ahUKewiBz9iZkMLrAhUJWX0KHT9qBBMQFjAHegQIC-BAB&url=https%3A%2F%2Fwww.undp.org%2Fcontent%2Fdam%2Fuspc%2Fdocs%2FFinal%2520HLPF%2520brochure%2520(7.14).pdf&usg=AOvVaw0ccUxW3Zjn5icNmauFimC5).

## 5. Verifying documents

It is important that reports and documents submitted by target organizations are verified. Target organizations are generally required to submit a report based on the pre-designed template of ACA.

Counterfeiting or fabricating documents not only goes against the fundamental purpose of AIA but is also a grave crime. ACA should be able to verify and fact-check the official documents presented as evidence by target organizations.

For example, evidence to demonstrate the integrity training would typically consist of official documents such as a plan for the in-house integrity training and a result report that includes the number of participants, contents, lectures and photographic evidence.

Documents that do not contain sufficient evidence should not be acknowledged or included. If the target organization has submitted evidence equivalent to an official document, ACA may review the evidence and decide whether to accept it or not.

## 6. Prevention of unfair practices and fraud in target organizations

As specialized divisions with a high level of integrity are generally in charge of AIA, unfair practices or fraud are not common in RoK. Regardless, ACA must publicize its punitive measures for unfair practices and fraud to make known that any form of duplicity or dishonesty is unacceptable.

If fraud is detected in an organization, depending on the severity of the issue, the score for the corresponding indicator or even the entire assessment will be annulled. This would, in turn, tarnish the image and reputation of the organization. Therefore, ACA should inform organizations on such punitive measures beforehand to deter and prevent unfair practices and fraud in the first place.



### III. Formulation of AIA Indicators



# III. Formulation of AIA Indicators

## 1. Key principles and main considerations for formulating AIA indicators

### A. Decide on the optimal number of indicators

A large number of indicators (for instance, a hundred) may be preferable because it may seem as if more indicators would lead to the implementation of more anti-corruption activities. However, practitioners in ACRC have observed that target organizations only have a limited amount of resources to implement anti-corruption activities and some indicators need to be prioritized over others for efficient implementation. Thus, for target organizations to properly implement efforts in line with each indicator, it is recommended that ACA sets an optimal number of indicators rather than an extensive list of indicators. It is especially important to keep this in mind during the initial stages when target organizations lack experience in implementing anti-corruption policies.

### B. Start evaluation using quantitative indicators

The evaluation method of the indicators can be either quantitative or qualitative.

Some anti-corruption practices and policies can be measured in numbers. One example of a quantitative indicator is '2016-B.3 Promotion of integrity governance' (see Annex 1), which requires establishing an integrity governance system which is inclusive of civil society. If an organization institutionalizes a governance system, it can get a perfect score in this indicator. If there is no system in place, then an organization receives a zero score. The indicator also requires chairing integrity governance meetings once a quarter. As the number of meetings held annually can be counted, it can be measured numerically regardless of whether an integrity governance system has been established.

On the other hand, some comprehensive and large-scale practices cannot be measured on a numerical scale but can be reflected through qualitative indicators. For example, if several corrupt practices in contracts occur in a certain institution (Institution A), and, in response, Institution A has devised and reflected an action plan in its public procurement and contract regulations, it can then be considered to have made progress on one of its indicators - '2016-B.4 Improvement of corruption-prone areas'.

However, what matters is the actual effectiveness of activities and policies in preventing possible corruption cases under respective policy contexts. Simply taking action to improve policies does not automatically lead to substantive improvements. Hence, when it comes to the ACA evaluating progress on these specific indicators, it can only subjectively assess institution A's performance level based on the rationale and feasibility of the action plan. Therefore, evaluating such subjective aspects using qualitative indicators is more reasonable than using quantitative indicators in these instances.



In general, qualitative indicators, including the indicator above ('2016-B.4 Improvement of corruption-prone areas'), might be a burden for target organizations that lack knowledge, expertise and resources. Recognizing this difficulty, ACRC has strived to mitigate this through an annual review of qualitative indicators. As a result, in 2020, submitting a single example of policy improvement practice has become a satisfactory condition, in contrast to five years ago when at least four cases per institution were required. While both qualitative and quantitative indicators are considered, ACRC recommends beginning the evaluation with more quantitative indicators in the initial years as it will provide a clearer and more straightforward framework for successful AIA implementation.

### **C. Utilize weighted scoring based on priority**

In the approach of ACRC, the overall score is out of 100. The weighted score for each indicator is differently assigned based on its importance. For example, indicator A, which is more important than indicator B, could have a perfect score of 10, while indicator B could have a perfect score of 5. Hence, the weighted value of indicator A is double that of indicator B. When determining weighted values, ACA should consider which indicators are the most critical to achieving the national anti-corruption agenda. Indicators on crucial and urgent anti-corruption work should be assigned a greater weighted value than the less urgent indicators.

There are many ways to establish weighted values. One way is to assign different weighted values to each indicator. For instance, indicators A and B have different weighted values. A greater weighted value means the anti-corruption activities included in the corresponding indicator contribute more significantly to the national anti-corruption agenda. Thus, target organizations should be especially mindful of indicators with high weighted values. When assigning weighted values, ACA should consider the overall level of urgency, difficulty and importance of the activities suggested in each indicator.

#### **D. Check whether basic principles are adhered to**

The ultimate goal of AIA is to increase the overall integrity level of the country by improving the integrity of the public sector and each target organization.

##### **Role of AIA Indicators**

- Indicate priorities to focus on national anti-corruption strategies and annual plans.
- Outline concrete actions to prevent corruption and enhance integrity level.
- Remind the target organizations of their obligations to address and prevent corruption.
- Guide the leadership and management of target organizations on how to mobilize and allocate institutional resources for anti-corruption efforts.

When implementing AIA, ACA should consider overarching objectives of AIA and the significance of AIA indicators at all times. As indicators need to adapt to actual and existing corruption cases, AIA indicators should remain flexible. The fundamental principles for reducing corruption and creating a resilient system should remain the same, but when a controversial corruption case breaks out, AIA indicators should reflect the specific details of the case and adapt accordingly to prevent similar cases from emerging. ACA should regularly monitor which areas demonstrate high achievement levels when measured by the chosen indicators and adjust their priorities accordingly.



## IV. Core AIA Indicators and Assessment Method



## IV. Core AIA Indicators and Assessment Method

The core indicators explained below are examples of indicators and not the exact AIA indicators applied in RoK. It is first necessary to understand how indicators are classified into ‘Indicators for Anti-Corruption Framework (IAF)’ and ‘Indicators for Anti-Corruption Implementation (IAI)’ to illustrate this difference.

In the case of IAF, ACRC has revised and nearly perfected them over the last 19 years of its AIA implementation and management.<sup>14</sup> As the achievement rate in IAF is fairly high, an evaluation of IAF is no longer considered compulsory in RoK and has been removed from the AIA indicators list.

In the case of IAI, existing and ongoing corruption cases influence the specifics of IAI. For instance, in RoK, corruption has been detected in social welfare and public subsidies, and thus ACRC has consistently kept ‘B.9 Encouraging reporting on social welfare and public subsidies fraud’ (see Annex 1) in the AIA evaluation indicators.

The indicators below are essential instruments for preventing corruption and promoting integrity and are based on the 19-years of experience of ACRC in implementing AIA. At the same time, the specifics of each indicator vary depending on the policy context of target organizations.

**Table 4.** Core AIA indicators by Indicators by Area of Evaluation

Evaluation area	Indicators
<p><b>A. Anti-Corruption Initiative Planning</b></p> <p>Establishing an anti-corruption strategy and action plan specific to the respective organization’s field of work and risk area is the first step to creating a successful anti-corruption portfolio.</p>	<p>1. Establishment of an anti-corruption strategy and action plan</p>

<sup>14</sup> The AIA indicators in 2002 included:

(1) Build/operate an online public service handling system (2) Contract integrity pledge, online bidding, and improvement of the private contract systems for enhanced transparency in contract/procurement (3) Raising awareness on illegal solicitation (4) Active cooperation with the civic society organizations (6) Finding and maintaining best practices for illegal solicitation (7) Detecting and punishing corrupt officials (9) Disclosure of administrative information and expansion of human resources (10) Expanding citizen participation in the administrative process (11) Strengthening self-inspection capacity (12) Implementation of recommendation for improvement of the ACRC (13) Self-improvement of the systems. See: Korea Independent Commission against Corruption (2003). 2002 Annual Report. Available at: <https://etico.iiep.unesco.org/sites/default/files/2002.pdf>.

## B. Legal and institutional framework

*\* This is the stage to build a framework for 'C. Operations' in the next stage.*

Similar to companies that have compliance departments, public organizations need to establish Integrity Divisions run by Integrity Officers with autonomy and accountability. Heads of organizations must understand the needs of Integrity Divisions and assign staff and resources to function properly.

Staff participation and communication are important prerequisites to a successful anti-corruption policy because integrity is a public value shared and practised by all members of the organization. Integrity Divisions would be seen as ineffective if they were inconsistent in communicating their actions and commitment. Therefore, along with high-level efforts, there needs to be a channel through which staff and new officials can communicate. An internal participation mechanism should be led by the executive leadership comprised of the organization's head and senior management.

To effectively monitor an organization's activities, objective and evidence-based advice from external experts are as important as internal monitoring. Public organizations should be receptive to service users, civil society groups, relevant experts and the media. This public-private partnership is similar to country-level efforts in forging a whole-of-society integrity pact across the business community, academia and the media.

Just as countries implement anti-corruption regulatory laws and the criminal code, public organizations need to develop a Code of Conduct that regulates activities vulnerable to corruption. This Code of Conduct would elaborate on the law and regulations and regulations of ACA to develop more clear and detailed guidance that applies to the daily conduct of the public officials. For effective implementation of the Code of Conduct, substantial key provisions should be included. At the same time, Integrity Divisions should exercise oversight over any alleged misconduct and take disciplinary actions against the detected offence in line with the criteria for sanctions.

