



THIRD HIGH LEVEL MEETING OF THE OECD LATIN AMERICA AND THE CARIBBEAN REGIONAL PROGRAMME

Integrity for good governance in Latin America and the Caribbean: *from commitments to action*

18-19 October 2018
Lima Convention Center
Lima, Peru

With the contribution of:



With the participation of:



CONTEXT

The **High-level meeting of the OECD Latin America and the Caribbean Regional Programme (LACRP) on Integrity for Good Governance** will bring attention to the Governance pillar of the LAC Regional Programme and follows the two previous Ministerial Meetings on “Boosting Productivity and Inclusive Growth” held in Santiago, Chile on 5-6 December, 2016 and "Towards Inclusive Social Protection Systems in Latin America and the Caribbean" held in Asuncion, Paraguay on 16 November 2017.

Citizens in Latin America and the Caribbean (LAC) are increasingly dissatisfied with their governments and public institutions at large. The share of the population having little or no trust at all in governments reached 75% in 2017, 20 percentage points higher than in 2010 (Latinobarómetro, 2017). This growing dissatisfaction is weakening the social contract in LAC, and corruption is at the heart of this governance trap (LEO, 2018).

Integrity, good governance and the fight against corruption are therefore top priorities for Latin American governments. Countries in the region have recognised that good public governance and a strong culture of integrity are indeed indispensable to support their efforts to shift to a more inclusive and sustainable growth path, to provide better public services to citizens, and to rebuild trust.

The proposed agenda highlights relevant work across the OECD, builds on the outcomes of 2018 Global Anti-corruption and Integrity Forum, and furthers the goals of the OAS Summit of the Americas 2018 and its Lima Commitment on Democratic Governance against Corruption.

The objective is to share best practices in the region and elsewhere in integrity and anti-corruption policies and disseminate concrete tools that countries have at hand to implement the Lima Commitment. With this, the OECD and partner organisations aim to support transformative reform agendas to strengthen institutions and good governance in the region. The event will also seek to further define the objectives of the LAC Regional Programme on governance and integrity.

Discussions during the event will be supported by a Key Issues Paper that analyses challenges and opportunities in the region to strengthen public integrity and the fight against corruption and provide strategic guidance to policy makers.

DATE

- International Conference: 18 October 2018, 8:30-12:30
- Ministerial Meeting: 18 October 2018, 12:30-18:45; 19 October 2018, 9:00-13:00

VENUE

Lima
Convention
Centre -
Avenida de la
Arqueología
172, San
Borja, Lima,
Peru



REGISTRATION

Registration for the **International Conference**:

<https://www.forintegridad2018.gob.pe/registro/>

To register for the **Ministerial Meeting** please contact:

- Peruvian delegates: can@pcm.gob.pe
- Other delegates: LACRegionalProgramme@oecd.org

Accreditations can be collected on 17 October, during working hours, on the first floor of the Ministry of Foreign Affairs of Peru, and on 18 October from 8:00 to 9:00 at the counter desk, on the 2nd floor, of the Lima Convention Centre

WEBPAGE

<https://www.forintegridad2018.gob.pe/>

18 October
International Conference
Integrity for Good Governance in Latin America and the Caribbean: from commitments to action
(public session – Huallamarca Room)

8:00-9:00 **Registration – Counter desk, 2nd floor**

9:00-9:30 **Opening – Huallamarca Room, 4th floor**

- **Gabriela Ramos**, OECD Chief of Staff and G20 Sherpa
- **Angel Gurría**, Secretary General of the OECD (video message)
- **Marta Lucia Ramírez**, Vice-President of Colombia
- **Martín Vizcarra**, President of Peru

9:30-10:45 **Inequality, exclusion and distrust: Integrity for a fairer society**

Moderator: Gabriela Ramos, OECD Chief of Staff and G20 Sherpa

- **Hernán Larraín**, Minister of Justice and Human Rights, Chile
- **Cristina Bogado**, Minister-Executive Secretary, Secretariat for Public Administration, Paraguay
- **Allan Wagner**, President of the Civil Transparency Association and President of the Advisory Commission for the Reform of the Justice System, Peru
- **Roque Benavides**, President of the National Confederation of Private Business Institutions of Peru (CONFIEP)

Corruption perpetuates inequality and poverty, impacts well-being and undermines opportunities to participate equally in social, economic and political life. Those left behind may doubt the fairness of the current system and start questioning it. Corrupted public decision-making erodes trust in government and the social contract underpinning democracies, and hence the system's credibility and legitimacy. In addition, distorted government decision-making processes can prevent any real progress towards addressing the biggest threats to our societies. Indeed, powerful interests that have reasons to maintain the status quo put enormous pressure on government decision-making at the expense of the common good.

This opening panel will set the scene for the discussions in the High Level Meeting to set the path towards integrity in government decision-making process and to address the lack of government accountability and transparency.

