

EXECUTIVE SUMMARY

CORRUPTION: Its Paths and Impact on Society and an Agenda for Combat It in the Northern Triangle of Central America

As this text is written (September 2017), Guatemala is experiencing a major crisis triggered by scandals of corruption; Honduras is debating the reelection of its President, in open contradiction to its Political Constitution while facing indications of corruption and related scandals. Tension is growing in El Salvador in light of legislative and municipal elections scheduled for 2018, also in the midst of scandals of corruption that exacerbates the well-known polarization of Salvadoran society. Consequently, this juncture seems to confirm the perception that the so-called Northern Triangle of Central America (TNCA, Spanish acronym) is in a constant state of crisis.

Perhaps this perception has intensified in recent years because scandals of corruption are no longer an

<<open secret>>. In past decades, was there anyone in those countries who had not heard of or suffered from corruption in customs, state purchasing of medications, in campaign financing and in state contracting? Recently, these acts are starting to come to light. They are no longer rumors, but part of criminal investigations, and prosecution in the form of accusations substantiated by evidence and in trials. It's only natural then, that the confirmation of yesterday's suspicions and <<open secrets>> is scandalous.

That is why, in this book, the Central American Institute for Fiscal Studies (ICEFI, Spanish acronym) resists the <<temptation>> to be overwhelmed by the juncture marked by each corruption scandal, no matter how daunting this constant state of crisis in

the TNCA may be. It delves into the phenomenon of corruption from a structural viewpoint. First, because an in depth understanding of the phenomenon is necessary intellectually, as a very delicate premise to attempt to propose solutions. But in addition, because the citizens of the TNCA hope to defeat corruption and impunity, as an indispensable step towards developing an agenda and solving the numerous problems and deprivations that assail them.

Moreover, as a specialized regional Central American entity on fiscal policy, ICEFI strengthens its awareness that comprehensive reform will increase the tax load and social public spending to attain fiscal justice in the region, and face opposition and resistance based on the argument regarding the severity of the problem of corruption. The Institute reiterates that although this will never be a valid excuse not to undertake the urgent reform needed for democratic inclusive development of the region, it is a valid complaint that every legitimate attempt for fiscal reform must bear in mind. It insists that whenever there is the intention to govern legitimately, this must be considered not only in Central America but in any part of the world, because corruption halts democratic development by undermining trust that citizens have in their authorities and weakening the capacity of the State to meet its responsibilities. For ICEFI, corruption is such a serious matter, because it is a wall that impedes the democratic transformation of the fiscal system

Chapter 1: Corruption and Democracy

Using a conceptual approach and calling upon principals and the latest references on the matter, it addresses the impact of corruption and the challenges in measuring its extent. It introduces a vision, innovative and polemic for some, of the relationship between the private business sector and corruption, because opinions persist that this phenomenon is exclusive to the public sector. Although as revealed by all interviews conducted -- but perhaps more important, an examination of the relevant cases compiled -- the relationship

with the private sector is fundamental to an understanding of corruption and particularly for combatting it. It demonstrates that the TNCA States and the international community have not been indifferent to this problem and examines national and international institutional responses.

Chapter 2: The Main Paths to Corruption in the Northern Triangle of Central America

It exposes the fact that corruption has specific expressions in the TNCA. For this reason, this chapter proposes types of environments and spaces where it is produced; specifically, it points out eight paths towards corruption in the region.

2.1. Outdated Legislation. Failure to update the necessary legal framework to combat corruption includes certain characteristics. First, the lack of frequent timely review of provisions that confers high levels of discretion on decision makers or public servants who are in contact with users of administrative services. In this case, the problem is not in the discretionary powers themselves, since these are conferred by law or lower level provisions (e.g. regulations), but rather in abuses in exercising and applying them, that can lead to obscurity or acts of corruption. Second, it underscores the existence of outdated or <<patchwork>> laws. This implies the continuance of laws that have not been reviewed for a long time affecting the establishment of modern innovative mechanisms to ensure public management capable of preventing and combatting corruption. A perfect example of this is shared by three countries in an environment indispensable for effective, efficient professional public administrations: the civil service.

