Final Report on the International Conference on Transparency,
Good Governance and Citizen Security

October 17 & 18, 2018

Santiago, Chile
On October 17th and 18th, an international conference was held in Santiago, Chile, attended by members of civil society and representatives of the governments of Colombia, Uruguay, Chile, El Salvador, Guatemala and Honduras.

Experts on transparency and anti-corruption in governments and civil society in these six countries met to explore how best practices in governance and security in South America can be replicated in the Northern Triangle Countries (NTC) of Central America. In recent years, corruption has become one of the main concerns of citizens, businessmen and political leaders around the world.

The Conference on Transparency, Good Governance and Citizen Security was organized by Chile’s Agency for International Cooperation and Development (AGCID) in collaboration with the Americas Program of the Center for International and Strategic Studies (CSIS). The project promotes south-south collaboration on transparency, governance and citizen security.

One of the project’s innovations is to combine government and civil society expertise, recognizing that difficult reforms in the areas of governance and transparency were achieved in Chile, Uruguay and Colombia only after civil society consensus bridged ideological and partisan divisions. As a part of the initial phase of the project, civil society organizations in El Salvador, Guatemala and Honduras produced diagnostic reports on the main challenges their countries face in the five project areas: campaign and political party finance; public fiscal management and tax evasion prevention; public procurement and contracting; civil service reform and assets monitoring mechanisms; and impunity and citizen security.

The objective of the conference was to present the advances and challenges of these countries in the five topics related to anti-corruption mentioned above.

In anticipation of a second stage of the project, participants identified how the experiences of Chile, Uruguay and Colombia can be useful for reforms in the countries of the Northern Triangle.

Chile’s Secretary General for External Relations, Ambassador Patricio Torres and the Executive Director of AGCID, Ambassador Juan Pablo Lira, inaugurated the seminar, along with Michael Matera, Director of CSIS’s Americas Program; the Ambassador of Honduras to Chile, María Navarro; and the Ambassador of El Salvador to Chile, Víctor Manuel Valle Monterrosa. CSIS Senior Adviser and Senior Project Coordinator Mark L. Schneider presented the initial progress made on the project and plans for its next phase, which will generate concrete technical cooperation carried out by government and civil society representatives from Chile, Uruguay and Colombia in each of the Northern Triangle countries.

Approximately 70 public and private sector representatives from the six countries attended the conference, which was held in Chile’s historic former Congress building. Many senior Chilean government representatives attended, including Attorney General Jorge Abbott Charme; National Ombudsman Andrés Mahnke Malschafsky; National Electoral Council (SERVEL) President Patricio Santamaría Mutis; and the National Director of the Civil Service Commission, Alejandro Weber Pérez. The participants from Uruguay included Ricardo Gil, President of the Transparency and Public Ethics Council (JUTEP); Pedro Cribari, President of Uruguay Transparente; and Rafael Piñeiro of Uruguay’s Catholic University.

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On the first day of the conference the diagnostic reports elaborated by each country concerning the five priority areas were presented. Certain common themes were evident in the presentations on the different countries, such as the need to better regulate political financing, adequate protection of whistleblowers and civil service reforms, for example. Participants discussed how to most effectively adapt the best practices of Chile, Uruguay and Colombia to gaps in public policies in the countries of the Northern Triangle.

Iván Velásquez, President of the International Commission against Impunity in Guatemala (CICIG) gave a keynote address on the “Fight against impunity and corruption in strengthening democracies”, where he emphasized that impunity generates frustration, distrust, disinterest or impotence in the community. He also talked about the advancements in Guatemala since 2015 due to the investigations into corruption—with more than 300 people involved—and several sentences in cases of high public impact. These events demonstrated that no one is above the law and that corruption in that country is systemic in terms of its hold on the state. Therefore, the fight against impunity has been important in constructing rule of law and encouraging a more active citizenry since 2015. The synergy between citizens, the media and public prosecutors has contributed to diminishing tolerance and increasing awareness of corruption.