10:45-11:15 **Coffee Break**

11:15-12:30 Meeting expectations for integrity at all levels of government

Moderator: Marcos Bonturi, OECD Public Governance Director

- **Fernando José Cillóniz**, Governor of Ica, Peru
- **Rogelio Frigerio**, Minister of Interior, Argentina
- **Claudio Alvarado**, Deputy Secretary General of the Presidency, Chile
- **Juan Pablo Charry**, Complaints and Reports Coordinator, Transparency Secretariat, Colombia

Integrity needs to reach all spheres of the State and its interaction with citizens. Key areas for attention in Latin America are subnational governments, which have increased responsibilities in terms of expenditure as well as State Owned Enterprises which undertake high investment projects and often are delivering key public services to citizens.

There are specific challenges faced by the subnational level concerning integrity, such as limited technical and financial capacities coupled with high levels of public investment and public spending. Subnational governments in the region manage about 30% of expenses and around 50% of public investments. At the same time, their responsibilities for certain services (e.g. education, health, security/justice, waste management, utilities, granting licences and permits) increase the frequency and closeness of interactions between government authorities at different levels as well as citizens and companies.

This session will foster a debate on vertical co-ordination mechanisms, on scaling up local integrity initiatives and good practices and opportunities for collaboration.

Day 1: Ministerial Meeting October 18th (closed session) – High-level plenary meetings

12:30 – 13:40 Ministerial Opening Lunch: From commitments to action– *Puruchuco Room*

- **Nestor Popolizio**, Minister of Foreign Affairs of Peru
- **Andreas Schaal**, OECD Global Relations Director
- **Inputs from Regional Policy Networks** (LAC Public Integrity Network - Gonzalo Guerrero, LAC Network of Law Enforcement Officials - Maria Laura Roteta, LAC Corporate Governance of SOEs Network - Sebastian Lopez-Azumendi) and the private sector – Claudia Cornejo.

13:40 Family photo (Heads of Delegation) – *Huallamarca Room*

13:45-15:15 Lobbying and conflict of interest: How to safeguard integrity in government decision-making? – *Manchay Room*

Chair: Susana Silva Hasembank, Secretary of Public Integrity, Presidency of the Council of Ministers of Peru

Setting the scene: Nicola Bonucci, OECD Director for Legal Affairs

Lead discussants:

- **Marcelo Drago**, President of the Council for Transparency of Chile
- **Ricardo Salgado**, Secretary of the National Anti-Corruption System of Mexico
- **Wagner de Campos Rosário**, Transparency and Comptroller-General of the Union of Brazil
- **Xenia García**, Vice-Minister of Institutional Transparency Policies, Dominican Republic

Discussion amongst Delegations

Influencing policy-makers is a core part of a sound democratic system, but too often, a small group gets privileged access to policy-makers and use their wealth, power and advantage to tip the scale in their favour. In Latin America,

6 out of 10 citizens believe their country is governed in the interest of small, powerful groups. This undue influence may not be illegal and can take many forms, for example:

- Disproportionate pressure and privileged access through lobbying public officials;
- Provision of manipulated or fraudulent expertise or technical data;
- Use of personal connections leading to conflicts of interests.

Today, asymmetric influence on governments is preventing any real progress towards addressing the biggest threats to societies. It is also contributing to a broken relationship between government and citizens, widening inequality gaps, undermining trust and political polarisation. This session aims to better understand the current challenges in government decision-making processes and to identify practical solutions to ensure upholding the public interest.

15:15-15:30 Coffee Break

Due to the high amounts of money involved and the close interface between public and private sector, two of the most vulnerable areas to corruption are public contracting of goods and services and state owned enterprises. The following two sessions will address these challenges and advance towards concrete risk-mitigation strategies for the region.

15:30-17:00 Towards quality infrastructure and good procurement: How to effectively mitigate corruption risks? – Manchay Room

Chair: Carlos Oliva, Minister of Economy of Peru

Setting the scene: Marcos Bonturi, OECD Public Governance Director

Lead discussants:

- **Nelson Shack**, Comptroller General of Peru
- **Alberto Gowland**, Syndic General, SIGEN, Argentina
- **Pedro Montoya**, Global Compliance Director, Aleatica
- **Robert Taliercio**, Manager for Latin America and the Caribbean, Global Governance Practice, World Bank

Discussion amongst Delegations

Even though public procurement and public infrastructure are widely known as government activities particularly vulnerable to corruption, it seems that current frameworks to promote integrity and prevent corruption in tender, procurement and contract delivery are not sufficiently effective. At the same time, stakes are high: the direct costs of corruption include loss of public funds through misallocations or higher expenses and lower quality of goods, services and works, but in addition, recurring corruption cases in these processes also contribute to further undermining trust in government. This session will discuss good practices in public procurement and how to achieve quality infrastructure.