1. Establishment and implementation of an Integrity and Audit Division
2. Establishment and implementation of in-house anti-corruption communication channels
3. Establishment and implementation of public-private partnerships
4. Establishment and implementation of a Code of Conduct

### C. Operations

*\* This is about 'doing' what is planned.*

To facilitate the Integrity Division's work on identifying corrupt practices, AIA should assess the efforts made to detect corruption acts, the number of corruption cases found, and whether a target organization takes proper disciplinary measures to correct or address misconduct. Organizations can use their discretion in internal enforcement of regulations stipulated in the Code of Conduct with appropriate measures.

By implementing transparency and accountability mechanisms, it is possible to achieve institutional improvements in corruption-prone areas. Public institutions at all levels should review and improve laws, regulations, policies and administrative procedures that are already in place or about to be introduced by gathering opinions from external agencies, experts and the public. By doing so, respective organizations can dismantle the enabling structure that perpetuates corruption.

Conducting integrity training is significant to anti-corruption efforts at the organizational level as it forms a significant portion of national corruption-prevention measures. The training can be established as a compulsory course, facilitating the capacity development of internal staff members. Organizations can create training materials tailored to their work context and foster future instructors, thereby integrating integrity and anti-corruption into institutional norms, values and expectations.

1. Detection and punishment of corruption acts
2. Implementation of corruption risk assessment and mitigation of corruption-prone areas
3. Provision of anti-corruption training for employees

### D. Dissemination and evaluation of performance

In line with the national efforts to promote anti-corruption awareness and sensitivity toward integrity, target organizations need to establish an internal strategy to promote a culture of integrity. This indicator is crucial, especially for large-sized organizations, to promote efforts by different subordinate divisions. A single-handed effort by headquarters is not sufficient to achieve anti-corruption goals.

Although there are various ways to measure corruption, all methods have pros and cons due to the multi-faceted nature of corruption. Therefore, ACA should design and distribute a standard template of survey questionnaires and target organizations to conduct a comprehensive assessment survey including self-assessment of their integrity level. The survey tool allows them to reflect on corruption cases that have occurred internally and develop an improvement plan to achieve an anti-corruption agenda in the portfolio for next year.

1. Promotion of a culture of integrity and awareness-raising
2. Implementation of integrity self-assessment

Core AIA indicators are expected to be in line with global anti-corruption efforts.

The 2030 Agenda for Sustainable Development has presented tremendous opportunities for countries to integrate SDG 16 and its anti-corruption targets into ongoing governance reforms as well as national, sectoral and local development plans and processes. Moreover, the United Nations Convention Against Corruption (UNCAC) is the only legally binding anti-corruption instrument with 187 state parties (as of 6 February 2020). The UNCAC can serve as an entry point for the UN Member States to strengthen their anti-corruption efforts and follow up on the recommendations of the Implementation Review Mechanism. Chapter II of UNCAC focuses on preventive measures to combat corruption.<sup>15</sup> The basic principles of anti-corruption as presented in Chapter II of the UNCAC are also relevant at an organizational level. The table below presents the core AIA indicators in line with the Articles in UNCAC Chapter II.

**Table 5.** Correlation between UNCAC Articles in Chapter II and Core AIA Indicators

UNCAC Articles (Chapter II)	Demand for Programming	AIA Indicators
Article 5: Anti-corruption policies	Policy framework, legal framework, strategies, coordination and consultation processes	A-1, B-1,2,3,4
Article 6: Independence of anti-corruption bodies	Technical assistance to establish and strengthen oversight institutions and dissemination of knowledge about the prevention of corruption	B-1, C-1, C-3, D-1, D-2
Article 7: Civil service capacity building	Public sector reform (e.g. introduction of fair procedures for the election and promotion of civil servants, adequate salaries and training)	C-2
Article 8: Code of Conduct	Promotion of integrity and responsibility among public officials, and technical assistance to introduce a Code of Conduct and systems for preventing a conflict of interest	B-4, C-1, D-1
Article 9: Public procurement and management of public finance	Promotion of a transparent and effective system of public procurement and public finance management	C-2

<sup>15</sup> United Nations Development Programme (2018). Good Practices in Public Sector Excellence to Prevent Corruption. Available at: <http://www.anti-corruption.org/wp-content/uploads/2018/10/UNDP-2018-Good-Practices-in-Public-Sector-Excellence-to-Prevent-Corruption.pdf>.

Article 10: Public reporting	Increasing demand for anti-corruption efforts: civil society empowerment, access to information, inclusive participation, awareness-raising, efficient supervision of public institutions, and the role of media (capacity development for investigative journalism)	B-4, C-1
Article 12: Private sector	Role of the private sector in combatting corruption and safeguarding integrity	-

Core AIA indicators are then aligned with the anti-corruption compliance system. Transparency International (TI) noted that the following are substantial for organizations from potential violations of anti-corruption laws.<sup>16</sup> Well-structured compliance systems are paramount for both public and private sector organizations, and as a sign of commitment to anti-corruption, a number of Korean public organizations<sup>17</sup> have achieved the ISO 37001 certification for anti-bribery management systems.

**Table 6.** Correlation between Key Components of Anti-Corruption Compliance Identified by TI and Core AIA Indicators

Key components identified by TI	Core AIA Indicators
Executive leadership, accountability and tone at the top	B-1, B-2
Compliance management	A-1, B-1,2,3,4
Risk Assessment	C-2
Anti-corruption policies and procedures	B-1, B-4, C-1
Training and education	C-2, D-1
Channels for advice and reporting	B-2,3,4
Responding to problems	B-4, C-1
Regular monitoring and verification	C-1
Business relationship and mergers and acquisitions	-

<sup>16</sup> Transparency International-USA (2014). Verification of Anti-corruption Compliance Programs. Washington D.C, USA, Transparency International-USA. Available at: [https://www.transparency.nl/wp-content/uploads/2016/12/TI-USA\\_2014\\_verificationreportfinal.pdf](https://www.transparency.nl/wp-content/uploads/2016/12/TI-USA_2014_verificationreportfinal.pdf).

<sup>17</sup> As an example see: Acquired ISO 37001 Certification for Anti-Bribery Management System (2017). KEPCO News. Available at: <https://www.kepco-enc.com/eng/selectBbsNttView.do?key=1621&bbsNo=342&nttNo=27967&searchCtgr=&searchCnd=all&searchKrw=&pageIndex=1&integrDeptCode=>.

# 1. Planning

## A. Establishment of an anti-corruption strategy and action plan

### Introduction of the integrity plan

Systematic and efficient management of administrative work calls for a well-designed plan. Likewise, designing an anti-corruption strategy from the outset is necessary for target organizations to facilitate anti-corruption policies and practices.

### Evaluation factors and standards

Individual target organizations should initiate the anti-corruption strategic action plan with concrete initiatives adjusted to their operational context. The number of initiatives can range from a minimum number of 10 to a maximum of 20 initiatives.

Each target organization devises specific initiatives by referring to the AIA implementation plan, which, as mentioned in Chapter 2, provides more details on the AIA indicators and evaluation standards.

The strategic action plan should also include an annual timeline consisting of an implementation sequence and the responsible divisions.

#### **Example**

Indicator: Creating an anti-corruption strategic action plan with 10-20 initiatives to implement (maximum 10 pages)

Evaluation standards:

- The action plan reflects the target organization's work context
- The national anti-corruption strategy is integrated into the action plan
- The implementation agenda/initiatives are achievable

There are mainly three standards to assess the strategic action plan developed by target organizations.

The first standard focuses on whether the action plan is aligned with the area of work and the characteristics of the target organization, such as an analysis of corruption-prone areas within individual target organizations. Each target organization manages different tasks that distinguish one from another, and therefore, each has its own working area prone to corruption. Even if procurement-related corruption occurs in several organizations, the characteristics, as well as the root causes of corruption, vary according to the nature of the work environment. Therefore, to facilitate anti-corruption efforts, target organizations should adjust their anti-corruption strategy and action plan to their operational reality.

The second standard is whether the AIA implementation embodies the national anti-corruption agenda. RoK has continued to undertake a five-year strategic plan for anti-corruption, which since 2018 has 50 core anti-corruption goals. Given that enhancing integrity at the national level is one of the objectives of AIA, target organizations' thorough understanding of the five-year strategic plan is crucial.

The third standard is the feasibility of its initiatives. Planning does not guarantee successful implementation. Achieving individual targets is possible only if the implementation agenda is realistic and agreed on by consensus. RoK goes through several discussions with the expert group managing the qualitative assessment of AIA to fine-tune evaluation factors and utilize these three evaluation standards.

ACRC receives submissions of performance reports on planning indicators in May, unlike other indicators with a due date in November. This is because ACRC uses the strategic action plan to assess whether each organization puts the action plan into practice. Scores are deducted in the case of late submission.

In addition, ACRC allows a maximum of ten pages for the submission of the strategic action plan report. Limiting the number of pages in the report prevents unnecessary extra content that is irrelevant to the substantive planning for anti-corruption. It also eases the burden of preparing the paper that may put an excessive workload on the Integrity Officers. Although there is no fixed template for the action plan report, ACRC recommends every target organization to create concrete initiatives from a self-assessment of its integrity level and constraints.

