

CONFERENCE ON CHANGING GOVERNANCE AND PUBLIC SECTOR REFORM IN THE AMERICAS

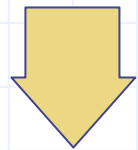


Miguel Schloss
Executive Director
Transparency International



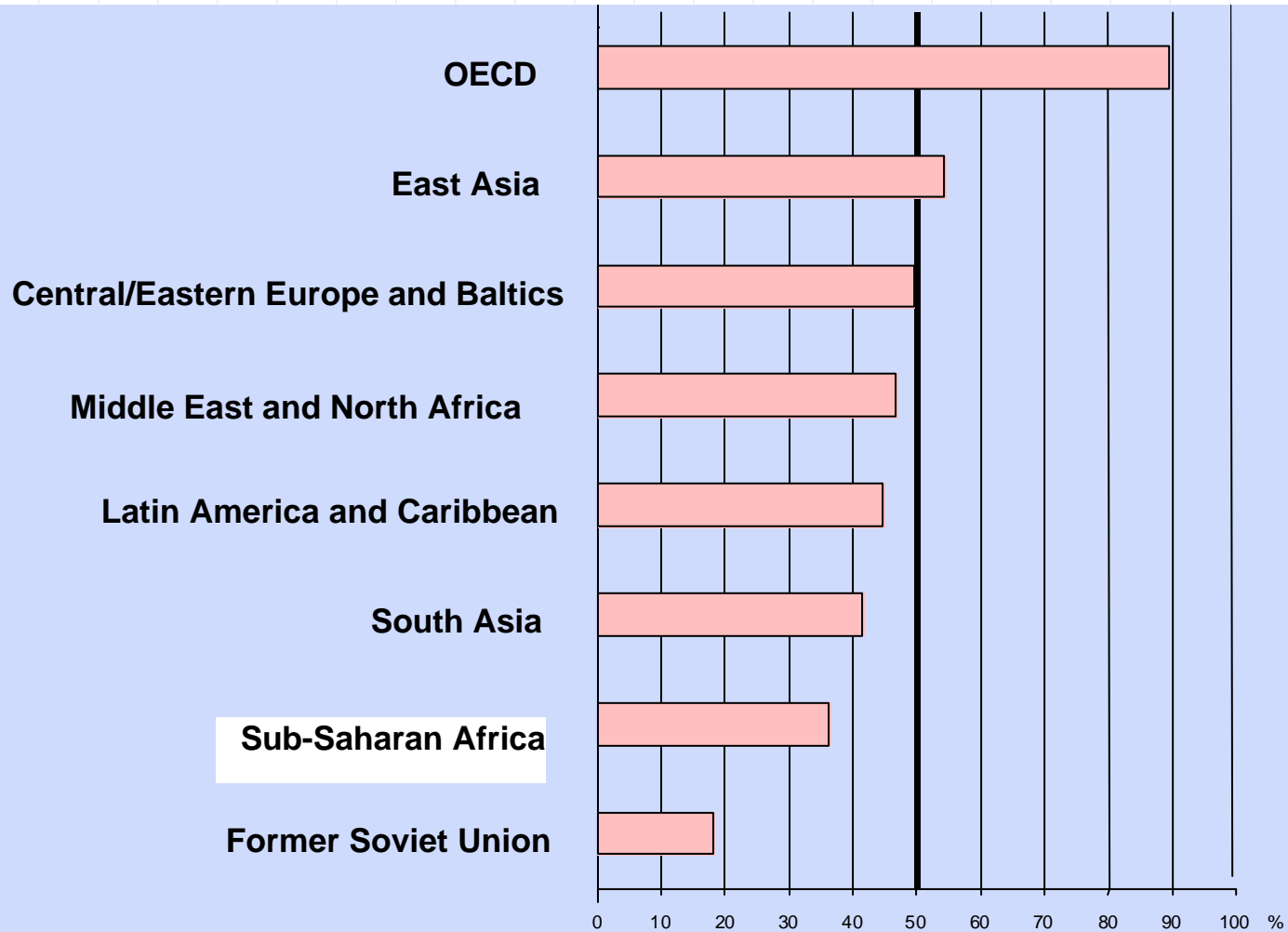
Implications

- More costly public investments
- Lower government revenues
- Lower expenditures on operations and maintenance
- Lower resource surpluses