Velásquez concluded that the Guatemalan experience offers certain preliminary lessons: the fight against impunity it is not a goal in itself, but is key to the reconstruction of democracy. It requires broad and conscious citizen participation, with mechanisms to influence public policies and are not just social control. A free and independent press is also necessary. The process of corruption capturing the State is influenced by flaws in how politics is financed and the development of weak and undemocratic parties, so a substantial reform is necessary in these areas. Finally, a suitable and independent justice system—including the Public Prosecutor’s Office—is required.

Subsequently, three panels were held with participants from the different countries, including:

- The role of financing in campaigns and political parties, with Eduardo Escobar of Acción Ciudadana (El Salvador), Germán Espinal Zuñiga of the Supreme Electoral Court (Honduras) and Guillermo González of the Electoral Service (Chile); moderated by Rafael Piñeiro, from the Catholic University of Uruguay.

- Mechanisms to confront impunity, with Roberto Anzora, Magistrate of the Court of Accounts of El Salvador; Otto Santizo delivered the presentation for Julio Cordón, Secretary of Criminal Policy of the Guatemala Public Ministry; and Marta Herrera, Director of the Legal Counseling and Anti-corruption Unit of the Chilean Prosecutor’s Office; moderated by Luis Santos, Chief Prosecutor of the Anti-Impunity Unit of the Public Ministry of Honduras.

- Civil Service Reform including investigation mechanisms for public servants, with Marcela Restrepo of Transparencia Colombia; Alejandro Weber Pérez, National Director of the Civil Service of Chile; and Claudia Umaña of the Democracy, Transparency and Justice Foundation of

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1 The presentation by country was as follows; Chile, Mauricio Duce of Espacio Público; Uruguay, Pedro Cribari of Uruguay Transparente; Colombia, Jorge Restrepo of Centro de Recursos para el Análisis de Conflict; El Salvador, Jessica Estrada of FUNDE; Guatemala, Manfredo Marroquin of Acción Ciudadana; Honduras, Luis Galo of the Consejo Nacional Anticorrupción.
El Salvador; moderated by Carlos Melgar of the Central American Institute for Fiscal Studies, Guatemala.

In the previous panels advancements and challenges in each country were presented, which allowed deeper exploration of these matters and comparisons of similarities and differences across the different countries.

The second day of the conference featured three rounds of five working groups, one for each of the topics indicated at the beginning of this report. Each working group had a moderator who, through certain questions, focused the debate on sharing experiences, challenges and ways in which the countries of South America—Chile, Colombia and Uruguay—can support and share their progress with those of the Northern Triangle, as much to the government bodies as to the civil society.

The results are as follows:

**Working Group 1: Impunity and Citizen Security**

The following questions were used to guide debate

1. The NTC have seen public confidence in government undermined by the failure of capacity within the justice sector to hold accountable those who violate the law, particularly when traditionally powerful individuals are involved. However, that impunity also extends to the low levels of arrest, prosecution and conviction of perpetrators of violent crimes, including homicides. To what degree has the experience of Chile, Colombia and Uruguay demonstrated the capacity to strengthen justice and law enforcement institutions to challenge past impunity?

2. What experiences in institutional strengthening, political prioritization and stimulating civil society demand can be shared with the NTC counterparts to strengthen the justice and law enforcement capacity?

3. How important are mechanisms such as wiretapping, plea-bargaining, witness protection, whistle-blower protection and community policing in combating impunity and corruption and in strengthening citizen confidence in the justice sector? Do those measures enhance citizen security? What has been the experience in your countries?

4. Is there a direct link between achieving gains in institutional reduction of corruption and impunity and gains in citizen security? What has been your experience?

5. How much of the corruption in your country is linked to organized crime, drug trafficking and gangs? How much is solely related to economic and political interests using their power to achieve personal, corporate or political party benefits?