In terms of establishing an integrity plan, UNDP has highlighted the main purpose and objectives as follows. These factors can be translated into the respective agendas in each public organization considering the nature of its corruption risks.<sup>18</sup>

- ➔ Increase the likelihood of achieving organizational objectives, encourage proactive rather than reactive integrity risk management, minimize loss from corruption and integrity violations, reduce/eliminate opportunities for corruption and improve organizational resistance to corruption
- ➔ Improve identification of opportunities and threats and treat risk throughout the organization; focus on priorities, improve controls and establish a reliable basis for decision making as well as planning by effectively allocating and using resources for risk treatment in the integrity plan
- ➔ Ensure compliance with relevant legal and procedural requirements and international norms and standards
- ➔ Create/strengthen capacities of staff for effective anti-corruption, build awareness at all levels and create co-ownership in the process of developing, implementing and monitoring integrity plans
- ➔ Improve external and internal stakeholders' confidence and trust as well as respond to their requirements and expectations related to the integrity performance of the public sector

<sup>18</sup> United Nations Development Programme (2015). Manual on Integrity Planning and Integrity Management, Kosovo, United Nations Development Programme Office in Kosovo.  
Available at: [https://www.ks.undp.org/content/kosovo/en/home/library/democratic\\_governance/manual-on-integrity-planning-and-integrity-management.html](https://www.ks.undp.org/content/kosovo/en/home/library/democratic_governance/manual-on-integrity-planning-and-integrity-management.html).

## 2. Legal and institutional framework

### A. Establishment and implementation of an Integrity and Audit Division

Just as ACAs are set up to prevent corruption at the national level, Integrity and Audit Divisions should be established in all target organizations. Without an Audit Division, systemic efforts against corruption would be challenging. The efforts of ACA alone cannot elevate integrity levels nationwide and strengthening anti-corruption efforts can only be effectively accomplished if ACA and target organizations make collective efforts to implement anti-corruption policies.

#### Evaluation factors and standards

1. At least one staff member is appointed as an Integrity Officer.
2. The Audit Division has been set up and the Division involves the Integrity Officer and other employees of the organization in its work.
3. The responsibilities assigned to the Integrity Officer is described clearly.
4. Incentive policies for staff members of the Audit Division have been designed and implemented.

First, target organizations should assign a number of supporting personnel to the Integrity Officer to focus exclusively on and be responsible for full-scale anti-corruption efforts. The Integrity Officer does not necessarily have to be called by the title, but the officer should serve as a focal point to the anti-corruption portfolio of the target organization, including AIA. Through effective communication with the head of the institution, the Officer needs to ensure ongoing interest, will and support in anti-corruption work at the leadership and management level. This can be done, for example, by allocating budget and competent staff members to the Audit Division and by declaring the organization's anti-corruption commitments to stakeholders. Furthermore, the Officer should be guaranteed independence and a fixed term to ensure objectivity and effectiveness of his/her work.

Second, the Audit Division should also involve additional internal staff of the target organization. The Audit Division takes the lead in anti-corruption initiatives, detects and sanctions corrupt practices, and conducts integrity training. In this sense, the Audit Division can be referred to as a simplified or smaller-scale version of ACA with common working areas, although the work of ACA is more extensive – in steering anti-corruption policies, detecting and punishing corruptive cases, and initiating integrity trainings. Carrying out such tasks requires sufficient human resources as the Integrity Officer alone cannot cover all the work. Therefore, even in a small organization, it is desirable to have separate appointments for the Integrity (Training) staff, and Corruption Investigation staff. In the case of organizations or agencies like the police, where regional offices may operate separately from the headquarters, another recommendation is to set up Integrity and Audit Divisions in both regional offices and headquarters. Otherwise, the scope of work within the Audit Division may become too exhaustive to manage.

Third, the authority of the Integrity Officer needs to be formalized in writing. The Officer shall carry out integrity work, investigation on corrupt practices, disciplinary actions and integrity training. All these duties should be clearly and fully stated in the ToR. Furthermore, the Officer must have the authority to report any business to the heads of the organization directly, as smooth communication is required for an efficient working process.

Fourth, there should be incentive policies for all staff of the Audit Division, given the demanding nature of anti-corruption work. The investigation of corruption cases requires strong mental preparedness due to its confrontational nature. Each target organization should encourage competent and qualified employees who can handle the stress and difficulties of the investigation processes to work in the Audit Division. Mitigating corruption risks and addressing and preventing corruption rely heavily on the competence of the Audit Division staff.

If the Audit Division becomes a highly demanding environment without any incentives or motivation, employees may avoid working there, leading to the loss of talent. Therefore, compensation benefits, overseas training and job promotions could be considered as incentives.

## **B. Establishment and implementation of in-house anti-corruption communication channels**

As highlighted in the previous chapter, the successful accomplishment of the national anti-corruption agenda requires an effective coordination and communication mechanism between ACA and individual target organizations. Likewise, the anti-corruption work within each target organization requires proactive engagement of all staff members because the sole efforts of the Audit Division are insufficient to improve integrity within the entire organization. Only when all staff members participate in anti-corruption efforts to counter corruption can the target organization strengthen integrity and anti-corruption efforts at the institutional level.

### **Evaluation factors and standards**

1. The target organization has a **high-level** anti-corruption committee.
2. The target organization establishes an **operational-level** anti-corruption committee involving team leaders and subordinate employees.
3. The target organization sets up an anti-corruption committee specialized for **new employees**.
4. Each committee convenes quarterly/semi-annually and the Audit Division reflects ideas for improvement gathered from the committee meetings into anti-corruption activities.

First, political leadership vested in tackling corruption is essential. Anti-corruption efforts would go in vain without the commitment of high-level officials, including the head of the organization. The starting point of all activities is the head of the organization's determination to achieve anti-corruption goals as well as efforts made by senior management. Thus, at the beginning of each year, the leadership and senior management should demonstrate their commitment to the initial stage of anti-corruption planning. The Audit Division should encourage their active involvement and develop a strategic action plan based on the results of high-level discussions. Every administrative agency holds a regular meeting where senior management participates with the head of the organization. The Audit Division, therefore, needs to utilize such meetings as a channel to proactively propose anti-corruption activities on the agenda of the meeting.

Second, the engagement of team leaders and employees in charge of operations is necessary. Teams within public agencies are highly specialized and possess expertise in their respective fields. Therefore, the Audit Division should actively engage them in anti-corruption activities. Managing corruption-prone areas is not possible without utilizing their area-specific expertise to preempt corruption.

Third, anti-corruption efforts by new employees are crucial. New employees can play an important role despite their lack of experience. They may require further development in their area of work, but they can ask critical questions about institutional norms from their fresh and relatively unbiased viewpoints.

Fourth, these three committees (high-level, operational-level and new employees) must convene on a regular basis. They should revisit anti-corruption activities, create improvement plans and apply the discussed points to anti-corruption practices led by the Audit Division.

### **C. Establishment and implementation of public-private partnership**

Public-private partnerships involve both governmental and non-governmental entities and individuals in anti-corruption policies. The partnerships can align their independent and multi-stakeholder perspectives with the organization's anti-corruption goals. Disclosing an organization's internal matters is crucial to prevent corruption and enhance transparency and accountability in its administrative work.

#### **Evaluation factors and standards**

1. The target organization establishes public-private partnerships with various stakeholders.
2. The target organization engages with the partnership through meetings twice a year.

First, organizations need to initiate public-private partnerships with other stakeholders. In RoK, such partnerships are named the 'Public-Private Council for Transparent Society.' Determining who to include within this partnership is the crux of this task. ACAs should consider the country's policy environment and engage lawyers, businesspersons, civil society and community representatives, local citizens, and other relevant parties.

Second, organizations need to implement established public-private partnerships proactively. Organizations may hold meetings semi-annually to discuss the latest progress in anti-corruption policy practices and explore various means to improve.

Moreover, considering the target organizations' performance in the factors mentioned above, ACA may evaluate the degree to which the recommendations for improvement are reflected in the anti-corruption portfolio of the organization. Incorporating external inputs and opinions demonstrates an inclusive and participatory approach. In this sense, organizations are more likely to prevent corruption effectively.

#### **D. Establishment and implementation of the Code of Conduct**

The Code of Conduct is a set of regulations that staff members of public organizations must abide by. Regulations can also be imposed by criminal laws or corruption prevention laws.<sup>19</sup> However, in many countries and even in the private sector or civil society, the Code of Conduct is used to establish specific regulations. The Code of Conduct outlines the desired set of values and behaviour public officials should pursue. Through the Code of Conduct, public officials learn how they should make decisions and behave in certain circumstances. The Code of Conduct tells officials what they are prohibited from doing and anything outside of prohibitions they are allowed to do as long as it does not conflict with the moral standards expected from officials. As such, the Code of Conduct is the normative foundation of an organization's anti-corruption portfolio.

In the absence of a Code of Conduct, it is difficult for the Integrity and Audit Division and heads of organizations responsible for anti-corruption efforts to determine which areas to regulate and oversee. More often than not, officials of public organizations have a vague idea of the proper behaviour expected of them, thereby hesitating when specific decision-making is required. Faced with an inappropriate or conflicting situation, they may fail to comply and instead justify their behavior, which can ultimately implicate them in corruption. Without a Code of Conduct, public officials and service users do not have clear guidelines on what is and is not allowed. In this regard, establishing a Code of Conduct is essential in preventing corruption and enhancing the levels of integrity.

ACAs in many countries have put in place Codes of Conduct. Although modalities and provisions for operating the Codes vary based on the policy circumstances in each country, all of them regulate the conduct of public officials. Even if there is a national-level Code of Conduct in place, organizations should establish their own tailored Code of Conduct based on the National one. Each organization has different mandates and working areas and faces different challenges and corruption risks. Therefore, it is natural that each organization has different provisions in its Code of Conduct. ACA should implement the Code of Conduct at the national level that applies to all organizations and at the same time facilitate the implementation of the Code of Conduct tailored to each organization. By doing so, ACA can promote a corruption-free environment for public officials and all duty-related parties.

<sup>19</sup> Code of Conduct for Public Officials (2021). Korean Law Information Center.  
Available at: <http://www.law.go.kr/engLsSc.do?menuId=1&subMenuId=21&query=%EB%B6%80%ED%8C%A8%EB%B0%A9%EC%A7%80%EB%B2%95#>.