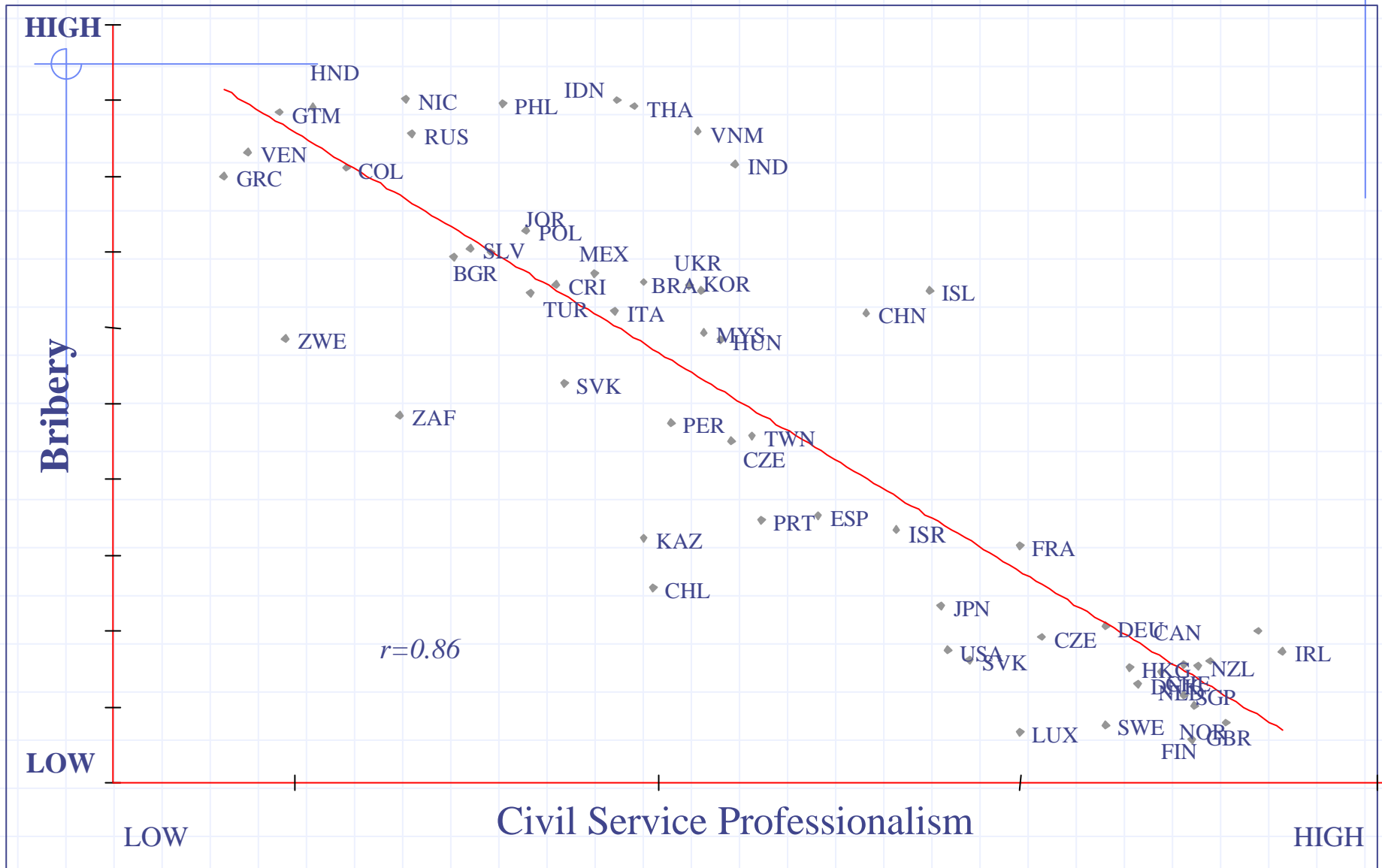


Poorer economic performance

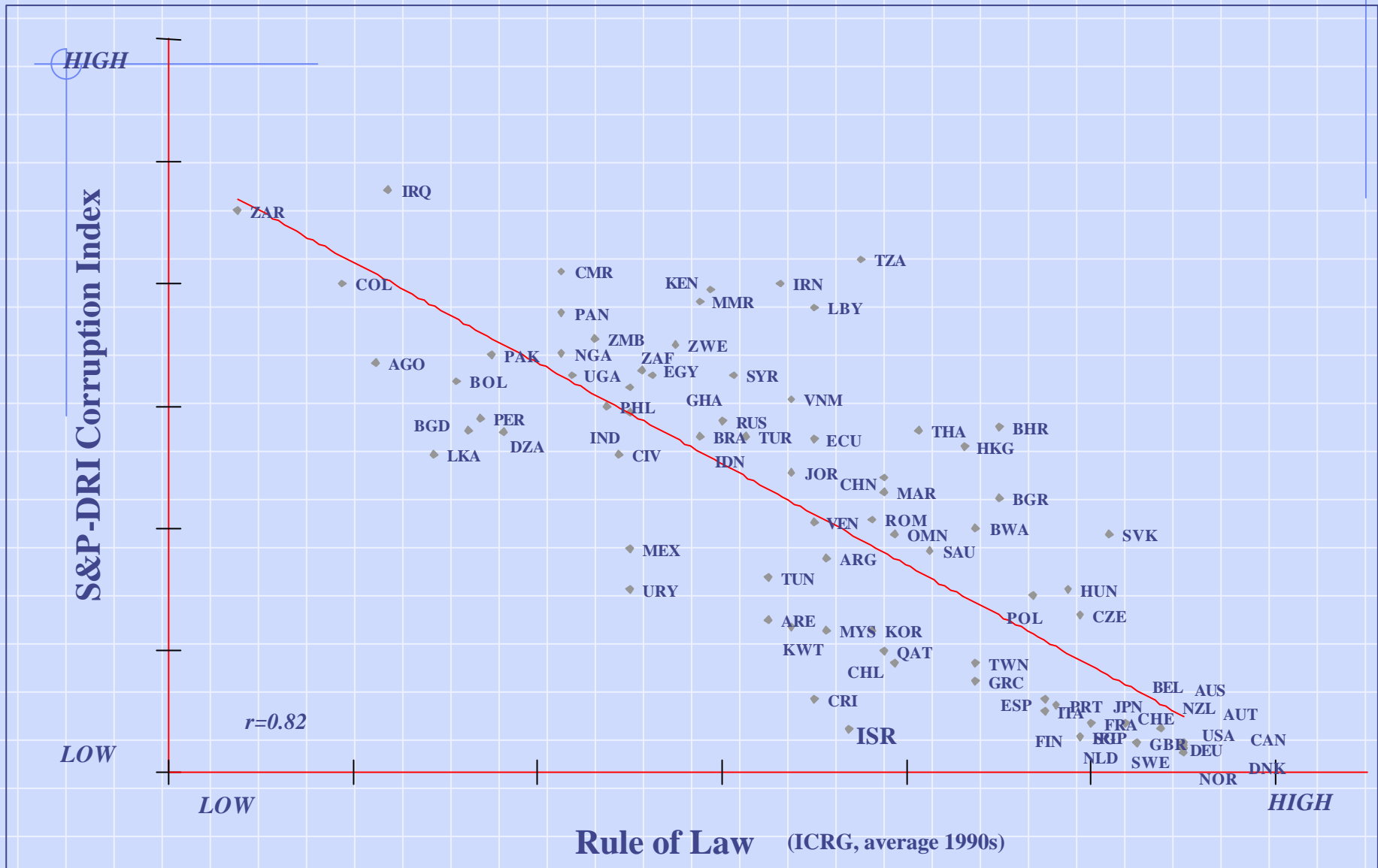
