EMBARGOED UNTIL 6:01 CET/00:01 EST TUESDAY. 25 JANUARY 2022

2021 CPI FOR THE AMERICAS: A REGION IN CRISIS

With an average score of 43 out of 100 for the third consecutive year, the countries of the Americas have ground to a halt in the fight against corruption. Despite extensive legislation and a <u>regional commitment</u> to control this scourge, corruption in the Americas continues to undermine democracy and human rights.

This year the Americas region includes 22 countries that show no statistically significant changes in their corruption levels. In the last 10 years, only **Guyana** (CPI score: 39) and **Paraguay** (30) have made noteworthy improvements. Over the same period, three of the region's strongest democracies – the **United States** (67), **Chile** (67) and **Canada** (74), which lead the ranking this year – show a decline, while only **Uruguay** (73) remains stable. **Venezuela**, **Haiti** and **Nicaragua** – non-democratic states experiencing humanitarian crises – score the lowest with 14, 20 and 22 points respectively.

CORRUPTION IS UNDERMINING DEMOCRACY AND HUMAN RIGHTS

Throughout 2021, the region witnessed serious attacks on freedoms of speech, the press and association, which are fundamental civil and political rights needed to build healthy democracies free from corruption. In countries like **Brazil** (38), **Venezuela**, **El Salvador** (34) and **Guatemala** (25), governments used intimidation, defamation, fake news and direct attacks against civil society organisations, journalists and activists – including those fighting corruption – as a way to discredit and silence critics. In **Colombia** (39), serious excesses in the use of police force were recorded during the mass demonstrations against tax reform that paralysed the country, as well as violations of the rights to mobilisation, participation and protest.

Presidents in the region – such as Jair Bolsonaro in Brazil and Nayib Bukele in El Salvador – turned the fight against corruption into a campaign rallying cry, in an attempt to win over an electorate disillusioned with traditional politics, tired of corruption and determined to see their human rights upheld. Contrary to their own promises, these populist figures have made no progress in controlling corruption but instead have deployed anti-democratic and regressive measures that violate people's rights.

INSUFFICIENT EFFORTS MEAN LIMITED PROGRESS

With a score of 31, **Mexico** has failed to increase its score on the 2021 CPI. Despite the president's strong anti-corruption rhetoric, <u>major corruption cases in the country have gone unpunished</u>. The lack of recovered assets and the growing number of <u>scandals</u> involving close associates of the president partly explain Mexico's result. Furthermore, there has been recent <u>criticism</u> over the political and electoral use of the Attorney General's Office – which, despite its formal autonomy, is not perceived as independent.

The **United States** remains stuck at an all-time low of 67 points. President Biden's administration has established <u>corruption</u> as a core national security concern. Last year,

the US Congress passed <u>legislation</u> requiring companies to provide information about their beneficial owners to a central bureau, to be created in 2022. This measure could significantly enhance the US authorities' ability to detect and investigate financial crimes. Even so, the country's lack of progress on the CPI can be explained by the persistent attacks against free and fair elections, culminating in a violent assault on the United States Capitol, and an increasingly opaque campaign finance system.

Chile (67) has a unique opportunity to bolster its institutions and end its period of stagnation if it incorporates anti-corruption measures and strengthens the right of access to information in its <u>proposed</u> new Constitution.

In the Caribbean region, **Jamaica** (44) has been struggling for several years. It has made some progress – the establishment of the Major Organised Crime and Anti-Corruption Agency as an independent body, and the corruption cases recently pursued by the Auditor General's Department are two examples – but this comes alongside significant resistance to reforms from many politicians in the country.

STRONG INSTITUTIONS WORK

With a score of 73, **Uruguay** consolidates itself as one of the top scoring countries in the region. This shows that strong and stable democratic institutions, an independent judiciary and the protection of basic rights are vital in preventing corruption from permeating the State. Uruguay's strong institutions have also allowed the country to navigate the pandemic <u>effectively</u>, transparently and with the support of its population, unlike most countries in the region.

The **Dominican Republic** scores 30 this year and leaves behind its lowest ratings obtained in 2019 and 2020". A stronger Public Prosecutor's Office and Chamber of Accounts, along with the <u>conviction and imprisonment</u> of powerful political figures, have helped to improve perceptions of corruption. However, public institutions remain fragile. The country needs to strengthen the transparency, integrity and accountability of these institutions to bring about meaningful change. Otherwise, any progress made will quickly be lost.