2.2. Weak Institutional. To promote transparency and effectively combat corruption, there must be external oversight bodies, mainly high-level control entities and control by the Public Prosecution Service and public authorities with oversight functions and internal auditing offices that effectively comply with their legal

duties. However, within the context of the TNCA, inefficient and ineffective actions have been prevalent in the responsibilities charged to these institutions to prevent, detect and punish acts of corruption, including: high level oversight entities; governmental internal auditing in the three countries; the role of institutions responsible for imposing public penalties and the responsibility of investigating crimes related to corruption. Although the Executive Branch of each of the three countries has an agency specializing in transparency, the disclosure of numerous cases of corruption and the results of the main measurements of this social scourge have led to criticism of these offices for not complying with their promises to combat corruption effectively.

2.3. System for Administration of Justice with Limited Capacities and Resources. Criminal or illicit political-economic networks are increasingly changeable, adaptable, expeditious and powerful, so that illegality moves at high speed. They are able to detect systemic weaknesses and abuse them with nothing to detain them. They simply detect the possibility to commit a crime, perfect the plan and implement it. On the other hand, the legal system is subject to guarantees, including due process, presumption of innocence of the accused, the principles of criminal rights, human rights, procedural regulations, valid requirements to build a case founded on evidence and rationally defensible arguments, among others. All of these core aspects are absolute priorities, but nonetheless these institutional mechanisms are far more cumbersome than criminal enterprises. There have been certain budget increases in TNCA judicial organisms and prosecutor's offices, which have even been strengthened through the approval of some laws that expedite and improve investigatory capacities and procedural actions. Nevertheless, they are still do not have the powers, budget, independence, territorial coverage, infrastructure and updated legal framework consistent with the challenge they face.

2.4. Electoral Systems and Political Parties without Democratic Rigor. As reiterated by all those persons interviewed for this study, one of the topics that has become the center of public discussion in contemporary societies is regulation between money and policy. It has been demonstrated in practice that the lack of appropriate effective laws applied to the control of campaign financing creates conditions where money can introduce serious distortions and generate a wide range of risks. The persons interviewed agreed that this is a priority matter that must be addressed through discussions on structural reforms to combat corruption, because they perceive that contributions to political parties are not usually disinterested. A 2015 report by the International Commission against Impunity in Guatemala (CICIG, Spanish acronym) identified some types of cases that occur in illicit political financing. They underscore the mechanisms available to the corporate elite to grant financing; media and indirect campaign financing; the intricate web of corruption in awarding public works (correlation between awards and political influence acquired through political contributions) and the variables in the relationship between organized crime and campaign financing.

2.5. Deficient Access to Public Information. Despite the fact that laws on access to public information have been in effect for several years in the TNCA, in reality obstacles persist that demonstrate the resistance of many of those compelled to deliver and update public information. The three countries coincide that the main institutional obstacles are the prevalence of a culture of secrecy and lack of political will with respect to compliance with laws on access to information. This has led to abuses in the application of reserves in cases that make political powers (national and local) uncomfortable; failure to adopt organizational mechanisms and safeguards for public information (institutional filing systems): lack of training for government employees (particularly those bound by the

law); the existence of a tense relationship between those in charge of information units and their superiors or unit supervisors; lack of legal certainty in processing applications and updating official information; as well as failure to comply with the obligations to generate and disclose information.

2.6. Scarce Citizen Participation. Barriers to citizen participation include a wide gap between the law and the implementation of regulated participative mechanisms; difficulties in accessing quality public information; which is an impediment to social auditing and participation and informed purposeful advocacy; lack of sustainable efforts, particularly with changes in governments; conflicts of interests among political stakeholders, often leading to distortions in the participation of communities, persons and social organizations and social disillusionment because of the limited results produced by some citizen participation efforts. Add to this the apathy, lack of trust and disinterest of citizens with respect to what happens in the public sector, expressed in the difficulty of obtaining sufficient participants for social auditing exercises and citizen fragmentation, particularly when social organization defend contrasting interests, eroding participation and weakening the social fabric. The final facet of the problem of scarce citizen participation is the reality of segments of citizens with an inclination towards pragmatism while having enormous needs, living in extreme poverty or because of simple convenience, who consider it acceptable to tolerate <<reasonable>> levels of corruption, provided they obtain some benefit.