The debate focused mainly on the following themes:

- It is necessary to advance in cross-checks: external/internal, administrative/judicial. It is also necessary to "audit" the auditors, so that there are no gaps. It is very useful to share experiences, for example the Chilean one, of independent institutions with sufficient resources.
• An exchange of experiences in fiscal and judicial matters can be conducted to establish clear rules of the game.
• It is necessary to strengthen the institutions themselves. One of solution is to improve salaries for authorities, which should not be so low as to make authorities susceptible to corruption.
• Progress can be made in cooperation agreements with different countries and adapting mechanisms used in other countries, such as judicial appointments in Uruguay or prevention of conflicts of interest (for example, declarations of interests in addition to assets for authorities).
• It is necessary to advance in the independence of auditors by making police and prosecutors more technical and professional and raising their salaries.
• Create and strengthen autonomous government organizations specializing in integrity and transparency, such as the Council for Transparency or Comptroller General of the Republic, in Chile.
• Possibility for the countries of the Northern Triangle to receive support from the South for transparency and anti-corruption processes and incorporating declarations of interests, not just of assets.
• Possibility of a shared model law for the Northern Triangle on transparency and public integrity.
• Exploring mechanisms to strengthen civic engagement in building better institutions.
• Creating an information law, which can also be an opportunity for citizen awareness.
• The laws on government secrecy that exist in each country make control difficult.
• Need for elaboration of documents from southern countries—Chile, Colombia and Uruguay—on mechanisms to encourage and increase public confidence in the institutional framework.
• It is considered positive and necessary to move towards judicial control agencies led by the same authorities for extended periods of time (8 years, for example); jointly elected by two entities (President of the Republic and Congress, as in Chile, for example) and renewed for staggered periods of time.
• It is necessary to follow up on the experience of the countries of the Northern Triangle with external mechanisms, such as international organizations and civil society (CICIG and MACCIH).
• Search for opportunities to share experience within the Northern Triangle.
• Elaborate a document with a risk map of North Triangle countries regarding public integrity, etc., since there is no knowledge of that experience.
• Share the experience of the Presidential Anticorruption Advisory Council or the “Engel Commission” that took place in Chile.

Working Group 2: Civil Service Reforms

The following questions were used to guide debate:

1. The diagnostic reports for El Salvador, Guatemala and Honduras note the absence of comprehensive modernization of the civil service laws originating in the 1960’s. Where changes have been made, there persists a lack of uniformity with respect to different ministries. The overall objective of appointments and promotions based
on merit has not been achieved. At times, provisional appointments also have been a mechanism to permit the party in power to make appointments outside the merit system based on political or personal favors. How have Chile, Uruguay and Colombia dealt with these problems?

2. The objective of civil service reforms is to guarantee a most professional, competent and honest public administration. Therefore, efforts to prevent conflicts of interest and to assure transparency in hiring, promotion or removal are crucial. How have Chile, Uruguay and Colombia responded to these issues?

3. In all your countries, is there adequate oversight of assets declarations of public employees and does it continue annually during employment and upon completion of service?

4. What do you consider to be the most important civil service reform to help eliminate corruption and produce more effective public administration?

5. From the standpoint of the NTC countries, what would you like to see in terms of cooperation from Chile, Uruguay and Colombia in the near-term?