#### Evaluation factors and standards

1. The target organization has established a Code of Conduct specific to the respective organization.
2. A Chief Officer for the Code of Conduct is appointed.
3. The target organization trains employees on the Code of Conduct and promotes its regulations.
4. Counselling centres and counselling hotlines for officials are established.
5. The Code of Conduct includes key points for the anti-corruption portfolio.
6. The target organization restricts violations of the Code.

ACA can designate IAF concerning the Code of Conduct. First, IAF can evaluate whether or not the target organization has established the Code of Conduct. This indicator simply checks if there is a working Code of Conduct in place within the organization. Second, IAF should evaluate whether there is a Chief Officer for the Code of Conduct. As explained above, the Integrity Officer at the Audit Division should be the Chief Officer of the Code of Conduct; however, staff members of the Audit Division can also take the responsibility. Third, whether the target organization has fully publicized its Code of Conduct should be evaluated. Awareness of the Code is essential for its effective institutionalization. Target organizations may periodically create information posters, publish the Code on their website, and conduct training for each division. Fourth, a separate indicator can evaluate whether there are counseling centres and counselling hotlines. The Code of Conduct is managed well when there is a system for the organization's officials to report violations and receive advice on any issues raised.

Along with IAF, substantive indicators should be included. Substantive indicators are necessary to materialize the details of the Code further and validate the regulations. First, there should be an indicator that evaluates how specific the regulations in the Code are. This indicator also assesses the range of different corruption areas in the Code.

RoK has made numerous revisions to the Public Officials Code of Conduct to adapt to the changing dynamics of corruption since it was first legislated in 2003. Along with these revisions, practices that have not traditionally been considered as corrupt practices have later been included as corrupt practices with the increased awareness and low tolerance for corruption in society.

**Table 7.** Practice Regulated by the Code of Conduct in RoK, 2020

Fairness in Job Performance	Prohibition of Unfair Profit or Benefits	Transparent and Clean Culture of Public Services
<ol style="list-style-type: none"> <li>1. Regulations on the handling of obstructions in official duty</li> <li>2. Reporting of private stakes and interests</li> <li>*3. Disclosure of senior government officials' work affairs in the private sector</li> <li>*4. Prohibition of profit-seeking activities related to official duty</li> <li>*5. Restrictions on the employment of family members</li> <li>*6. Restrictions on entering into a private contract</li> <li>*7. Reporting of personal contacts with retired employees</li> <li>*8. Exclusion of preferential treatment</li> <li>*9. Prohibition of budget usage for unintended purposes</li> <li>*10. Handling of unfair demands from politicians and others</li> <li>*11. Prohibition of illegal solicitation for personnel affairs</li> </ol>	<ol style="list-style-type: none"> <li>1. Prohibition on misusing one's rights and privileges</li> <li>*2. Prohibition on exploiting one's position for personal purposes</li> <li>3. Prohibition of improper arrangements and solicitations, etc.</li> <li>4. Restrictions on abusing inside information for transactions</li> <li>5. Ban on personally using or benefiting from public resources</li> <li>*6. Prohibition of requesting labour for personal purposes</li> <li>*7. Prohibition of illegal acts such as abuse of authority, etc.</li> <li>8. Ban on accepting bribes and valuables</li> <li>*9. Prohibition of supervisory authorities unjustified demands</li> </ol>	<ol style="list-style-type: none"> <li>1. Limitations on receiving an honorarium for external lectures</li> <li>2. Report on transactions with a work-related party</li> <li>*3. Restrictions on notification of festivities and funerals</li> </ol>

*\* Provisions that have been added as amendments*

Second, an evaluation must be conducted to assess if the organization cracks down violations of the Code of Conduct. It is an internal set of norms, and thus any violations are subject to disciplinary measures. If violations are not sanctioned in any way, the Code is not enforced and its purpose is defeated. Therefore, rules that stipulate punishment for violations of the Code are necessary.

### 3. Operations

#### A. Detection and punishment of corruption acts

AIA is an anti-corruption policy implementation mechanism that directs a target organization to implement anti-corruption activities proactively. ‘Detection and punishment of corruption acts’ is one of the core AIA indicators, as they are fundamental aspects of preventing and addressing corruption.

Unless corruption is uncovered, it is impossible to eliminate corruption. Before corruption cases are referred to agencies such as the police or prosecutor’s office which investigate corruption cases, target organizations should identify corrupt behavior through their own inspection activities.

Organizations that put in place considerable efforts to uncover corruption may give the impression that the organization is particularly corrupt, whereas organizations that put in less effort to detect corruption may seem to have a higher integrity level as they would only find a small number of cases. However, the latter may generate a vicious cycle of corruption at the national level, as tracking down corruption in a passive manner leads to a failure to identify corruption-prone areas. This, in turn, hinders the motivation for individuals to refrain from corrupt practices, which leads to more corruption, eventually undermining anti-corruption at the national level. For this reason, it is crucial to use AIA and its indicators to detect and punish corruption, but also the acknowledge target organizations that greatly contributed to the achievement of the indicators.

#### Evaluation factors and standards

1. Whether the target organization has a self-detection process to identify corruption practices.
2. The number of detected corrupt practices.
3. Whether the target organization has taken appropriate disciplinary measures to address detected corruption acts.

This indicator assesses three factors. First, it evaluates whether the target organization has put in place a self-detection process to track down the individuals suspected of committing acts of corruption. Here, the definition of corrupt practices includes, but is not limited to, soliciting bribes and valuables, accepting favourable treatment, and embezzling budget funds. If the target organization itself detects the actors who committed the corrupt practices regulated in its own Code of Conduct, then the organization is considered to have carried out self-detection. The self-detection process allows respective target organizations to take the initiative to resolve violations of the Code.

Second, it evaluates how many corruption cases the target organization has detected so far. In RoK, target organizations that have fulfilled detection activities seven times a year (one detection activity each quarter and three special detection activities) receive a perfect score. The Audit Division's regular detection procedure elevates anti-corruption awareness among staff members.

Third, the indicator assesses whether the target organization has established a proper disciplinary mechanism to punish corrupt practices. As highlighted in the previous section, each target organization should prevent non-compliance to the Codes of Conduct through a set of regulations. Based on those regulations, each target organization should utilize disciplinary measures. Even if a large number of corrupt practices have been detected, they have little effect on mitigating corruption risks unless there are appropriate discipline interventions. Therefore, implementing disciplinary measures is of absolute importance.

## **B. Implementation of corruption risk assessment and mitigation of corruption-prone areas**

ACA has the responsibility to improve corruption prevention policies at the national level. In line with the efforts of ACA, respective target organizations have to make ongoing commitments to improve corruption-prone areas of work at the institutional level. For example, every single officer in each public institution who manages procurement, contracting and recruitment work should do it in line with the law. However, the law cannot regulate every detail of practice and every condition. Therefore, each target organization needs to elaborate on detailed actions not articulated in the law through the establishment of regulations and a Code of Conduct.

Furthermore, organizations should identify areas that are prone to corruption and consistently refine the regulations by revising the Code of Conduct to prevent such behavior. As the national anti-corruption agency, the rationale of ACRC is that institutional-level corruption can be preempted and controlled only if the AIA indicators require the continuation of such efforts, thereby preventing corruption nationwide.

### **Evaluation factor and standard**

The target organization improves one corruption-prone area relevant to its work context after conducting a corruption risk assessment on its own.

The indicator evaluates the organizations' plans for improvement, tailored to the work context of each target organization. Although the ACA can scale up the national anti-corruption agenda, the specific context of the individual organization is not the expertise of ACA. Thus, through this evaluation factor, ACA works on addressing the root cause of corruption, enhancing a sense of ownership over the anti-corruption portfolios.



Then what are the corruption-prone areas? In general, according to the results of the Integrity Assessment, corruption is more likely to occur in the areas of work that support the following: subsidies, procurement or service contracting, authorization and permission procedures, budget allocation, tax collection, control and supervision of construction, hiring, promotion and use of travel expenses or business operating expenses. For example, according to the AIA results in 2019, 143 target institutions primarily focused on eradicating the root causes of corruption risks embedded in their sector-specific working areas. 57 target institutions identified the most vulnerable factors as a result of the Integrity Assessment. 47 institutions reviewed and strengthened their Code of Conduct to prevent the abuse of authority, especially by senior management, and 22 institutions amended their regulations on personnel to monitor hiring irregularities.

How are corruption-prone areas identified? The methodologies that can be used are similar to the methodologies of ACRC for Corruption Risk Assessment: analysis of corruption-related cases by criminal punishment and disciplinary action, discussion with service users and experts, conducting surveys and referring to good practices of other agencies.

Each target organization should create improvement plans for their corruption-prone working-related areas while upholding openness, transparency, and accountability in the workplace. Target organizations should disclose as much information as possible so that it is publicly accessible. They should also disclose the decision-making process while ensuring that the bargaining power is equally distributed not to a single individual but to a group of stakeholders. For example, a multistakeholder committee may engage in relevant discussions and provide their input.

Lastly, the target organizations should inform all relevant stakeholders about the overall process and cycle of their projects, ranging from the project design and implementation phase to the project finalization process. See Annex 4 for specific examples.