2.7. Conflicts of Interests. The lack of regulation on matters applicable to all public servants has led, in well-known cases, to questioning public decisions when exposed to public opinion through the media, but they cannot be reversed and officials limit themselves to minimizing or denying that their actions constitute conflicts of that kind. Because these conflicts can arise from

financial and non-financial interests, in other words, they become effective over time (pre and post-employment activities), membership in certain associations, kinship or friendship, conducting other activities, relationships with affected sectors, actions contrary to the principle of administrative honesty, there is a danger that gaps will remain that lead to distortion of the duties and responsibilities of public servants.

2.8. Impunity. Represents the possibility that a person, who commits a crime of any kind, including those involving acts of corruption, may not be punished. A study published by CICIG (2015:13) defines it as the failure <<to file complaints, conduct investigations, capture, bring to trial, positive solutions for victims and/or condemning those responsible for crimes under Guatemalan legislation>>. As result, impunity leads to the citizen's loss of trust in democratic institutions. According to a report by the Washington Office for Latin American published in 2015, Central America is a good example of a region where weakness in institutional security and justice and its corruption by criminals and politicians has left the State without the capacity to respond to violence and crime or handle the structural factors behind this scourge. The three TNCA countries share some characteristics because they are societies in a state of transition from an authoritarian to a democratic regime, involving conflict and post conflict, with substantial presence by and influence from national or transnational corruption or organized crime.

Chapter 3: Lost Opportunities in the Northern Triangle of Central America: relevant cases of corruption and its economic and social costs

On a strengthened conceptual and theoretical basis, the book compiles information including updates from the 2015 work on Guatemala. Although not in depth, it is no doubt very relevant in emblematic

cases of corruption in the three countries. It reveals a tragic abundance of emblematic and high profile cases brought before the courts in the two years since that time. Based on this compilation of highly significant cases of corruption and with the due care required by technical seriousness and rigor, ICEFI proposes the exploration of innovative, creative forms to quantitatively dimension corruption and its economic and social costs.

However, ICEFI is not seeking the impossible with this chapter, hence it does not attempt to exactly quantify corruption and its social and economic costs. ICEFI begins by identifying some values and amounts involved in cases of high media exposure in each country, comparing them to particularly relevant budget items in social or priority public spending. This is a technically substantiated method to provide some idea of the lost opportunities or social costs produced by acts of corruption. The Institute believes that this technical exercise approximately calculates the economic and social costs of this scourge, too compelling to be rejected and to renew efforts to eradicate it in the TNCA.

3.1. The Case of Honduras: The selection of emblematic, relevant or high impact cases made by ICEFI in this case follows the criteria of referring to cases judged and those under investigation or those on which the National Anticorruption Council, the Multi-Party Congressional Committee, the Investigative Commission of the Honduran Social Security Institute, the Superior Audit Court and the Public Prosecution Service have published related reports or documents. Moreover, information disclosed by the press and interviews with key stakeholders have provided additional guidelines and criteria to classify cases based on their relevance and have provided perceptions on the types of crimes most frequently linked to corruption or those most prevalent in Honduras.

The cases of corruption analyzed on the basis of relevance correspond to four general categories:

- Corruption in public purchasing (purchasing and acquisitions), with three sub-categories as follows:
 - Fraud in the Honduran Social Security Institute
 - Cases of corruption in the Secretary of Health
 - Emergency decrees and fractioning
- Corruption in rendering public services
- Corruption in awarding public contracts
- Abuse of public trusts

It points out that most cases involve corruption in public purchasing, particularly in the health and public works sectors. This selection confirms the perceptions obtained from interviews with respect to the fact that in Honduras corruption has affected the central government and Social Security most severely, similar to El Salvador and Guatemala.