Corruption Perception By Regions



Bribery vs. Civil Service Professionalism

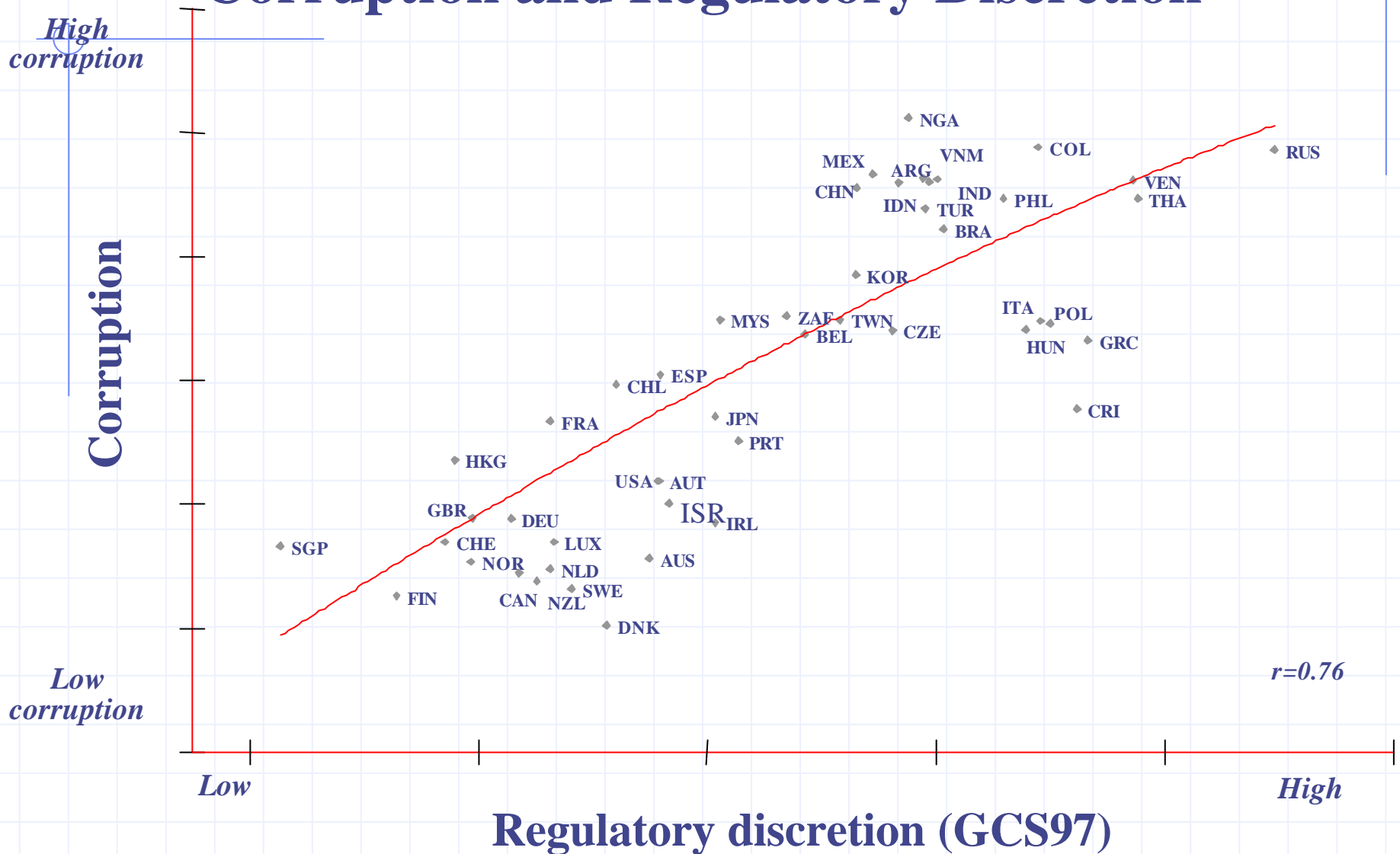