**Table 8.** Corruption Risk Assessment Criteria<sup>20</sup>

Assessment area	Criteria	Explanation of criteria
Compliance	Rationality of compliance costs	<ul style="list-style-type: none"> <li>To determine whether compliance costs (e.g. cost or sacrifice imposed on the public, companies, or organizations to comply with the obligations stated in laws) stipulated in laws and regulations are rational</li> </ul>
	Adequacy of disciplinary regulations	<ul style="list-style-type: none"> <li>To determine whether the content and level of sanctions imposed on the violation of legislation are adequate</li> </ul>
	Risk of granting preferential treatment	<ul style="list-style-type: none"> <li>To determine whether a preferential treatment or benefit is generated for a specific company, organization, or person when enforcing legislation</li> </ul>
Execution	Concreteness and objective of the basis of decision-making	<ul style="list-style-type: none"> <li>To determine whether laws related to discretionary power (e.g. laws that stipulate: who is authorized to exercise power, scope of power, standard and procedure for exercising power, etc.) are stated in a clear, definite, concrete, and objective manner</li> <li>To determine whether control mechanisms are in place to prevent excessive exercise of discretionary power</li> </ul>
Administrative Procedures	Accessibility	<ul style="list-style-type: none"> <li>To determine whether sufficient opportunities are given to stakeholders (including the public, companies, and organizations) to participate in administrative procedures (e.g. policymaking and objection)</li> <li>To check whether stakeholders are well represented when their opinions are collected</li> </ul>
Corruption Control	Risk of conflict of interest	<ul style="list-style-type: none"> <li>To determine whether there are standards, procedures, or post-control mechanisms to prevent conflict of interest situations (i.e. private interests impinging on the administrative process)</li> </ul>

<sup>20</sup> ACRC and UNDP Seoul Policy Centre (2020). Introduction to Korea's Corruption Risk Assessment: A Tool to Analyze and Reduce Corruption Risks in Bills, Laws and Regulations.

Available at: [https://www1.undp.org/content/seoul\\_policy\\_center/en/home/library/introduction-to-korea-s-corruption-risk-assessment--a-tool-to-an.html](https://www1.undp.org/content/seoul_policy_center/en/home/library/introduction-to-korea-s-corruption-risk-assessment--a-tool-to-an.html).

### **C. Provision of anti-corruption training for employees**

The importance of anti-corruption training cannot be over-emphasized. Unless employees are trained to be aware of corruption through various programmes, it is difficult to expect corruption to be eradicated. Moreover, as mentioned in the previous section on the necessity of the Audit Division, anti-corruption training is a critical pillar of an anti-corruption portfolio for both ACA and target organizations. Preventing corruption through training can be more cost-efficient and successful than implementing follow-up countermeasures after corruption.

#### **Evaluation factors and standards**

1. Overall employee participation rate in anti-corruption training.
2. Participation rate of high-level employees in anti-corruption training.
3. Content of the training.

First, the indicator measures how many employees participated in the anti-corruption training. It is recommended that all public officials take part in anti-corruption training. Since anti-corruption training concerns integrity, a basic virtue of public officials, it is considered essential. While organizations do not have the same forms of and the tendency for corruption, integrity is equally important for employees in all working areas, regardless of whether they are new or experienced public officials. Overlooking integrity puts the organization at risk of corruption. Therefore, this factor is the most important evaluation standard when it comes to anti-corruption training.

Second, it measures how many high-level officials participated in the anti-corruption training. 'High-level' refers to different levels of employees for different organizational contexts. For example, it can refer to the Head of Departments, Directors and Deputy Directors, or those with a higher status within governmental organizations. The participation rate of high-level employees is important because they exert extensive influence within their organizations. They have a large amount of authority and many decisions are left to their discretion. Furthermore, because they supervise many employees, there are possible risks of abuse of authority and appropriation of the organization's budget for personal use.

Third, this indicator evaluates the content of anti-corruption training. There are generally four components of anti-corruption training. The first component concerns the normative framework. Public officials should be well aware of the corruption prevention law, the national Code of Conduct, and other legal matters related to anti-corruption. The second component concerns corruption cases. Employees should be up to date on recent and controversial corruption cases. Even if one's organization did not commit any crimes, employees should be aware of the background, course of events and follow-up measures taken concerning major corruption cases. The training should remind public officials that engaging in corruption will come at a cost and deter them from corruption. Third, training should also include corruption risk areas particular to each organization. Organizations have different corruption risks and employees should be trained regularly on the common corruption-prone areas in their organization. Employees should be convinced that while anyone can commit corruption, it can be prevented. The last component concerns the organization's anti-corruption policies. Given that the participation and engagement of all personnel are necessary for successful policy implementation, training on the anti-corruption portfolio is crucial.

19 years of anti-corruption training experience in RoK revealed that it is a relatively costly and time-consuming job. There need to be trainers and appropriate training content, but also a delivery platform, such as a training institution or an online website. All three instruments require budget and time. Thus, it is recommended that ACA develops a mid to long-term plan on anti-corruption training, so that target organizations do not have to develop their own training platform, which usually requires a large investment. ACAs should take the initiative to train anti-corruption trainers, develop training resources applicable to all organizations, and establish training institutions or online websites, ultimately making training more affordable and accessible. Such initiatives cannot be achieved overnight, and ACA should carefully develop a mid- to long-term action plan and make gradual progress.

## **4. Disseminate and evaluate performances**

### **A. Promoting a culture of integrity and raising awareness**

ACA around the world, UN agencies such as UNDP and UNODC, other international organizations such as the Organization for Economic Cooperation and Development (OECD) and the World Bank, and civil society organizations such as TI, have promoted various integrity events and campaigns on International Anti-Corruption Day (December 9). While systemic reform and the existence of a Code of Conduct are both necessary to prevent corruption, raising awareness on integrity is equally important. Many citizens in RoK have a negative impression of corruption and anti-corruption issues because they frequently hear of high-level corruption scandals. Anti-corruption policies need to be widely promoted and publicized to change how the public perceives integrity in public institutions.

If anti-corruption efforts are not publicized, the public will not be aware of the institutional reforms by public sector organizations. Anti-corruption policies that remain unknown cannot achieve maximum efficiency, and citizens may become less cautious about corruption and conditions will become favourable to corruption. However, when anti-corruption policies are widely publicized, media coverage of corruption scandals focuses more on an individual's wrongdoing and less on systematic malpractice. Citizens also become more determined not to be complicit in corruption cases. As efforts by ACA alone are not enough to bring about these results, ACA needs to raise awareness about the importance of anti-corruption efforts so as to promote a culture of integrity.

#### Evaluation factors and standards

1. The target organization promotes its anti-corruption portfolio through press releases, campaigns, media interviews and social media.
2. Anti-corruption policies of the target organization's affiliated organization and local branches are evaluated.

This indicator evaluates two aspects of target organizations' efforts in promoting a culture of integrity.

First, it evaluates the target organizations' efforts to publicize their anti-corruption policies. There are several suggested ways to disseminate an organization's policies. The first way is a press release through which organizations disclose their policies to the public. Press releases of significant policy cases naturally instil a positive image of target organizations to citizens. Posting press releases on organization websites also helps increase exposure and reach out to citizens. Second, organizations can run campaigns, such as street campaigns or distributing brochures to citizens, usually with local civil society organizations. Campaigns are effective for informing citizens of the progress of organizations in becoming corruption-free and engaging the public to join in promoting the culture of integrity. This could influence the decision-making of public or private sector stakeholders and deter them from engaging in bribery and other corrupt acts. Third, high-level officials or staff members from the organizations can promote their anti-corruption efforts, results, limitations and ideas for improvements through the media and news channels. Fourth, organizations can leverage social media, utilizing Twitter, Facebook, and other social media platforms to publicize policies. Social media is an effective way to reach out to the youth population, most of whom use social media and can help raise awareness on anti-corruption. Organizations should be encouraged to make full use of social media platforms as they are easily approachable. Other ways include launching public service advertisements, street signs and billboards, all of which can have the positive effect of raising awareness to a large number of citizens.

Second, this indicator evaluates whether target organizations evaluate the anti-corruption policies of their affiliated organizations and local branches. This factor is particularly relevant and important to large organizations with separate national and local branches, such as the police. In RoK, in the case of smaller organizations, the AIA evaluation is delegated to the respective Audit Divisions. Target organizations evaluate their affiliated organizations with their own list of indicators that are designed with reference to that of ACA. For example, if AIA list of ACA has ten indicators, affiliated organizations may only include indicators that are relatively easy to achieve - such as anti-corruption training, promotion of a culture of integrity, and in-house anti-corruption communication channels.

By expanding the evaluation to affiliated organizations and local-level branches, target organizations can engage in anti-corruption efforts at all levels of an organization. This eliminates the gap in anti-corruption policies and encourages all public service organizations to implement them and consequently contribute to improved integrity levels. Target organizations without affiliated or local-level organizations can conduct evaluations by different departments.

## **B. Comprehensive assessment survey tool (including self-assessment)**

Similar to AIA, ACRC of Korea also conducts the Integrity Assessment, which is a survey tool to evaluate the level of integrity in each target organization on three different evaluation components. First, the tool assesses their integrity level through a user survey on a corruption index based on their first-hand experiences with public services. Within the process, where the service is evaluated, individual target organizations select their own working area of high corruption risk. The second assesses the integrity level of whether corrupt behavior (e.g. bribery, embezzlement and misuse of budget) has taken place or not. The evaluation body includes internal staff members who measure the corruption index of the organization they belong to. Lastly, external experts, whose expertise is relevant to the target organization, carry out an integrity assessment. In RoK, ACRC spearheads the Integrity Assessment, assessing over 700 institutions every year. However, an additional budget is required for ACA to use the assessment survey tool. Therefore, recognizing the difficulty of securing a special budget for implementing the Integrity Assessment, target organizations are recommended to have an AIA indicator that requires using an assessment survey tool. When it comes to developing and disseminating a set of survey questionnaires, ACA should take responsibility, as it is an agency specializing in anti-corruption.

### **Evaluation factors and standards**

1. Service users, internal staff, and external experts conduct the integrity self-assessment.
2. After analyzing the evaluation results, an evaluation report is submitted.



The following explains how to conduct an Integrity Self-Assessment. First, public service users (i.e. citizens who applied for welfare subsidies), internal members of target organizations, and external experts carry out the assessment, which is the case in RoK. Meanwhile, the Integrity and Audit Division selects survey participants. Planning for too many survey respondents is not desirable as it incurs significant costs. Therefore, it is recommended to set a reasonable sample size, for example, targeting 50 service users, 50 staff members and 30 experts. Also, anonymous survey methods appear to be useful to ensure objectivity in the survey data. In terms of the survey platform, face-to-face data collection through in-person surveys, telephone surveys, or email surveys can be utilized. The Integrity and Audit Division can also carry out the survey by itself in case of a small turnout of participants.