The amounts involved in the relevant cases analyzed were projected to 2015, using the consumer price index published by the Executive Secretary of the Central American Monetary Council. Based on this technical standard, the amounts related to emblematic cases of alleged corruption in Honduras can be determined in terms of 2015 prices and these total L8.2041 billion, equivalent to US\$367.1 million and 4.3% of the GDP. From this total, unfortunately corruption in the health sector is especially relevant, particularly as related to the plundering of the IHSS, that led to unrest in the Honduran population resulting in the Outraged Movement. Estimated losses in the case of IHSS corruption is more than 95% of the remaining emblematic cases of corruption analyzed in this study for Honduras. Other important cases involve corruption in Inprema, with estimated losses of L175.2 million (US\$7.8 million) and the case of Fifagate that together with the Hondutel case totaled L101.2 million (US\$5.4 million).

The social cost produced in Honduras arising from alleged cases of corruption analyzed in this study can be measured by comparing them to important or priority items in the public budget. For example, estimated losses arising from relevant cases would

have permitted five times the 2015 budget for the Secretary of Development and Social Inclusion or twice the budget for the Secretary of Security or more than double the budget for the Secretary of Infrastructure and Public Services. In addition, estimated losses from corruption were equivalent to 70% of the 2015 budget for the Secretary of Health and 35% of the 2015 budget for the Secretary of Education.

If beyond these comparisons we consider amounts added to the 2015 Honduran budget, it is possible to evaluate the social costs of losses estimated for those relevant cases in non-financial terms, by quantifying the specific social benefits. Accordingly, in 2015 estimated losses in funds arising from cases of alleged corruption analyzed would have permitted:

- In Education:
 - The quantity of 1,220,915 boys and girls at the pre-basic and basic levels with school lunches
 - A total of 160,493 boys and girls graduating from high school
 - 70,411 mid-level education students graduating in different fields.
 - 23,325 students graduating from pre-basic and basic levels in indigenous and Afro-Honduran peoples (bilingual intercultural education)
 - 12,545 teenagers and adults learning to read and write through educational courses
- In Health:
 - More than 2.6 million medical consultations
 - 210,000 families with primary health care
- Poverty and Social Inclusion
 - 810,676 families in extreme poverty from the urban rural area with access to technical assistance and technologies and productive inputs
 - 21,977 households receiving attention to reduce poverty and malnutrition in the dry corridor
- Children and Adolescents
 - 3,869 vulnerable children and adolescents receiving care and family reintegration

- Integral care in early childhood for 4,332 boys and girls, that go to public and private integral care centers
- Water and Sanitation
 - 381,679 clients with sanitation services
- Citizen Security
 - 25,394 persons trained in the prevention of drug use
 - 8,481 persons receiving legal and illegal drug addiction rehabilitation
 - 96 children and adolescents from “maras” and gangs and ex-convicts rehabilitated and reinserted

3.2. The Case of El Salvador. The selection of emblematic cases in this country to a large extent follows similar criteria and resources as those used for Honduras: cases documented in investigations by the Attorney General of the Republic, the Audit court, the Honesty Section of the Supreme Court of Justice, The Institute for Access to Public Information, press and others. Interviews conducted with key stakeholders also provided additional orientation and criteria to classify the relevance of the facts, and provided perceptions on the types of crimes most frequently associated with corruption that are most prevalent in El Salvador.

The cases of corruption analyzed by their relevance correspond to four general categories:

- Corruption in public purchasing, with two sub-categories:
 - Awarding public works contracts
 - Other public purchasing, including medications and medical and hospital supplies
- Corruption in hiring human resources and <<phantom jobs>>
- Embezzlement and other forms of fraud in budget execution, especially in parallel execution mechanisms such as trusts
- Negligence and obstruction of investigation mechanisms and penalties for acts of corruption

Several of the cases selected confirm the perceptions gathered from the interviews with respect to the fact that in El Salvador corruption, in addition to occurring in the central government, seems to most severely impact local governments, decentralized entities and public companies. Just as in Honduras and Guatemala, the Salvadoran Social Security Institute is one of the entities most affected.