Corruption and Rule of Law



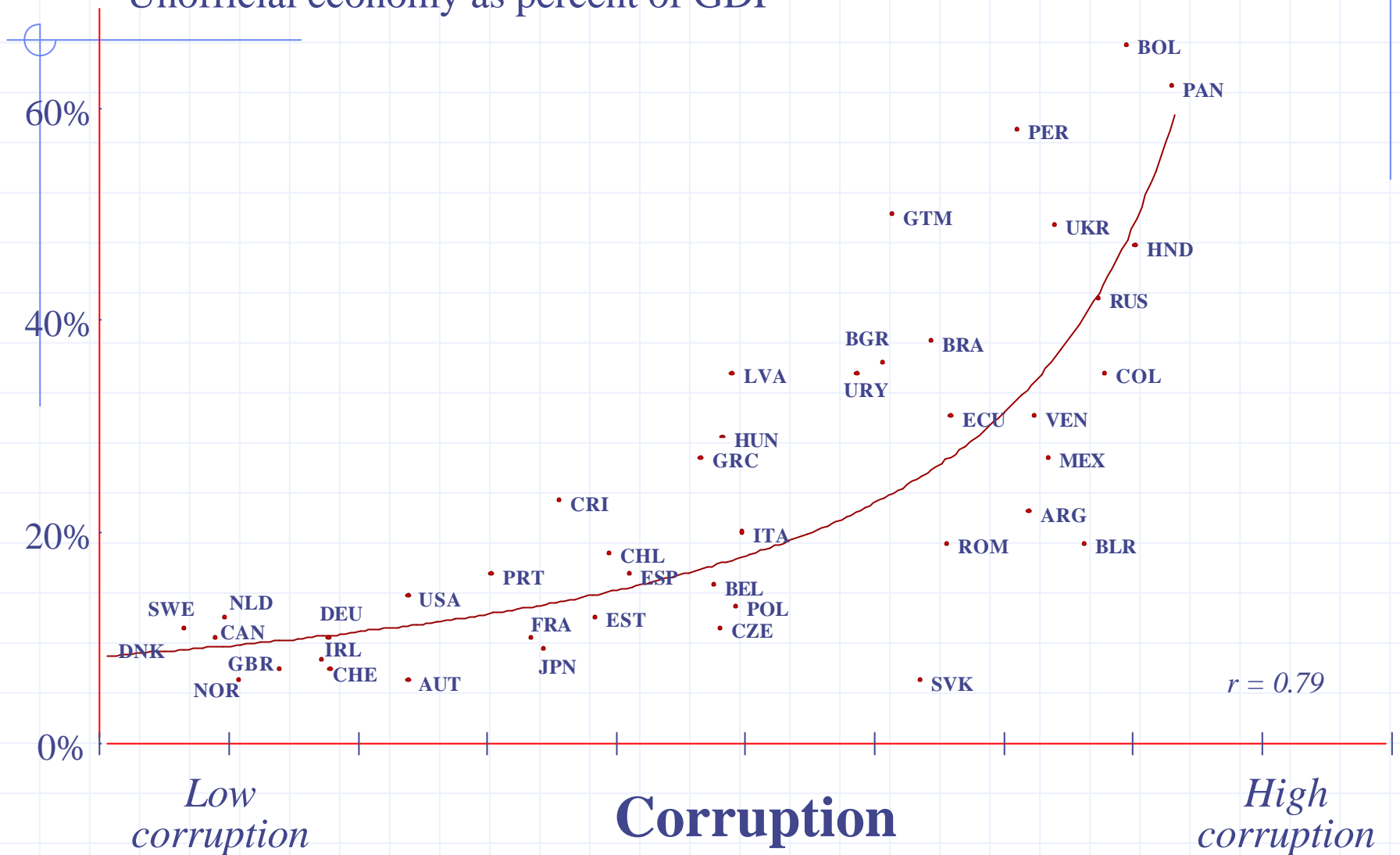
Even more important (than regulatory interventions) in understanding bribery and corruption is the degree of regulatory discretion.