Second, the Audit Division within each target organization is responsible for aggregating all survey outputs and developing a comprehensive assessment report on the integrity levels. In this process, the division can conduct an in-house analysis of assessment results through a year-over-year comparison. For example, comparing with the data from the previous year, the division may explore the following: (1) How corruption could potentially manifest in the organization; (2) which areas demonstrate improvements in integrity levels; (3) to what degree the awareness among internal staff has changed; and (4) how experts evaluate the target organization's integrity level. Conducting a comparative analysis across each year allows target organizations to plan their anti-corruption portfolios for the next year.





## V. Conclusion



## V. Conclusion

AIA in RoK has been revised and improved over the years. The ACRC officers, responsible for managing anti-corruption policies of RoK, have highlighted the following key points for the effective implementation of AIA.

First, anti-corruption policies must be designed and implemented not only at the national level but also at the subnational and institutional levels. Anti-corruption policies deliver results through the participation and compliance of public officials. The significance of anti-corruption policies is reduced when officials consider them defunct or inefficient. ACA must ensure that indicators are not just ideas on paper but are working and enforced policies. When there is a gap between theory and its actual implementation, target organizations can end up squandering resources on irrelevant activities. This gap must be addressed for anti-corruption activities to be effective.

Second, all government institutions should incorporate anti-corruption measures into their programmes. Many policies fail to deliver intended results because they were designed without consideration for the realities of the workplace. Policymakers often underestimate the context-specific challenges or do not fully take into account the views of stakeholders and instead rely on subjective perceptions or irrelevant experiences. To prevent such problems, ACRC officers have been especially attentive to voices and concerns from all.

ACRC regularly hosts workshops, forums, and bilateral meetings with Integrity and Audit Division officials of target organizations to assess and adjust evaluation indicators and standards. Some organizations, such as the local government and provincial education office, have overlapping functions. On the other hand, organizations such as the central government institutions and public enterprises have distinct responsibilities. ACA officers brainstorm ways in which target organizations can incorporate anti-corruption into their own unique working areas. As a result, the current evaluation list includes common indicators (Integrity and Audit Division, Code of Conduct, Leadership and Public-Private Partnership) and assigns weighted values for indicators that reflect the respective organizational contexts (Anti-Corruption Plan, institutional reform indicators). By designing evaluation indicators in this way, ACRC has mainstreamed the anti-corruption agenda in the public sector.

Third, ACA should strike a balance between the requirements of AIA indicators and the realistic implementation capacity of each target organization. AIA aims to strengthen the corruption prevention capacity of public organizations and investigative capacity on allegations and corruption offences. It also intends to raise awareness of integrity measures and forge cooperative relationships among civil society organizations, the private and public sectors. These goals largely align with the objectives of the national anti-corruption agenda. There are minor differences in the scope and specifics of the evaluations due to varying policy contexts of target organizations.

However, target organizations demonstrate different capacities because of insufficient resources, experiences and expertise. The commitment level of the heads of the organizations and lack of interdivisional coordination due to organizational culture and political dynamics within the agency can also influence the institution's anti-corruption efforts.<sup>21</sup> Evaluating organizations of varying capacity levels with a single set of standards can jeopardize organizations' sense of ownership and confidence with a lower level of capacity, ultimately discouraging them from strengthening their anti-corruption efforts.

To address different capacity levels and develop AIA into a more realistic and effective anti-corruption tool, ACRC officers have adopted the following measures:

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- Organizations with similar levels of capacity are grouped together.
  - Organizations with little experience in anti-corruption are evaluated using relatively lenient standards.
  - ACRC provides policy consultations with underperforming organizations and matches them with high-performing organizations that provide 'Integrity Cluster' mentoring. Likewise, ACRC strives to leave no one behind in the anti-corruption portfolio.
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Anti-corruption policies matched with international standards and best practices pioneered in a certain country are an invaluable asset. AIA indicators must be developed in line with these best practices.

Based on 19 years of experience in RoK, however, internal improvements in anti-corruption capacity among public organizations are difficult to be achieved within a short time as they require collective learning with a long-term investment. When adopting the AIA mechanism, the initial step is to examine the capacity of an individual target organization rigorously and create a feasible agenda in line with its capacity.

Then, during the first three years of AIA implementation, ACA should provide core indicators so that target organizations can build a foundation with basic capabilities. After these steps are complete, ACA should gradually build up institutional-level ability and formulate mid- and longer-term strategies to design assessment indicators.

Finally, it is worth highlighting that AIA is a useful tool for Integrity and Audit Divisions to demonstrate the performance of public institutions in a visible and objective way. If target organizations strengthen their anti-corruption efforts internally and receive an excellent AIA score, such an achievement is likely to become a milestone in anti-corruption portfolios.

In most countries, public organizations can only perform as well as their given resources and capacity allow. Their performance serves as a rationale to demand the budget and human resource management department to allocate more resources to their organizations. In general, a public organization that lacks capacity or competence faces the challenge of securing a sufficient budget and workforce due to the limited resources available.

<sup>21</sup> ACRC (2016). Anti-Corruption Initiative Assessment Annual Plan.

Similarly, departments within a particular institution operate in a competitive environment. In other words, only if the Audit Division produces tangible results can it secure sufficient financial and human resources, both of which are crucial components to contribute to anti-corruption efforts fully. However, at least in RoK, it is a common practice for ACA to initiate its work with a low amount of resources and gradually secure more resources after producing substantive results.

Performance should be evident enough for multiple stakeholders with diverse perspectives to acknowledge. One thing to keep in mind about managing the expectations of internal and external stakeholders is that those who are unfamiliar with anti-corruption work tend to assess the evidence and degree of progress in a stricter way, as opposed to those who are more familiar with anti-corruption work, who are more likely to understand the challenging nature of preventing and addressing corruption.

Although the overall goal of anti-corruption efforts is to achieve a corruption-free society, it is an aspiration that requires a hands-on approach. In this sense, ACA needs to develop and include well-balanced and practical indicators, for instance, a proxy indicator, to assess the overall anti-corruption progress of individual public organizations. The number of corruption cases and officials implicated is not an absolute standard to evaluate public organizations' performance. The number of cases also does not reflect variables such as the size and work context of organizations, nor does one case of corruption by an official without integrity prove a lack of willingness to tackle corruption within that organization.

Integrity and Audit Divisions should therefore promote integrity as a top priority agenda in all working areas of target organizations by building on their performance in AIA. AIA enables Audit Divisions to fulfil their anti-corruption work in a systematic, affordable, efficient and dedicated manner. Ultimately, AIA aims to assist public organizations in pursuing anti-corruption and integrity initiatives and continuously developing their anti-corruption activities so as to contribute vastly to making society corruption-free.



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## VII. Annex



## VII. Annex

### Annex 1. Evolution of AIA Evaluation Areas and Indicators (2016, 2018, 2020)

Evaluation Areas	2016 <sup>22</sup>	2018 <sup>23</sup>	2020 <sup>24</sup>
A. Planning	1. Establishment of anti-corruption action plan	1. Establishment of anti-corruption action plan	1. Establishment of anti-corruption strategy and action plan
B. Implementation	1. Implementation of anti-corruption action plan 2. Involvement of members in anti-corruption activities 3. Promotion of integrity governance 4. Improvement of corruption-prone areas 5. Institutionalization of the Code of Conduct for public officials 6. Punishment for & control of corrupt acts 7. Integrity training for employees 8. Promotion of whistleblowing & protection of whistleblowers 9. Promotion of reporting on welfare & public subsidy frauds	1. Implementation of anti-corruption action plan 2. Involvement of members in anti-corruption activities 3. Promotion of integrity governance 4. Improvement of corruption-prone areas 5. Institutionalization of the Code of Conduct for public officials 6. Punishment for & control of corrupt acts 7. Integrity training for employees 8. Promotion of whistleblowing & protection of whistleblowers 9. Promotion of reporting on welfare & public subsidy frauds	1. Involvement of members in anti-corruption activities 2. Establishment of corruption prevention mechanism 3. Willingness and efforts in eradicating corruption risk factors 4. Enforcement of anti-corruption initiatives

<sup>22</sup> ACRC (2016). Anti-Corruption Initiative Assessment Annual Plan.

<sup>23</sup> ACRC (2018). Anti-Corruption Initiative Assessment Annual Plan.

<sup>24</sup> ACRC (2019). Anti-Corruption Initiative Assessment Annual Plan.

<p>C. Dissemination of evaluation performance</p>	<ol style="list-style-type: none"> <li>1. Self-assessment of institutional effectiveness</li> <li>2. Integrity level score</li> <li>3. Public disclosure of integrity level &amp; evaluation performance</li> <li>4. Inter-organizational cooperation on anti-corruption</li> <li>5. Adoption of exemplary anti-corruption policy</li> </ol>	<ol style="list-style-type: none"> <li>1. Self-assessment of institutional effectiveness</li> <li>2. Integrity level score</li> <li>3. Public disclosure of integrity level &amp; evaluation performance</li> <li>4. Inter-organizational cooperation on anti-corruption</li> <li>5. Adoption of exemplary anti-corruption policy</li> </ol>	<ol style="list-style-type: none"> <li>1. Performance in anti-corruption portfolio</li> <li>2. Efforts to disseminate anti-corruption portfolio</li> </ol>
<p>D. Points deduction</p>	<ol style="list-style-type: none"> <li>1. Identification/Detection of corrupt practices by exterior oversight agencies</li> <li>2. Non-fulfilment of anti-corruption measures</li> </ol>	<ol style="list-style-type: none"> <li>1. Identification/Detection of corrupt practices by exterior oversight agencies</li> <li>2. Non-fulfilment of anti-corruption measures</li> </ol>	<ol style="list-style-type: none"> <li>1. Commitment to corruption prevention mechanism implementation</li> </ol>

## Annex 2. Checklists for effective implementation of AIA

### 1. Establishing legal grounds

- 1-1. Is there a provision in the law that obliges institutions to conduct an evaluation?
- 1-2. What level of legal grounds (administrative guidelines, etc.) is the obligation to conduct an evaluation based on (reference to 1-1), if not based on legislation?
- 1-3. Was there any involvement of the President or the Prime Minister in the process of establishing legal grounds?