The amounts in the relevant cases analyzed were projected to 2015 using the consumer price index published by the October 2016 edition of the World Economic Outlook prepared by the International Monetary Fund. Based on this technical standard, ICEFI calculated that the emblematic cases of corruption analyzed totaled US\$550.9 million, equivalent to 2.1% of the 2015 GDP. Based on the amounts, cases associated with public works stand out representing 33.5% of the total and particularly the case of deviation of funds through the so-called <<secret budget item>>, representing approximately half of the total.

In terms of social losses, ICEFI estimates that with the resources not received due to these emblematic cases of corruption analyzed, in 2015 it would have been possible to strengthen the General Audit Office of the Republic increasing its budget by nearly 661%. In the case of institutions in the fields of justice and security, this budget increase would have been 125%, for health institutions 94% and for education 60%.

More specifically, estimated or reported losses by oversight authorities in the production of public goods and services addressing the wellbeing of Salvadoran citizens would have represented:

- In Social Protection
 - Approximately 147,000 retired persons without a pension
 - Approximately 695,000 spouses and children under 12 years of age, that pay ISSS insurance, without social security benefits
 - Approximately 379,000 persons without access to social security

- In Education
 - Approximately 1.2 million boys and girls without school lunch and health services
 - Approximately 1 million boys and girls without access to the <<Glass of Milk>> Program.
 - Approximately 1.3 million boys and girls without the school package
 - Approximately 40,000 persons who did not learn to read and write, no scholarships for middle and higher technical education
- In Health
 - More than half a million vaccines not administered
 - Approximately 477,000 women without access to health services and care for gender violence
 - Approximately 366,000 boys and girls without emergency pediatric care
 - Approximately 146,000 persons with the right to medical care without access
- In the Basic Infrastructure
 - Approximately 132,000 persons without access to rural roads
- In Food Safety
 - Approximately 23,000 persons without technical assistance in food safety and nutrition

3.3. The Case of Guatemala. The selection of emblematic relevant cases was direct: ICEFI used the numerous recent high impact cases brought before the courts by the Public Prosecution Service and CICIG. The abundant documentation available was supplemented by information disclosed in the media.

The cases of corruption analyzed by relevance or high impact correspond to seven general categories:

- Institution capturing
- Cases of customs and tax fraud
- Cases of administrative corruption
- Cases of corruption in public purchasing that affect the right to health
- Cases of influence peddling, illicit enrichment and <<phantom jobs>>.

- Cases of judicial corruption
- Cases of corruption in municipalities

The cases selected confirm the perceptions gathered from interviews with respect to the fact that in Guatemala corruption has severely affected all levels of the public sector and three branches of the State. Just as in Honduras and El Salvador, social security is one of the entities most affected, but, different from those countries, unfortunately other important entities and sectors have been impacted, including construction and public works.

In the case of Guatemala there are greater difficulties than in the cases of Honduras and El Salvador with respect to the possibility of quantifying the costs of corruption. Several reports from control and investigation entities, as well as public information in the media and other sources from Honduras and El Salvador, contain data on the amounts defrauded or involved in the emblematic cases of corruption analyzed. In comparison, although to date the documents and sources of information from CICIG and Public Prosecution Service investigations are highly detailed, containing significant technical aspects following the best international standards for criminal investigation (no doubt their main purpose), many do not include the amounts defrauded or involved. This characteristic of Guatemalan investigations impeded replication of the technical quantitative exercise applied in the cases of Honduras and El Salvador.

Nevertheless, the investigation report: Corruption, its paths, its impact on society and an agenda to eliminate it (ICEFI/OXFAM, 2015) -- the precursor to this book addressing solely the case of Guatemala, -- ICEFI proposed a technical tool that provided indicative input that helps to illustrate the magnitude of economic and social costs of corruption in Guatemala. In this work, ICEFI began with an analysis of emblematic cases of corruption to identify general budget items on income and expenditures of the State considered to have the most exposure and vulnerability to corruption. They identified the appropriation of expenses approved for 2015

in these exposed budget items and then applied a technical assumption of losses due to corruption. This work considered that, on the average, 20% of the quantities evaluated were not used for their original purpose because of corruption. Although this assumption does not have a solid technical basis, it is somewhat consistent with the level of illegal fees or bribery mentioned in the relevant cases analyzed. We insist that this a technical assumption, in other words a tool used to make evaluations and comparisons, but 15% or 20% can be applied by using it, as well as any other percentages. In any event, the same as in the cases of Honduras and El Salvador, the analysis was conducted in the hope that, even with this purely technical exercise, the reader will be convinced that the approximate economic and social costs overwhelmingly support rejection of corruption, to then proceed to strengthen efforts to eradicate it in Guatemala.