The main conclusions were the following:

- Northern Triangle countries note the difficulty of achieving progress in the professionalization of public employment, as the administration is highly politicized and does not follow the principle of merit.
- There is discussion of the minimum conditions to advance and the importance of obtaining a political compromise in each of the governments to be able to guarantee the sustainability of these efforts.
- It is necessary to strengthen the institutions that oversee compliance with regulations, not only the judiciary system, but also the comptrollers, account courts, etc.
- There is also a need to modernize institutions and their procedures in terms of selection, performance management, training, labor and statutory rights, removal, among others, abandoning the excessively bureaucratic, ineffective standards and looking at successful regional and global experiences.
- Specific support is needed for the current draft law in El Salvador on the subject. It is necessary to identify public sector actors and design a joint strategy to promote the issues related to the modernization of the Civil Service and the Public Employment, in a context of integrity and fight against corruption.
- Possibility of participating in an activity on November 28th, 2018, to be held in El Salvador (there could also be participation from Honduras and Guatemala).
- Representatives from Guatemala raise the need for technical support in matters related to professionalizing public employment: There would be a lot of interest from civil society actors and from private companies to advance on this, since legislation dates to the 60’s.
- Interest from the three countries of the Northern Triangle in conducting an analysis of the necessary, optimal or minimum conditions to advance in the modernization of public employment.
- Interest of the countries of the Northern Triangle in conducting an analysis of institutions related to merit and selection systems in different areas: how to advance in these processes, what are the most modern technologies in the field, etc.
• Interest in hearing more about the Chilean experience with the Declaration of Interests and Assets; its evolution, how it really works, lessons learned. Prioritize reforms and the institutions in which those improvements will be made. There are not always the resources to do everything at the same time; allow reform to be gradual
• Relevance of the role of those who administer the budgets of each country, what resources they have and what they are going to prioritize.
• Professionalize by merit in all corresponding areas—except politics— including public management and administration.

**Working Group 3: Public fiscal management and tax evasion prevention**

The following questions were used to guide debate:

1. **Transparent fiscal management is a critical factor to enable citizens to understand how the government is defining national priorities.** Transparent public spending is a significant way that public officials can be held accountable. In the absence of that fiscal and budgetary transparency, corruption is enabled. The IMF and OECD both have clear norms with respect to budgetary transparency although compliance is seen as inadequate in the NTC. **How can transparency be enhanced and are existing institutions capable of assuring that transparency? Are there innovative technologies that Chile, Colombia and Uruguay have used to enhance transparency and public accountability?**

2. **Does participatory budgeting offer a mechanism to enhance fiscal transparency at national and municipal levels? Is it currently used in your country?**

3. **In the NTC, government revenues through taxation often rest on value added taxes at the retail level and customs duties on imported goods. In the diagnostics from those countries, tax evasion has been described as a significant deterrent to adequate fiscal management and also as a basic limitation on state capacity to provide services. Tax evasion and also tax avoidance have been linked to corrupt practices at customs and tax collection agencies. What has been the most effective measures undertaken in Chile, Uruguay and Colombia to avoid those conditions?**

The conclusions of the discussion on this matter were the following:

• There are efforts at different levels to make public finances more transparent, e.g. in Guatemala there are online platforms for fiscal transparency and open data. However, progress must be made in improving the demand for access to this information.
• Political will and citizen pressure have been essential for pushing forward in this issue.
• It is necessary to empower citizens to test the new institutional framework created; the law is not enough, it must be made functional.
• Most countries have web portals where you can access different information, at various levels. There are efforts that must be recognized.
• Need to continue encouraging citizens to have a more active role in monitoring budget management.
• Contribute to the specialization of the media in fiscal transparency.
• Example from Chile of consultation or anonymous notice of the operation of public services.
Many times, citizens do not report due to exposure and possible reprisals; must advance in the protection of whistleblowers.

The Comptroller's Office can follow up on audit reports and the audited organizations must comply with the recommendations be in the process of becoming compliant.

Related to participatory budgets, there are efforts at the local level.

There must be independent, strong and solid institutions to prevent tax evasion. It is necessary to strengthen the auditing and technological tools to identify risk.

The Internal Revenue Service in Chile is an example of facilitating tax compliance, modernization of the institution, submitting tax returns online and inter-institutional coordination to prevent tax evasion.

Advance in taxpayer education.

Pay attention to this matter in Customs.