17:00–18:30 Strengthening frameworks for integrity and anti-corruption in state-owned enterprises – Manchay Room

Chair: Marco Antonio Zaldívar García, Chairman of the Board of the Lima Stock Exchange, Peru

Setting the scene: Mathilde Mesnard, OECD Deputy Director for Financial and Enterprise Affairs

Lead discussants:

- **Sebastian López**, Senior Advisor on State Owned Enterprises, Office of the Chief of the Cabinet of Ministers, Argentina
- **Fernando Antonio Ribeiro Soares**, Secretary for Co-ordination and Governance of State Owned Enterprises, Ministry of Planning, Budget and Management, Brazil
- **Ileana Carolina Maldonado Vélez**, Undersecretary of Public Administration and Transparency, Presidency of the Republic, Ecuador
- **Roberto Martín Sala Rey**, Acting Executive Director, National Fund for Financing State Enterprise Activity (FONAFE)

Discussion amongst Delegations

Considering the important role played by state-owned enterprises in Latin American economies, governments such as Argentina, Brazil, Colombia and Paraguay have all been taking steps to strengthen central co-ordination of ownership and frameworks for corporate governance of their state-owned enterprises (SOEs), in line with recommendations of the OECD Guidelines on Corporate Governance of SOEs. Within this framework, and in response to growing awareness of the corruption risks associated with SOEs not only in Latin America but globally, the OECD is developing new, complementary Anti-Corruption and Integrity Guidelines for SOEs. This session will provide an introduction to the main issues and risks the new guidelines will address, as well as discuss current national practices in this respect. A main challenge for policy makers is addressing adequately the corruption risks that relate to SOEs while ensuring that SOEs retain corporate autonomy and hence remain well positioned to achieve their financial and public policy performance objectives.

18:30-18:45 Closure first day: Leveraging international cooperation to bring commitments to action – Manchay Room

- **Jaime Pomareda**, General Director for Economic Co-operation, Ministry of Foreign Affairs of Peru
- **Federico Bonaglia**, Deputy Director of the OECD Development Centre

20:00 Dinner offered by the Government of Peru, Torre Tagle Palace

8:00-9:00 Registration - Counter desk, 2nd floor

9:00-10:30

Session 1A: Time for change: Integrity in election campaigns and funding of political parties – Cajamarquilla Room

Chair: Fernando Tuesta, Senior Advisor, Secretary of Public Integrity, Presidency of the Council of Ministers of Peru

Setting the scene: Julio Bacio-Terracino, Deputy Head of the OECD Public Sector Integrity Division

Lead discussants:

- **Adrián Pérez**, Secretary of Political and Institutional Affairs, Ministry of Interior, Public Works and Housing, Argentina
- **Úrsula Letona**, Congresswoman, Peru
- **Patricio Santamaria**, President of the Electoral Service, Chile
- **Claudia Zavala**, Electoral Counsellor, National Electoral Institute, Mexico

Discussion amongst Delegations

In Latin America, 2018 is a year marked by elections and many countries in the region are embarking on electoral reforms, providing a timely context for addressing the financing of election campaigns and political parties. Electoral integrity matters not only for political stability but also as an enabler of economic equality and growth.

To this end, Latin American countries are striving to level the playing field among parties and candidates, and to ensure that all members of society have equal opportunities to vote and to be represented. Exclusive candidate selection procedures and anonymous private financing can lead to candidates and representatives acting according to particular interests to the detriment of general citizens' needs and the public good. Moreover, clientelist structures reinforce asymmetrical relationships between voters and politicians, undermining accountability and aggravating inequality. In Latin America, 11,7% of citizens report having received material benefits in exchange for their vote. To examine solutions, this session will discuss policies to regulate the financing of election campaigns and political parties, as well as measures to prevent undue influence at all stages of the electoral process.

Session 1B: Tackling impunity: Law enforcement and international cooperation in corruption cases – Mateo Salado Room

Chair: Victor Prado Saldarriaga, President of the Judicial Power of Peru

Setting the scene: Patrick Moulette, Head of the OECD Anti-Corruption Division

Lead discussants

- **Alejandro Luzón**, Chief Prosecutor, Special Prosecutor's Office against Corruption and Organized Crime, Spain
- **Maria Laura Roteta**, Federal Prosecutor, Special Office for Economic Crimes and Money Laundering (PROCELAC), Argentina
- **Greysa Barrientos Nuñez**, Deputy Prosecutor, Public Prosecutor's Office, Costa Rica
- **Mónica Jiménez**, Deputy Prosecutor assigned to the Delegate for Organized Crime, General Prosecutor's Office, Colombia

Discussion amongst Delegations

¹ Side event: Launch of the Public Procurement Review of Peru at 11:00 – Huallamarca Room