Using the results from Corruption, its paths, its impact on society and an agenda to eliminate it (2015) obtained by ICEFI by applying the technical assumption that fiscal losses from corruption in budget items considered to be vulnerable and exposed to corruption in the General Budget of Income and Expenditures for the State for Fiscal Year 2015 were 20% of the total. Similar to the exercises conducted for Honduras and El Salvador, after the results from this calculation that constitute an approximation or gross estimate of the financial cost of corruption affecting the vulnerable exposed budget items, these costs were compared with priority budget items, particularly for the Ministries of Public Health and Social Assistance, Government, Culture and Sports, Social Development, Education and Labor and Social Security.

Accordingly, by using this method, 20% of the Q11.514 billion assigned in 2015 to CIV, the municipalities and departmental development councils, the analysis of the relevant cases has demonstrated then these are in effect vulnerable and exposed to corruption, this is equivalent to the following social damage:

- In Education: 2.6 million boys and girls in preprimary and primary levels did not receive school lunches or supplies.
- In Social Protection: failed to deliver 1.2 million financial contributions to senior adults and 2.9 million financial contributions to families with boys and girls under the age of 5 years, pregnant or lactating women, through the social bonus.
- In Health and Nutrition: more than 400,000 boys and girls from 1 to 5 years of age did not receive vaccine boosters; did not monitor the growth of 1.54 million boys and girls under the age of five; 1.2 million boys and girls under the age of 5 did not receive medical attention for severe respiratory infections and 1.2 million persons did not have access to medical attention for accidents and violence.

In the second case, 20% of the Q5.891 billion assigned in 2015 to budget items vulnerable to corruption in public purchasing and open contracts for medication was equivalent to the following social damage:

- In Education: 22,000 students at different levels studying to be teachers received no attention from the educational system and close to one million students from the preprimary level did not receive notebooks for the school year.
- In Health and Nutrition: more than 500,000 women did not receive timely natal care; more than 300,000 women failed to receive care from qualified personnel during delivery; close to 20,000 boys and girls under the age of 5 years did not receive diagnosis and treatment for acute malnutrition; 1.2 million boys and girls under the age of 5 years did not receive micronutrient supplements; supplemental Vitacereal feeding was not provided to 700,000 boys and girls over the age of 6 years but under 24 years, lactating mothers and pregnant women and more than 700,000 boys and girls older than 2 years but under 5 years did not receive treatment for parasites. In addition, 7.9 million persons did not receive the benefits of prevention, control and surveillance actions against malaria and dengue.

- In Social Protection: failed to deliver 5,000 scholarships for mid-level education for adolescents and young people (males and females) in situations of social risk and vulnerability; did not hold informal education workshops and events for 50,000 adolescents and young people in situations of social risk and vulnerability; close to one million bags of food were not distributed to families living in poverty and extreme poverty or suffering from emergencies, social crises or conflicts; eliminated 1.7 million contributions in the form of education bonuses to families with boys, girls and adolescents between the ages of 6 and 15 years and failed to provide integral care in community households for 17,000 boys and girls from 0 to 6 years of age in situations of poverty and extreme poverty.
- In Culture and Sports: 11.2 million persons did not benefit from nonschool, nonfederal recreational sports activities.