### 2. Securing budget and manpower

- 2-1. How much funding has been secured for the budget?
- 2-2. What is the budget used for?
- 2-3. How many additional personnel are available?
- 2-4. Are the personnel who participate in AIA solely responsible for the assessment?
- 2-5. Is there a group of experts who have professional knowledge of the qualitative assessment?

### **3. Establishing a schedule**

- 3-1. Does the AIA schedule run on an annual basis?
- 3-2. Have the target institutions been sufficiently notified of the schedule?
- 3-3. Is there a consensus on the schedule?

### **4. Selection of institutions subject to be assessed**

- 4-1. Are the institutions subject to assessment categorized into groups?
- 4-2. Is there a criterion for selecting institutions to be assessed, such as the possibility of corruption?
- 4-3. Has the number of the institutions to be assessed been determined in consideration of budget and manpower?
- 4-4. Is there any institution that resists being included in the assessment?

### **5. Selection of assessment indicators**

- 5-1. Are the indicators categorized according to the nature of the activity?
- 5-2. Is there a criterion for the indicators, including positive effects on anti-corruption?
- 5-3. Has the number of the indicators been determined in consideration of budget and manpower?
- 5-4. Are there any indicators that require an excessive amount of resources (in terms of cost, time, and labour) to be created and used?
- 5-5. Is the number of indicators excessive for the institution?
- 5-6. Does it include indicators that cannot be evaluated fairly and objectively?
- 5-7. Is there a reasonable balance between the number of quantitative and qualitative indicators?
- 5-8. Are there indicators on securing participation of the head and senior officials?
- 5-9. Are there indicators on securing participation of all departments within an institution?
- 5-10. Are there some indicators on promoting cooperation with civil society organizations?
- 5-11. Are there indicators that reflect the latest anti-corruption issues in the country?
- 5-12. Are there indicators that relate to issues no longer prevalent in the country?
- 5-13. To what extent do the indicators vary compared to the previous year?

### **6. Selection of assessment methods for the indicators**

- 6-1. Are there guidelines to prevent the selection committee from being subjective in the assessment?
- 6-2. Are each of the indicators weighted considering their importance in terms of anti-corruption?
- 6-3. Does each of the indicators capture and assess performance objectively?
- 6-4. Is there any indicator that can affect the overall assessment?
- 6-5. Are assessment methods consistent with methods that were previously used?
- 6-6. Is there a reasonable balance between the use of qualitative and quantitative indicators?
- 6-7. Along with the written assessment, is an on-site inspection conducted for verification?
- 6-8. Are penalties imposed for fraud or false reports?

## **7. Regarding evaluators**

- 7-1. Are there staff members who manage a large amount of assessment work?
- 7-2. Is there a difference in scores as a result of multiple staff working on one indicator?
- 7-3. Does the person in charge of the qualitative assessment have sufficient expertise?
- 7-4. Is there a possibility of conflicts of interest among external evaluators and the institutions?

## **8. Determining the disclosure method of assessment results**

- 8-1. Are there discussions on the pros and cons of different disclosure methods?
- 8-2. Is there any possibility that a disclosure method can provoke a backlash from institutions with low scores?
- 8-3. Is the announcement to be made in accordance with the planned schedule?
- 8-4. Does the method mainly focus on disclosing the performance of leading institutions?
- 8-5. Does the method overly criticize low-graded institutions?
- 8-6. Does the method name and shame?

## **9. Feedback on assessment results**

- 9-1. Do the institutions receive their detailed performance results?
- 9-2. Do the institutions receive detailed advice on how to enhance their integrity levels?
- 9-3. Is it possible to know the results of each indicator compared to others within the same group?
- 9-4. Are good case practices from individual institutions disseminated to other institutions?
- 9-5. Are actions being taken to improve institutions with both low and high scores?

## **10. Incentives**

- 10-1. Are there incentives for individual staff to strengthen anti-corruption efforts?
- 10-2. Are there incentives for individual institutions to strengthen anti-corruption efforts?
- 10-3. Are there personnel incentives such as promotions?
- 10-4. Are there incentives such as overseas anti-corruption education?
- 10-5. Is there a possibility that incentives benefit senior staff who have not engaged in implementing the anti-corruption activities?
- 10-6. Are there incentives for institutions that show major improvements compared to the previous year?

## Annex 3. Institutions Consulted for AIA Implementation

### 1. Central Government Institutions

Ministry of Education, Ministry of Justice, Ministry of National Defense, Ministry of Oceans and Fisheries, Ministry of the Interior and Safety, Ministry of Culture, Sports, and Tourism, Financial Services Commission, Ministry of Personnel Management, Korean National Police Agency, Korea Customs Service, Supreme Prosecutor's Office, Defense Acquisition Program Administration, Korean Intellectual Property Office, Statistics Korea

### 2. Local Government

Busan Metropolitan City, Gwangju Metropolitan City, Daejeon Metropolitan City, Jeonbuk Provincial Government, Jeonnam Provincial Government, Sejong City, Gangnam District in Seoul Metropolitan City, Hwaseong City

### 3. Local Education Offices

Busan Metropolitan Office of Education, Daegu Metropolitan Office of Education, Ulsan Metropolitan Office of Education, Gwangju Metropolitan Office of Education, Daejeon Metropolitan Office of Education, Sejong City Office of Education, Jeollabuk-do Office of Education, Jeollanam-do Office of Education

### 4. Public Universities

Seoul National University, Chungnam National University

### 5. Public Medical Institutions

Chungnam National University Hospital, National Cancer Center

### 6. Public service-related Organizations

Korea Railroad, Korea Electric Power Corporation, Korea Hydro & Nuclear Power Co., LTD., Korea Land & Housing Corporation, Korea Expressway Corporation, National Pension Service, National Federation of Fisheries Cooperatives, Korea Land and Geospatial InformatiX Corporation, Busan Transportation Corporation, Korea Development Bank, Bank of Korea, Industrial Bank of Korea, Korea Midland Power, Korea Western Power, Korea East-West Power, Korea South-East Power, Korea Southern Power Co., LTD., Korea Rail Network Authority, Korea Asset Management Corporation, Korea Housing Finance Corporation, Social Security Information Service, Busan Environmental Corporation, Korea Evaluation Institute of Industrial Technology, Mine Reclamation Corporation, Kangwon Land, The Korea Teachers' Pension, Jeju Free International City Development Center, Korea Elevator Safety Agency, Human Resources Development Service of Korea

## Annex 4. Practical approaches to institutional improvement and policy improvement and case examples from the AIA implementation in RoK

### 1. Practical approaches to institutional improvement

#### Importance of taking advantage of windows of opportunities

Even if an organization demonstrates its commitment to anti-corruption efforts, institutional improvement entails many challenges. This is due to a common prejudice that institutional improvement for anti-corruption is burdensome. Thus, it is critical for the Integrity and Audit Divisions to seize opportunities for institutional improvement. Based on the experience of RoK, the following situations can open windows of opportunities for Integrity and Audit Divisions.

#### Major corruption incident

When a major corruption incident breaks out, high-level officials, including the head of the organization, become more conscious of corruption risks. Integrity and Audit Divisions can take advantage of this opportunity to introduce bold and innovative anti-corruption policies. For organizations where major cases of corruption broke out, improving their anti-corruption portfolio is a way to protect their reputation.

#### New head of organization

When the head of the organization is newly assigned, s/he will try to set her/himself apart from past policies and instead prepare for and initiate innovative anti-corruption policies. While the extent of new policies would depend on her or his experience, the new head of the organization can usually serve as a window of opportunities.

#### Outstanding AIA results

Organizations that receive outstanding AIA results are more likely to push ahead innovative and bold anti-corruption policies. This is because greater efforts are required to maintain the organization's reputation as a transparent agency. Integrity and Audit Divisions in such an organization will be allocated more resources and support from the head and executive bodies, allowing for more effective policies for institutional improvement.

## Importance of properly sequencing improvement plans

In principle, a comprehensive approach to anti-corruption – an approach that simultaneously uses anti-corruption schemes and enhances transparency and accountability schemes across sectors – should be implemented. However, in reality, there are many practical challenges to implementing a comprehensive approach. First, a comprehensive approach requires more human and financial resources because new policies require more capacity of officials and allocation of budget. Second, a comprehensive approach is likely to face resistance from officials unaccustomed to such anti-corruption policies. A comprehensive approach requires a great amount of institutional and administrative improvement, and these are often perceived as regulations that could decrease the level of discretion that the staff has enjoyed. Third, a comprehensive approach needs to take into account the capacity level of the organization – some activities certainly require a higher degree of knowledge and relevant experience than other activities. In this regard, without sufficient capacity and ability to enforce policies as planned, substantive and tangible advances in anti-corruption are unlikely to take place.

In light of the above-mentioned aspects, it is recommended that respective public organizations thoughtfully explore the following methodologies before commencing policy improvement plans. It is important to note that the priorities suggested below are not replicable in all contexts. Hence, organizations should determine the sequence of every activity after a careful discussion and examination of the organization's and country's policy environment.

### **Make small improvements before initiating large-scale improvement plans.**

Improvement plans can have varying levels of impact depending on the number of projects and stakeholders that can be affected by those plans. For example, for an organization that has over thousands of annual contracts with private businesses, amending a single provision of contract-related regulation can impact thousands of stakeholders. On the other hand, a smaller-scale improvement could entail a selective application of contract costs, for example, which would limit the number of affected stakeholders.

### **First, initiate improvement projects which require fewer resources and then implement resource-heavy projects at a later stage.**

This is a strategic approach to initiate policy improvements with fewer resources and thereafter secure more resources by managing those projects successfully.