Corruption and Regulatory Discretion

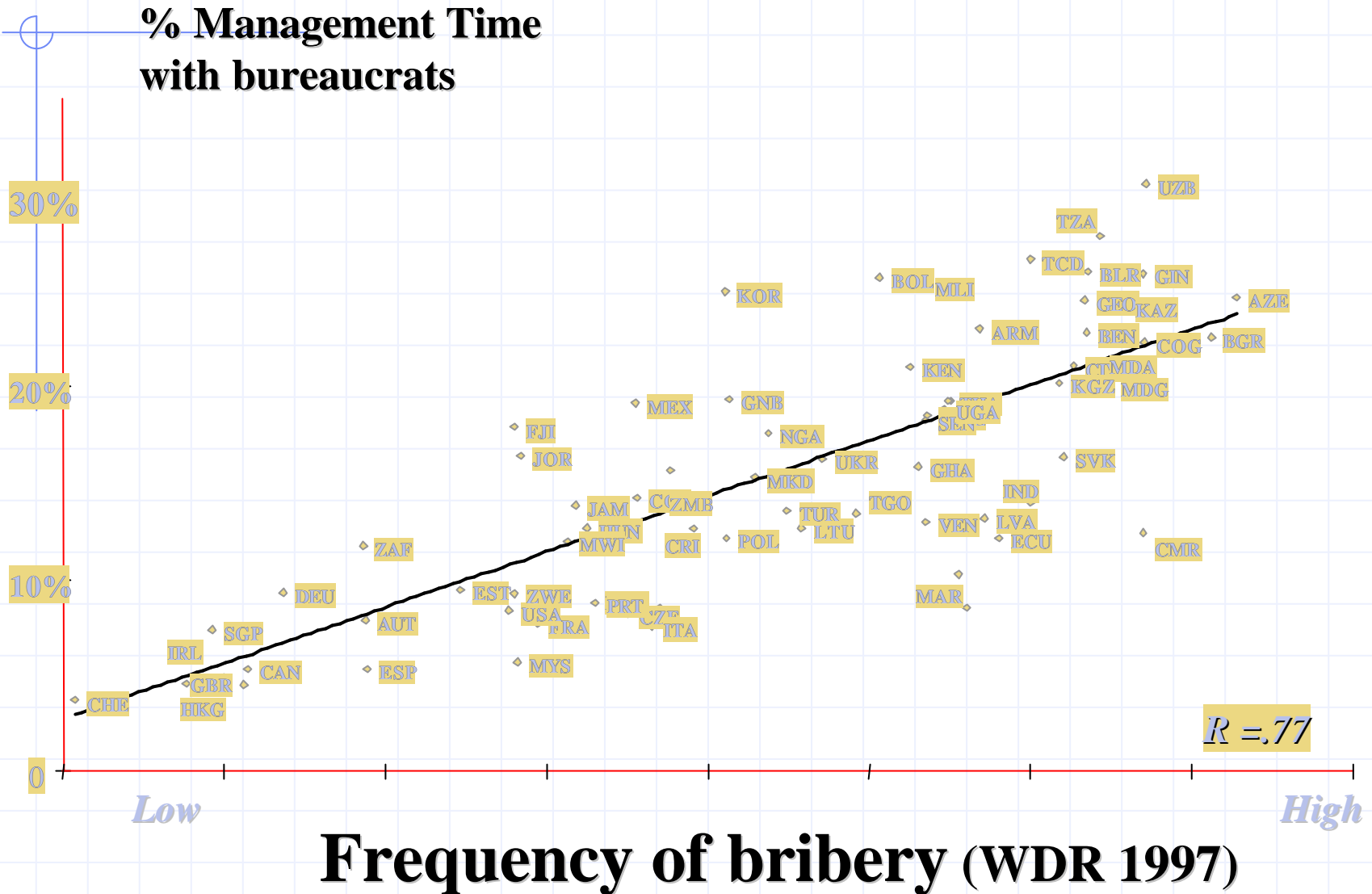


Unofficial Economy and Corruption Index

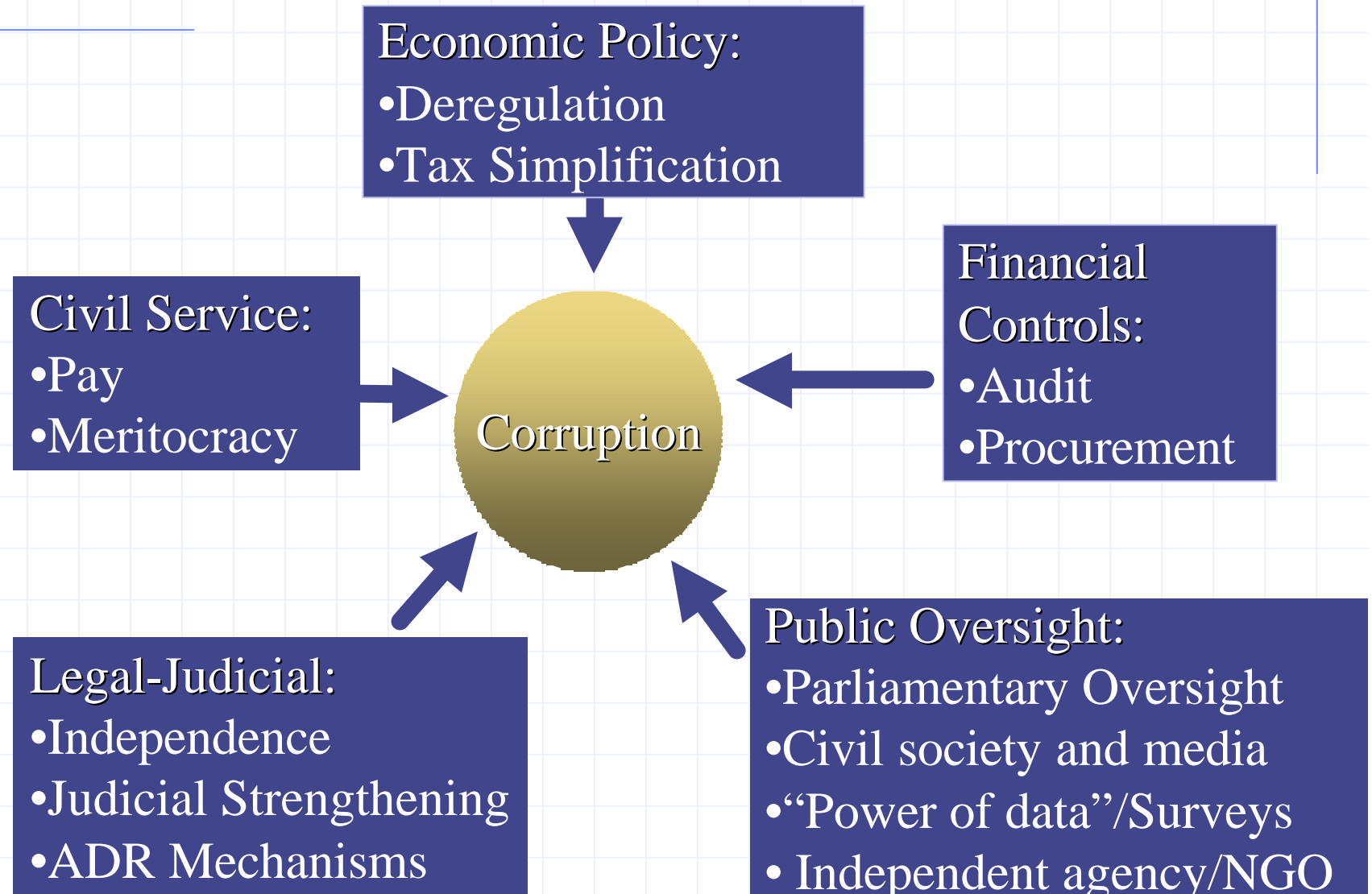
Unofficial economy as percent of GDP



Time Management Spent with Bureaucrats and Frequency of Bribery



Multipronged Strategy for Combating Corruption



The Response

Institutional and Civil Service Reform:

- Transparent Privatization in Ecuador
- Salary Reform in Bolivia
- Disclosure of Assets in Bolivia and Georgia

Economic Policy:

- Deregulation and Delicensing in Bolivia
- Revamping Customs in Ecuador and Latvia
- Tax Administration in Latvia and Ecuador
- Tax/Customs Code Reform in Albania

Financial Controls:

- Procurement Reform in Bolivia, Ecuador and Georgia

Public Oversight and Civil Society:

- Ombudsman in Albania and Bolivia
- Private Sector Coalition in Bolivia
- Diagnostic Surveys and NGO monitoring in Ecuador and others

Legal-Judicial:

- Revamp of Supreme Court in Bolivia
- Competency test of judges in Albania
- Mediation in Albania

Corruption



- **Welcome**
- **News**

- **TI's Structure**
- **Info Centre**
Corruption Perceptions Index
- **What TI Does**
- **Fight Corruption**
Best Practice Documentation

- **Search & Links**
- **Contacting TI**

Introduction

As the TI movement passes from a period of awareness raising to one where concrete actions are taken to fight corruption, there is an accompanying need to document the activities of the National Chapters in order to demonstrate best practices and lessons learned. Civil society has enormous potential to create mechanisms for social control, demanding and promoting action for accountable and responsive public administrations. The Latin America Anti-Corruption Tool Kit is an effort to highlight this potential and provide inspiration for others within the TI movement and beyond.

The Latin America NCs have articulated a desire to systematise their practical experiences and to share the anti-corruption tools they have developed. The Latin American Anti-Corruption Tool Kit presents a range of anti-corruption activities in an accessible and concrete format. The cases draw attention to the importance of collaboration with the public and private sectors and the need for coalition building within civil society.

The write-ups situate the tools in the specific national socio-political context and in the context of the responsible organisation. You will find detailed descriptions of the stages of implementation, sections on tangible positive and negative results and lessons learned. The Latin American Anti-Corruption Tool Kit covers a range of activities, in different areas, including:

- **Corruption control in public procurement**
 - Integrity Pacts, Colombia
 - Integrity Pact, Panama
 - Public Hearings, Argentina
 - Price Comparison, Colombia
- **Transparency in Election Processes**
 1. **Visible Candidates**
 - Argentina
 - Colombia
 - Ecuador
 - Panama
 2. **Monitoring of Election Campaign Financing**
 - Argentina

The Response

TI-Chapter Activities

- Diagnosis, preparation and monitoring of anti-corruption and privatization program (Ecuador)
- Civic education (Venezuela)
- Monitoring of Congress (Guatemala)
- Monitoring selection of judges (Dominican Republic)
- Costs monitoring of political campaigns (Argentina)
- Monitoring of a major privatization (Panama)
- Public hearings / Integrity Pact (Argentina)
- Public sector transparency (Chile)

The Response

Price Comparisons

- Professional Coordination
- Homogenous products
- Primary data (invoices, contracts)
- Information analysis (price ranges, averages)
- Bulletin, Publications, Dissemination
- Monitoring Results

The Response

Public Hearings

- Meeting with Stakeholders, including media
- Levelling Playing Field; Technical Experts
- Agenda, Trade-Offs Assessment, Discussion, Minutes
- Explicit Resolution of Issues

The Response

Integrity Pacts

- No-bribery commitment by bidders
- Commitment of government to prevent extortion and acceptance of bribes
- Disclosure of payments
- Sanctions against bidders who violate their no-bribery commitment
- Involvement of civil society in monitoring bid evaluation, award decision process and implementation of the contract

Conclusions

Levelling the Playing Field

- *Establish Coalitions*
- *Support / Build National Chapters*
- *Encourage Research*
- *Enhance Networks, Transfer Knowhow*
- *Experiment Integrity Pacts*
- *Support Reforms & Monitor*

Conclusions

■ A Time for Optimism and Commitment

- Greater focus and attention: irreversible commitment
- Increasingly open and participatory dialogue
- Innovation: New ideas and experimentation

■ Need for rigor and concrete actions

- Empirical and Analytical Rigor: Diagnostics
- Reforming misgoverned institutions (e.g., judiciary, tax)
- Political obstacles: powerful losers

■ A Need for Realistic Expectations

- Complex challenge: institutionalization
- Improvement, not perfection

Conclusions

A Role for Everyone

- Competition rest on superior products/services at competitive prices.
- Businesses establish and implement codes of conducts.
- Businesses engage governments and civil society (PBEC Charter, need for work with TI).
- Build-up civil society for sustainable development.