Finally, 20% of the Q3,409 billion assigned in 2015 to execution through public trusts is equivalent to the following social damages:

- In Education: failed to produce and deliver nearly 300,000 school books for primary intercultural bilingual education level; more than 100,000 students from the basic cycle by televised high school did not receive attention from the school system and more than 100,000 of those in preprimary and primary levels lack the educational packs.
- In social Protection: more than 3,000 adolescents and young people did not receive the benefits from scholarships for higher education, employment and <<artisan scholarships>>.
- In Health and Nutrition: more than one million boys and girls between the ages of 0 to 1 were not vaccinated in accordance with their age and the current vaccination schedule; no advisory services provided on infant care practices to 1.3 million mothers of boys and girls under the age of 5 years and 1.2 million persons lack access to planned parenthood methods.
- In Security: more than 80,000 young people did

not participate in activities for the prevention of violence and more than 9,000 police officers no longer participate in educational and specialization activities.

Without seeking to defend the rigor of the supposed 20%, this exercise clearly demonstrates that the fiscal cost of corruption in Guatemala is equivalent to an enormous blow to the most vulnerable social groups and to ensure full effectiveness of human rights in this country,

Chapter 4: Proposed Anti-Corruption Agenda for the Northern Triangle of Central America: Objectives and Lines of Work

Regarding the effort to eradicate corruption, this book undertakes the ambitious task of proposing an agenda. The design and planning of this proposal stems from recognizing that corruption is not only a phenomenon possibly present in all human history, but that reaches all areas and levels of human endeavor. It seeks to comprise a critical mass of actions to attain the following eight objectives:

- 4.1. Promote the preparation, discussion, approval and implementation of rational policies or spaces for multisector and democratic coordination towards transparency, combatting corruption and open government.
- 4.2. Fiscal policy that prioritizes transparency consistent with good international practices and standards and that effectively achieves the efficient transparent use of public resources to enhance the quality of life.
- 4.3. Ensure honesty in public officials and employees, as well as a culture of accountability and open government.
- 4.4. Guaranty access to public information, including open data policies and protection of personal data.

4.5. Facilitate citizen participation by promoting spaces for collaboration between public administration and civil society.

4.6. Incorporate the analysis of private sector responsibility in efforts to combat corruption,

4.7. Recognize and combat the relationship between corruption and political electoral systems.

4.8. Structural reform of the system for the administration of justice, including actions that strengthen its capacity to combat corruption.

ICEFI proposes these objectives based on experiences, data, documents and most of all, the lessons learned from the analysis of the reality in the region related to changes in the justice system, promotion of national policies on transparency, accountability and honesty, as well as fiscal policy with a modern transparency pillar that maximizes the use of public funds for social wellbeing, among others

The final goal of the proposed agenda is -- and ICEFI truly believes it should be -- to attack the problems and weaknesses evidenced by the relevant cases of corruption compiled in the three countries. However, by proposing this agenda the Institute is extremely careful not to appear naive, because the technical and political challenges of implementation are massive.

We can conclude that corruption is in many ways a political phenomenon, because the corrupt person and its corruptor have levels of power that permit them to commit the crimes and remain unpunished. That is why the fight against corruption is a fight against impunity.

It proposes actions for each one of the eight objectives of the anticorruption agenda on legislative matters and institutional strengthening deduced from the paths towards corruption identified in the region, from the study of relevant cases and in general from the reality in the three countries. For ICEFI it is imperative and indispensable to remain aware of the

technical challenges, but particularly the political ones to successfully achieve these actions: it's not easy, quick or cheap. In the latter, the Institute warns that defeating corruption, e.g. by implementing this agenda, has a cost in fiscal terms because institutional strengthening includes bolstering their budgets in a sustainable transparent manner over time.

The proposed anticorruption agenda does not only address the public sector, but all social sectors including the private corporate sector. It is an input that will assist political and social transformation, changes in how we live together, how we relate to each other and how we exercise power.

It is undeniable that there is a lag in fiscal policy perspective, inevitable for ICEFI, reflected in a specific objective to promote fiscal transparency consistent with good international practices and standards that effectively achieves efficient transparent use of public resources. A contribution, that with a clear sense of the process, motivates further investigation and debate on how public honorable honest officials, business persons, politicians and citizens can undertake a movement that not only stops but defeats the cancerous growth of corruption in the TNCA.

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