The recent wave of corruption scandals across Latin America and the Caribbean has had a significant impact on the region, infiltrating the highest levels of both the public and private sectors and severely affecting those less protected – the public citizenry. In the past five years, however, jurisdictions in the region have been vigorously fighting back by ramping up criminal law enforcement actions, prioritising international cooperation, and passing stronger legislation aimed at ending impunity of corrupt individuals and corporations. Such advances can be seen in new corporate liability frameworks for crimes of corruption and in strong multilateral dialogue and commitments such as the Brasilia and Puebla Declarations in 2017 and the Lima Commitment in April 2018. This session will discuss anti-corruption law enforcement efforts to date and share best practices in law enforcement techniques, including detection, investigation and international cooperation.

10:30-10:45: Coffee break

10:45-12:15

Session 2A: From bureaucrats to public servants: Harnessing the human factor for integrity – Cajamarquilla Room

Chair: Juan Carlos Cortes, Executive President, SERVIR, Peru

Setting the scene: Carlos Santiso, Director Governance Practice, CAF Development Bank of Latin America

Lead discussants:

- **Alberto Scaravelli**, Director of the Civil Service Office, Uruguay
- **Cecilia Klappenbach**, Deputy Secretary of Employment Planning, Secretary of Modernisation, Argentina
- **Claudio Alvarado**, Deputy Secretary General of the Presidency, Chile

Discussion amongst Delegations

A culture of integrity cannot be achieved without a professional and motivated civil service, committed to the public interest and serving the citizens. In Latin America, many countries suffer from a weak civil service. In particular, a lack of merit-based Human Resources practices, clientelistic practices and politicisation, a low culture of performance orientation; non-competitive remuneration for civil servants, lack of training and professionalism, a high staff turnover after changes in government and lack of guidance and ethical leadership can undermine integrity. This session will discuss good practices and tools for effective public management to strengthen integrity, how insights from behavioural science can help to 'nudge' public servants to ethical decisions and how to strengthen accountability.

Session 2B: Going beyond transparency: Open Government as part of a culture of integrity –Mateo Salado Room

Chair: Mayen Ugarte, Secretary of Public Administration, Presidency of the Council of Ministries, Peru

Setting the scene: Martin Forst, Head of the OECD Public Governance Review Division

Lead discussants:

- **Gabriel Delpiazso**, President of the Access to Public Information Unit, Uruguay
- **Francisco Raúl Álvarez Córdoba**, Director General for Open Government and Transparency, Mexico
- **Borja Diaz**, Manager of the Good Governance actions, EUROsociAL
- **Nicolas Dassen**, Senior Specialist in Modernisation of the State, IDB
- **Alejandra Naser**, Head of Public Management and Open Government, ECLAC
- **Fernando Luna**, President of the National Authority for Transparency and Access to Public Information, Peru

Discussion amongst Delegations

Responding to the demand for greater transparency, accountability and access to information by society, Latin American countries have embarked upon substantial open government and open data reforms. However, there is a risk that such reforms turn into a tick-the-box exercise or window dressing for anti-corruption efforts. This session will explore how Open Government principles and open government data can create a culture of integrity that builds on transparency but goes beyond it, to effectively contribute to preventing and addressing corruption risks. It will look at how the dynamics between governments, citizens, the private sector and NGOs that are created through Open Government frameworks can lead to impactful anti-corruption results.

12:15 **Transition to Room Huallamarca**

12:30-13:00 **Closing session: Making integrity and Anti-corruption reforms happen – Huallamarca Room**

Chair and Rapporteur of the Ministerial: Susana Silva Hasembank, Secretary of Public Integrity, Presidency of the Council of Ministers of Peru

Setting the scene: Viviana Caro, IDB Country Representative to Peru

- **Gabriela Ramos**, OECD Chief of Staff and G20 Sherpa

Closing remarks: Jaime Pomareda, General Director for Economic Co-operation, Ministry of Foreign Affairs of Peru

The concluding session will aim at summarising the key outcomes from the different sessions of the Ministerial while addressing the challenging political economy of integrity and anti-corruption reforms in the region. It will also discuss the OECD-LAC Integrity and Anti-Corruption Action Plan in light of the discussions held in the event. Addressing difficult questions is key to bring an integrity agenda from commitments to action. What have we learnt from corruption scandals? How should the government organise itself to implement integrity reforms? Should reforms be comprehensive or targeted? With which sequence? How to create a broad alliance with the other powers of the State, civil society and the private sector? What is the role of international organisations in advancing the reform agenda?

14:00

For information: the Steering Group of the OECD Latin America and the Caribbean Regional Programme will hold its 7th meeting on 19 October starting at 14:00. Participation in this event is by invitation only. For further information, please contact LACRegionalProgramme@oecd.org