Education, awareness-raising and organizational culture change should come before regulatory changes.

Education, awareness-raising and efforts to change organizational culture are easier to adopt as there is less resistance from stakeholders. They are also likely to convey the importance of anti-corruption and integrity in an effective way, promote behavioural change and have a lasting effect on individuals. Thus, this approach would be an easier way to secure support for anti-corruption initiatives than changing the legal and institutional framework.

Establish a solid basic framework before making improvements in its quality.

The rationale of this suggestion is in line with the indicators for IAF and Indicators for IAI. Creating a solid basic framework first is recommended, as it is worth exploring the methodology before optimizing the policy through incremental improvements in its quality.

## 2. Case examples of institutional improvement by target organizations (from 2014 AIA)

- 1 **Government Employees Pension Service** identified 51 types of tasks prone to bribery in 28 working areas and designated them as 'High Corruption Risk Factors.' Each division is responsible for monitoring these risk factors following a given guideline.
- 2 **Korea East-West Power** strengthened its Code of Conduct, forbidding its officials, their family and relatives from accepting money and gifts from related stakeholders. The Code also forbids Korea East-West Power officials from bribing their colleagues.
- 3 **The Export-Import Bank of Korea** reinforced its Code of Conduct which prevents its officials from making illicit solicitations for personnel affairs to their customers.
- 4 **Daejeon Metropolitan Office of Education and Korea Land & Housing Corporation** expanded the application scope of its Code of Conduct to apply to not only its affiliated officials but also dispatched employees. As such, dispatched employees are required to demonstrate an equal level of integrity.
- 5 **Jeju Special Self-Governing Provincial Office of Education** stipulated in its Code of Conduct that any public officials or retired civil servants are to be immediately reported to an investigative organization if they have embezzled government funds or accepted bribes during their tenure. The same stipulation applies to civilians who are temporarily serving the government for a particular business.

- 6 **Korea Workers' Compensation & Welfare Service** produced rules on anti-corruption integrity tailored for employees of different levels and working areas, including high-level management. The rules provide pragmatic guidelines to refer to in certain circumstances.
- 7 **National Tax Service** made it mandatory for investigation officers in Audit and Integrity Divisions to report before an investigation whether they are related to a person under investigation (in any possible way through family, school or regional ties). They also have to report if they have worked with the person or the person's tax accountant and lawyer. Reporting is necessary to ensure fairness in the investigation. If the head of the Audit and Integrity Division decides after the review of the report that fairness cannot be ensured, the officer in charge may be replaced with another person.
- 8 **Korea Environment Corporation** noted in its Code of Conduct that personal meetings (such as golf trips, meals, gambling, excursions, etc.) with retired public officials who have connections to one's respective work duty are strictly banned. Moreover, its official cannot reveal work-related confidential information to retired officials who have connections to one's current work.
- 9 **Health Insurance Review & Assessment Service** clearly stated in its Code of Conduct that officials are strictly prohibited from receiving money and other valuables from all stakeholders.
- 10 **The Export-Import Bank of Korea** stipulated in its Code of Conduct that its officials are strictly prohibited from taking advantage of inside information and making any property transactions, including stock and company investment.
- 11 **Korean National Police Agency** stipulated in its Code of Conduct that its officials are strictly prohibited from personally meeting with anyone involved in the case, whether it is dining, drinking or playing golf. Work meetings should only take place in the police office.
- 12 **Korea Railroad Corporation** stipulated in its Code of Conduct that overseas business trip invitations by interested stakeholders, such as companies or organizations, are only allowed when the government states that the company is needed or when there is a clear and proven request for an overseas business contract.
- 13 **Korea Fair Trade Commission** strengthened its Code of Conduct so that officials under disciplinary action for corruption get transferred and also complete integrity training within six months after disciplinary action.

- 14 **Korea Minting and Security Printing Corporation** strengthened its personnel management regulations so that officials suspended for corruption (bribery, embezzlement, etc.) cannot be promoted for another six months after the last date of suspension. – i.e. Officials suspended for six months cannot be promoted for twelve months in total.
- 15 **Postal Savings & Insurance Development Institute** strengthened its corruption control capacity by stipulating specific punishment measures of officials who have deterred reporting of corruption or have violated the protection of whistleblowers. Punishment measures, stipulated in the personnel management regulations are imposed in proportion to a degree of culpability and intention.
- 16 **Ministry of the Interior and Safety** added in its personnel management regulations that human resources officials should consult with the Integrity & Audit Division and review the integrity of officials prior to promotion, transfer, etc.
- 17 **Korea Transportation Safety Authority** stipulated in its Code of Conduct that officials who have regional or school ties with stakeholders should consult with their superior or audit officers whether the fair and honest performance of duty is ensured. If it is considered that fairness is threatened, the official may be removed from the task.
- 18 **Korea Energy Technology Evaluation and Planning (KETEP)** strengthened regulatory means to restrict companies established by public officials affiliated with KETEP and their relatives or by former executives from participating in any bidding process and signing private contracts for a certain period.
- 19 **Korea Fair Trade Commission (KFTC)** made it mandatory for public officials affiliated with KFTC to notify the Integrity Officer two months before their resignation of the name of the new workplace and a list of tasks/projects involved in the past year. If the Integrity officer finds any correlation between the past projects and the new job, the officer shall report the cases to the Chairperson, and the Chairperson may instruct the public official to decline the job offer.
- 20 **Korea Hydro & Nuclear Power Co., Ltd. (KHNP)** strengthened contract regulations which require every company participating in the bidding to submit a confirmation letter including the employment status of its senior retirees. This is to prevent any collusion between former and affiliated public officials.
- 21 **Daegu Metropolitan City (DMC)** strengthened its Code of Conduct to restrict public officials of DMC who have the authority for appointment, budget management, and supervision over public service-related organizations in DMC from hiring their family members and from making all sorts of solicitations for personnel appointments.

- 22 **Public Procurement Service (PPS)** established a digital procurement and contracting system for selecting technical evaluation committee members to ensure transparency in the selection process through, for example, evaluating whether the bid amount is appropriate or not. To illustrate the process, PPS first creates an external committee human resource pool and longlists the candidates with random sampling. PPS then conducts an automated phone survey to confirm which longlisted candidate can attend committee meetings until all positions are filled.
- 23 **Korea District Heating Corporation** disclosed to employees corruption cases detected by the Integrity and Audit Division on its intranet system as soon as the Integrity Self-assessment is completed to prevent corrupt practices beforehand.
- 24 **Chungcheongnam-do and Chungcheongbuk-do provinces** successfully enhanced the transparency of contracts by disclosing the entire process of contract orders, bids, contract status, and evaluation results through the contract information system.
- 25 **Gangwon-do province, Gyeonggi province, etc.** disclose on a quarterly basis the transactions on business operating expenses used by the provincial governor, vice governor, deputy minister/director-general, and heads of the affiliated organizations on its official website to ensure transparent execution of the budget.
- 26 **Korea Electric Power Corporation (KEPCO)** used to define the authority of the Integrity and Audit Division in a limited way, allowing the division to monitor restricted parts of transactions of corporate credit cards. KEPCO now discloses all transactions (including the average amount of transactions per month, date and time of use, the purpose of use, payment amount, and information on credit card users and cashiers) of corporate credit cards on its intranet system in real-time. This way, all 20,000 staff members can monitor the credit card usage to ensure transparent execution of the budget.
- 27 **Bucheon City** created an external expert audit pool, which involves lawyers, accountants and IT experts, and utilized the platform for sectoral audit work so that the government could detect budget inflation, verify performance by job, and provide alternative solutions for policy improvement.
- 28 **Daejeon Metropolitan City** enhanced transparency by assigning local community members to the Citizen Oversight Committee and appointing them to monitor the entire contract process, especially those corruption-prone areas such as construction, procurement, and service contracts. If any illegal activities are detected, Daejeon Metropolitan City takes disciplinary measures and notifies the results of the sanction to the Citizen Oversight Committee.

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- 29 **Korea Electric Power Corporation** enacted and implemented Codes of Conduct for Suppliers to provide businesses in a contract with KEPCO with a set of integrity guidelines. The guidelines include the prohibition of solicitation and misappropriation, promotion of ethical training, protection of workers' rights under employment laws, prohibition of discrimination on the grounds of race and sex, prohibition of collusion, developing ethical behaviour across the public and private sector.
- 30 **Korea Hydro & Nuclear Power Co. Ltd.** prohibited the misuse of funds and valuables in all processes, including bidding, winning bids, and conclusion/fulfilment of contracts, and adopted the Integrity Contract System. This allows a contracting party to terminate contracts for default or breach, contributing to improving a culture of integrity among all relevant parties engaging in public activities.
- 31 **Korea East-West Power Corporation (EWP)** strove to prevent corruption in contracts and eradicate various forms of improper activities and solicitation. EWP introduced the mandatory disclosure rule in the contract regulations so that the tender notice can deliver clear information related to a hotline reporting system and bidding participants are informed of the reporting system.
- 32 **Ministry of Oceans and Fisheries (MOF)** made it mandatory for high-ranking government officials above the Director-General level to complete a one-day integrity training course tailored to the work context of MOF, in addition to the legally mandatory two-hour training per year, leading to an enhanced sense of integrity within MOF.
- 33 **Jeollanam-do Educational Training Institute** included various educational training programmes for public and private school teachers. The programmes included training on public service ethics and integrity, integrity learning from history and field trips to Cheongbaek-ri, a heritage site with historical significance in terms of public service.
- 34 **Korea Fair Trade Commission** quarterly conducts the integrity assessment of senior government officials at the Director-General level or higher, and the Integrity Officer reports the evaluation results to the Chairperson at executive meetings to raise awareness of integrity among public officials affiliated with KFTC.
- 20 **Korea Electrical Safety Corporation** prohibited hiring candidates who have resigned or have been expelled because of corruption in the past five years in their personnel management regulations.







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