Focus on appointments and avoid nominations of people that are close to the Executive Branch, as in Honduras, to improve institutional autonomy

It is necessary to strengthen values in public servants: integrity, transparency and ethics.

Working Group 4: Public procurement and contracting

The following questions were used to guide debate:

1. Around the hemisphere, the evidence of Odebrecht's successful efforts at obtaining government contracts through bribes and kickbacks in the millions of dollars has appalled citizens. What are the measures that have been adopted to prevent such corruption in your country? What more could be done?

2. In some countries, each ministry and even some departments within ministries carry out their own procurement of goods and services. In others there is centralized procurement. Do one or the other offer greater guarantees of transparency, civil society oversight and protection against corruption?

3. In Chile, the requests for government procurement are available online and accessible to the public. Is that the best way to guarantee the best value, lowest cost and prevent corruption? Are there other reforms that you consider important to adopt?

4. In several countries, even where there is centralized public procurement, it does not extend to the security sector, that is, police and military. What is the situation in your country? And even where the police and military do their own procurement, is it a transparent process or is it secret? Does anyone have independent oversight?

The debate produced the following conclusions:

- It is necessary to strengthen the institutions of public procurement, not only in each country, but in the whole Northern Triangle, and to share best practices through cooperation.
- Need to advance in the professionalization of the operation.
- It is necessary to deepen the prevention mechanisms.
- Supervision of contract controls is needed.
- Move towards actions or practices that address conflicts of interest.
There’s a need for progress in strengthening institutions and coordinating with controllers.

Information is often available; purchasing processes are "transparently" corrupt. Therefore, progress is necessary on monitoring, information sharing, empowering the media and empowering civil society.

There are some advances in open data, such as in Chile and Uruguay, which can guide advancements in this area in other countries.

There is information available, but this must be understandable for users.

Implement channels to access difficult to find information.

Need to better protect whistleblowers.

Creation of a registry of suppliers with information on who they are, who are their final beneficiaries and if they have fulfilled their contracts.

The current focus is mainly on smaller purchases, not on the larger ones.

In public works there is a need for greater control and supervision, including the registration of suppliers and the execution of works.

Improve collaboration and information sharing between countries.

Pay attention to emergency decrees, which empower governments to buy directly and with less transparency; more supervision and transparency is required.

Need to lower the direct purchase limits.

Another relevant issue is the limitation or restriction of the reserved expenses of the Armed Forces and access to this information.

It is necessary to restrict discretionary action in certain instances, such as emergency situations, evaluating commissions or contractors, as well as when information is published.

It would be useful to share the expertise and institutions of South American countries to strengthen public procurement.

**Working Group 5: Campaign and political party financing**

The following questions were used to guide debate:

1. The underlying objectives of political party and campaign financing reforms are aimed at insuring a more equal playing field for democratic competition, avoiding capture of politicians, eliminating secret sources of financing that deny to the voters an understanding of who is supporting which candidates and barring financing from organized crime and other illicit sources. If that is accurate, for Chile, Uruguay and Colombia, what were the most significant reforms achieved? For El Salvador, Guatemala and Honduras, what are the most significant reforms needed in your countries?

2. The combined assessments and diagnostics on political party and campaign financing reform issues point to a range of obstacles that prevent the institutions responsible for halting illicit campaign financing from success. They include limited resources, minimal penalties for violators and sometimes-unclear responsibilities among institutions. What are the greatest gaps for those of you from the Northern Triangle Countries? And what kind of solutions have those of you from Chile, Uruguay and Colombia been able to institutionalize, to overcome those obstacles?
3. While there are some questions about access to information and limited capacity, the reforms that have been cited as needed in the NTC appear blocked by political barriers rather than the absence of technical knowledge. Is that accurate and how do you define those political obstacles? And where Chile, Uruguay and Colombia have achieved reforms, how have you overcome the political obstacles that obviously existed in your countries as well? What was the role of civil society, private sector and political leaders?

