Short Session Report

Session Title: Chile’s Vision, Peru’s Resolve: Can Anti-Corruption Reforms be Exported?
Date & Time: Saturday, December 3rd, 9AM
Report prepared by: Francesco De Simone, Technical Advisor, IDB

PLEASE INCLUDE BEST QUOTES!
“Corruption scandals provide a window of opportunity to promote reforms” - Eduardo Engel

Experts:

Eduardo Engel, President, Espacio Publico, Chile  
Enrique Felices, Chief Advisor, Presidency of the Council of Ministers, Peru

Moderated by: Roberto de Michele, Principal Specialist, Inter-American Development Bank
Session coordinated by: Francesco De Simone, Technical Advisor, Inter-American Development Bank

Main issues raised in kick off remarks. What’s the focus of the session?

The focus of the session was ongoing anticorruption reforms in the LAC region, starting from the experience of Chile, which following high profile scandals embarked upon an ambitious reform effort. The key question was whether the Chilean model can be exported to other countries?

This was framed in the broader context of the LAC region, which has experienced a wave of political scandals in 2014-16, with significant
consequences, including because of people’s increased use of technology and decreased tolerance of corruption. Corruption scandals are a window of opportunity to promote reforms.

What initiatives have been showcased? Briefly describe the Game Changing strategies/ideas (if applicable)

Eduardo Engel’s presentation revolved around the case of Chile, where scandals related to political financing and influence peddling led to a crisis of confidence. This in turn resulted in the creation of a Presidential Commission to evaluate reforms, which was a game changer. The structure of the commission was sui generis. No political or business leaders were included to avoid conflicts of interest. Focus was on producing specific proposals. It was articulated in 5 pillars, each one articulated in sub areas.

The agenda was quite ambitious in terms of range of issues and expected outcomes. Congress initially resisted the reform agenda, but eventually some leaders emerged who would help implement it. The overwhelming popular support for some of the measure was a key factor. Civil society and the media were also instrumental in supporting the reforms, including thanks to the establishment of an Anticorruption Observatory to monitor implementation, and beyond the approval of specific legislative measures.

The observatory evaluated progress under the different areas of recommendation identified by the Commission; the Government’s implementation of recommendations has been mixed, with some areas of good performance and other weaker ones.

Enrique Felices noted that Peru has undergone numerous anti-corruption reforms, with mixed results, but that the latest election also created a window of opportunity to push these further. There is a clear demand for decreasing corruption in institutions. There is a disconnect between citizens needs and perceptions of what priorities are for leaders. Discussions for a new Presidential Commission started after the elections. that time. The assumption was that such commissions can do things that the executive may be unable to do. And have the
independence, if properly set up, to push forward an ambitious agenda. This is particularly true given Peru’s peculiar political set up, with a congress that has a majority of the opposition. As conversations were going on for the establishment of the Commission, a high profile scandal hit a newly appointed high-level official in the health sector. This accelerated the appointment of the commission. It has now been created, and work is under way.

Briefly describe the highlights including the thematically interesting questions and ideas that were generated from the discussion or from the floor, and session quotes.

Regarding whether the reforms can be exported, clearly differences in contexts have to be accounted. Presidential commissions are but one possible model. In Mexico, the alliance business-civil society was critical to push for reforms. In Spain people reacted to scandals by creating new political parties. The critical factor is the extent to which countries can take advantage of windows of opportunity.

The interventions argued against some generally accepted tenants of AC policy, for example regarding the participation of private sector and political leaders in AC efforts. This is normal regarded as a positive element, but it was argued that in some circumstances it can be an obstacle to reform processes, especially in the early stages.

Regarding the process of member selection of the Commission, focus in Chile was on people who are perceived to be representative of civil society. Because in the end that helped generate buy in from citizens, which are the ultimate stakeholders.

What was the strategy to obtain support from congress? In Peru, it was difficult because one of the areas of work is precisely money in politics. They had to spend days visiting all commissions in congress. It was a time-consuming process.

One of the questions raised revolved around the sustainability of these efforts. Panellists pointed out to the growing support of the political system, once the reforms are in progress, which ensures that reforms persist over time. The experience of Chile with establishing an
observatory to monitor the implementation of measures undertaken is also critical for sustainability, although it can be a struggle to gather the necessary resources.

What are the key recommendations, follow-up Actions (200 words narrative form)

Some recommendations on Presidential Commissions in general
- Discourage the inclusion of political and business leaders
- Ensure independence in terms of budget and staff
- Focus on concrete proposals
- Incorporate international experts
- Aim at unanimous proposals
- Build political capital by pursuing the support of civil society and media
- Inform and empower civil society during the process

Key Insights that could be included in the IACC Declaration

Presidential Commissions and other similar efforts to reform anticorruption frameworks are emerging as an important template to promote reforms, particularly when windows of opportunity open up. While recognizing the importance of context specific factors, these Commissions can represent a possible way forward for countries confronted with scandals or other similar challenges, particularly when a strong civil society participation and representation is guaranteed.
Rapporteur’s name and date submitted

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