ADVANCING TRANSPARENCY AND INTEGRITY IN LATIN AMERICA AND THE CARIBBEAN

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Amid a social and political context marked by pervasive pessimism and low trust, it can be easy to claim that Latin America and the Caribbean is making limited progress in combating corruption.

57% of people in Latin America and the Caribbean surveyed for the 2021 Barómetro report said that corruption had risen in the 12 months prior to when they were questioned,

And 71% said that there has been no progress in combating corruption.

Nonetheless, the prosecution of numerous public and private individuals on corruption-related charges in recent years, the multinational consequences of the Odebrecht affair, and vigilant media coverage surrounding these issues point to a different conclusion.

None of these would have happened were it not for a host of institutional, legal, regulatory, and technological changes that have quietly taken place over the past 25 years. These changes have increased the availability of information, enhanced social control capacities, and facilitated international cooperation. At the same time, these reforms gave public authorities willing to enact changes an array of tools to prevent, investigate and prosecute crimes that were previously considered beyond the reach of the law.

This guide offers a summary of transparency and integrity policies currently being implemented in Latin America and the Caribbean. The Inter-American Development Bank has financed many of these efforts as part of its mission to promote trust in the region.
The IDB through its **Vision 2025 – Reinvest in the Americas: A decade of Opportunity** and the **Transparency and Integrity Sector Framework** is increasing its support for countries working to strengthen transparency and integrity through institutional reforms that seek to bolster public capacities to better serve populations across the region.

These advances can help accelerate the region’s recovery in the post pandemic period by giving citizens more access to information, improve service delivery and the business environment while ensuring government spending is efficient and effective.

We believe that information is the energy that drives transparency and integrity. We support countries in the region so they can improve their institutional capacity, adopt better legislation, and develop regulations that limit opportunities for opacity and rent seeking. These reforms are in line with international transparency and integrity standards and the use of digital technologies to guarantee more access to information, along with greater efficiency and effectiveness in the use of public resources.

We also support crosscutting reforms of the justice system, access to information laws that benefit all sectors of society, and efforts to improve effectiveness, efficiency and transparency in the use of public resources, particularly in areas relevant to development such as infrastructure and public procurement.
What we do

We support governments and the private sector in the adoption of reforms aligned with international transparency and integrity standards in areas such as anti-money laundering, public sector integrity, fiscal transparency, public procurement, and eliminating bank secrecy. We promote technically sound laws and regulations that ensure administrative simplification and transparency in public decisions.

The reforms we support leverage digital technologies, from producing and disseminating reliable data to launching interactive platforms such as MapaInversiones, which put into practice in a simple and interactive way the principle of access to public information regarding the use of public resources.

These platforms grant access to public investment data through open formats, facilitating traceability and the filing of complaints for anyone who is interested in reporting an irregular situation.
THREE ACTION AREAS
We support the design and implementation of transparency policies for open government.

This includes:

- Access to information and targeted transparency regulations for citizens and the private sector to access public information. These reforms, in addition to enabling social control and accountability, help government inform policy implementation and foster innovation and economic development.

- Facilitate public participation in the process of preparing, deciding and implementing public policy, including rule-making, public hearings and other mechanisms facilitated by digital technologies.

- Creating spaces for cooperation between the different actors, particularly government administrations, civil society, and the private sector.

Solution Spotlight: MapaInversiones

MapaInversiones is an information management digital platform designed to improve the transparency and efficiency of public investments. It was created in 2013 between the Transparency Fund of the IDB, Microsoft and Everis.

Since its inception in 2013, more than $140 billion in public spending has been made transparent in seven countries that have adopted this platform: Argentina, Colombia, Costa Rica, Jamaica, Paraguay, Peru, and the Dominican Republic.

Evidence shows that digital platforms focused on project execution yield benefits to governments that go beyond public perceptions. In Costa Rica, a study found that the financial performance of projects included in MapaInversiones (known as Rendir Cuentas platform) was 15% better than in those that were not included. And an independent evaluation in Colombia determined that the efficiency of project execution increased by an average of 8% for projects included in the portal, compared to the control group.
Advancing transparency and integrity in Latin America and the Caribbean

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We foster integrity in the public sector.

This includes:

- **Integrity for public officials**: We promote the adoption of high integrity standards for public officials, including laws to prevent conflicts of interest, codes of conduct, asset declaration systems, reporting mechanisms and whistleblower protections, along with measures to investigate and punish improper conduct.

- **Smarter, simpler regulations**: We facilitate administrative simplification and regulatory transparency programs aimed at fostering regulations that reduce opportunities for corruption.

- **Transparency of government resources**: We strengthen procurement systems to ensure integrity and competition throughout each stage of the contract cycle. This includes prevention measures such as early warning systems for irregularities in procurement processes in high-risk sectors such as state-owned industries in the extractive sectors.

- **Financial and fiscal integrity**: We promote legal and institutional reforms to prevent money laundering and tax evasion, including implementation of international Financial Action Task Force (FATF) and Organisation for Economic Co-operation and Development (OECD) standards and joining international information exchange agreements with special emphasis in ultimate beneficial owner reforms.

- **Stronger audit institutions and control agencies bodies to reduce impunity**: We promote institutional strengthening, including legal and regulatory reforms that enhance the capacity of institutions responsible for investigating and sanctioning improper conduct. We place special emphasis on supporting intra-agency and international cooperation mechanisms, to ensure that the institutions responsible have suitable legal and institutional frameworks. We also leverage the use of digital technologies, especially big data and artificial intelligence, to improve supervision and enhance prevention and deterrence of improper acts.

**Solution Spotlight:**

**Greater transparency for infrastructure service providers**

Due to the growing importance of providing basic infrastructure services, such as water and transportation, countries are driving changes that will improve the performance and transparency of the provision of these services providers.

Public water and sanitation operators in Ecuador, Paraguay, Honduras and Mexico have adopted aspects of a management toolkit for integrity, while operators in Peru and Costa Rica are using AquaRating to develop internal integrity protocols.

AquaRating is the only tool on the market capable of showing in an agile, reliable, and comprehensive way the real situation of a provider of drinking water and sanitation services in all areas of the business based on international assessment standards. The rigorous evaluation process establishes a baseline to build a business improvement and transformation plan in the short, medium, and long term.
The IDB promotes and supports the Americas Business Dialogue’s commitments to develop a shared integrity agenda among the hemisphere’s largest corporations. We are partnering with national business associations who wish to adopt international transparency and integrity standards.

This includes efforts to strengthen integrity in the private sector through programs that foster corporate governance best practices, effective integrity mechanisms, and adopting ethical standards among value chains and specific industries.

Solution Spotlight: Improving private sector integrity in Peru

In Peru, the Confederación Nacional de Instituciones Empresariales Privadas (CONFIEP), which represents most of country’s industry and trade, is spearheading an ambitious effort with IDB support to overhaul its code of ethics based on the most rigorous international standards in areas such as anti-corruption and conflicts of interest.

Member companies will be asked to sign the new code, to commit to fully implementing it within clear timeframes, and to submit themselves to external reviews and sanctions for violations. The new ethics framework will include mechanisms for preventive consultation, training, as well as reporting mechanisms and sanctions in case of violations of ethical rules.

About the IDB

The IDB is the leading multilateral institution financing and providing technical assistance to transparency, integrity, and anti-corruption projects in Latin America and the Caribbean.

Thanks to the Transparency Fund, the IDB has approved more than $23 million in technical cooperations for these areas since 2007, complementing more than $2 billion dollars in loan programs our member countries have implemented for this agenda.