4. Finally, how do you all see the best way to organize South-South-Cooperation in this field given the diagnostic and assessment reports that have been prepared by civil society groups in each country?

In this case, the participants’ proposals were the following:

On amounts and mechanisms for the management of resources:

- Promote regulatory adjustments that guarantee the access of political parties to state resources in a timely manner. One of the mechanisms can be the National Bank, so that all political organizations have equitable and timely access to resources, both for advances and reimbursements, including resources that some parties use as financing.
- Explore the possibility of advancing legislative reforms to increase the participation of the state in the financing of electoral processes.
- Promote regulatory adjustments including limits on financing by legal entities or companies and limit—or even prohibit—the participation of state contractors and anonymous donors. Also propose placing limits on expenses.
- Discussions of limits on financing and expenditures require that competent agencies in the countries establish: How much does the electoral process cost? What is the rational value of campaign expenses?
- Exchange of experience between the countries of the Northern Triangle and Chile for the implementation of a system of registration and monitoring of electoral advertising. The Chilean experience contains guidelines for the established price for radio, television and press. The experience of the network of electoral control agencies should be harnessed to promote this exchange (there will be a meeting this month).

On public accountability of candidates and political organizations:

- Promote the revision of the legislation in terms of the timing for political organizations’ accountability and the audit reports of the electoral authority. The timeliness of these reports (closer to the election) and the corresponding sanctions for non-compliance with these reports and their timeliness should be guaranteed, both for political organizations and for the electoral authorities.
- Promote reforms and tools that guarantee accurate registries, clear and timely administrative and budgetary records and take advantage of technological developments.
- Explore the possibility of an exchange of experiences between the electoral authorities of Colombia, Honduras, El Salvador and Guatemala on the adoption of technological devices for the public accountability of candidates and political parties, e.g. application "Cuentas Claras" of Transparencia Colombia.
• Explore the idea that the higher control entities carry out the audit of the resources of the parties, both in terms of operation and the electoral process. This is due to the complexity of the work of the Electoral Courts and the high levels of politicization of these courts, since they depend on political parties.

• Promote open audits of electoral financing resources by universities, civil society organizations and journalists.

On electoral authorities:

• Explore and analyze the chances of reviewing the composition of the Electoral Courts to strengthen their autonomy and efficiency in auditing and sanctioning.

• Carry out legislative reforms aimed at increasing auditing and sanctioning capacity on electoral financing processes, not only by the electoral authorities but also by the entities in charge of investigating money laundering, illicit enrichment and insider trading.

• Explore the possibility of raising penalties related to the financing of campaigns to criminal offenses.

• Promote and involve the Electoral Courts in these dialogues, taking advantage of spaces such as CAPEL.

• To take advantage of this process, consider that Guatemala, according to the legislation, must form a commission to reform the electoral law after the electoral process that will take place in September 2019.

• Include civil society organizations, think tanks and journalists in these exchanges of experiences to strengthen capacities for control/comptroller/social audit and the impact on these institutional and social modifications.

On political organizations:

• Take advantage of the "forum" that is developing in the region, in relation to Open Parliament, supported in several countries by NDI, to involve political organizations in these conversations and possible institutional reforms.

• Include in these proposals a revision of the way political parties are created and function.

Conclusions

The conference was a very productive opportunity for sharing challenges present in most of the countries, particularly those of the Northern Triangle, as well as the advances that South American countries can share, both through state entities and civil society (e.g. “Cuentas Claras”, Anticorruption Observatory).

Similarly, high representatives of state entities have expressed their interest in being part of the South-South-Cooperation project between Chile, Colombia, Uruguay and the Northern Triangular countries. Based on the recommendations and positive dialogue of the Conference, AGCID and CSIS agreed to review the opportunities for knowledge sharing in each of the 5 project topics and create a roadmap for the technical assistance activities to be carried out next year.