POOR ETHICS AND HIGH LEVELS OF IMPUNITY IN PUBLIC OFFICE

Dropping four points compared to last year, **Argentina** (38) is the country in the region that has declined the most. Interference in the judiciary by political authorities' is jeopardising the country's independence and creating an impression of impunity. 2021 was also characterised by abuses of power during the pandemic: the <u>discretionary vaccination scheme</u> (VIP vaccination) for public officials and their cronies, non-transparent <u>procurement and contracting</u>, and <u>unethical behaviour by government</u> officials.

In **Peru** (36), which has slid back two points this year, similar conduct can also be observed. In the Andean nation, 487 people, including high-ranking officials and their families, were <u>secretly vaccinated</u> ahead of health workers.

Meanwhile, **Venezuela** (14) received one of the lowest scores globally. <u>Widespread corruption</u> has led to serious violations of social rights, including in access to education, healthcare and food. The <u>judicial system</u> has become an instrument of repression against dissidents and critics. In recent years, <u>there has been an increase in</u> political prisoners, arbitrary arrests and restrictions on fundamental freedoms. The blocking of access to public information, the lack of accountability for state bodies and the absence of an independent justice system create an environment in which human rights violations go unseen and unpunished.

CENTRAL AMERICA AT ITS LOWEST POINT

Both democracy and the fight against corruption are at an <u>all-time low</u> in Central America. **Nicaragua** (20) has fallen nine points in the last 10 years, establishing itself as the third dictatorship in the region through an illegitimate electoral process, systematic human rights abuses and an absolute concentration of power in the hands of Daniel Ortega and Rosario Murillo. Today, Nicaragua lacks the transparency and checks on executive power that it requires to control corruption.

Likewise, **Guatemala** (25) has declined eight points in the last 10 years. The <u>successes</u> achieved in the fight against corruption and impunity by the International Commission against Impunity in Guatemala (CICIG) have quickly faded. The United States has sanctioned the Attorney General's Office for obstructing investigations into high-impact corruption cases and promoting impunity in the country. The state, particularly the justice system, has been <u>co-opted</u> by economic and political elites, certain sectors of the business community and organised crime. These groups have taken over the judicial system and <u>forced into exile</u> prosecutors and judges recognized for fighting corruption. They have also promoted initiatives such as the "NGO law" that seeks to criminalise the civil society organisations, activists and free press that expose corruption.

Honduras (23), named as a country to <u>watch last year</u>, continued to decline in 2021. However, last November saw the election of Xiomara Castro as president, who has committed to eliminating the laws that have facilitated impunity.

EL SALVADOR: PUBLIC PARTICIPATION UNDER THREAT AMID GROWING CORRUPTION

In 2022, **El Salvador** (34) could establish itself as a dictatorship if authorities there continue to undermine democracy, harass critics and restrict civil and political rights.

The country has increasingly restricted access to information and shown a severe lack of transparency in the spending of public funds. Senior government officials are alleged to have engaged in <u>multi-million dollar corruption schemes</u> in their management of the <u>COVID-19 crisis</u> and as part of local elections. Several officials in both the current and previous governments were included on the <u>Engel List</u> published by the United States, accused of corruption and of making an assault on democracy in El Salvador.

There is also concern over steps taken by the government to <u>weaken the independence</u> <u>of justice institutions</u> and close down civic space. It has dismissed Supreme Court justices and the attorney general without due process, while publicly attacking and promoting <u>laws</u> that threaten civil society organisations, human rights defenders, activists, and independent journalists.

THE WAY FORWARD

The <u>four global recommendations</u> Transparency International is making this year are key to ensuring that the Americas end the scourge of corruption and overcome an unfolding crisis of democracy and human rights. In addition, the governments of the region must take decisive action to strengthen the transparency, integrity and independence of their justice systems by providing financial and technical resources and offering protection to prosecutors assigned to investigate cases of corruption and human rights abuses. They should also protect whistleblowers and include the perspectives of women and vulnerable groups in their anti-corruption strategies.

In light of the grave situation in the region, the international community must support civil society, activists, independent journalists and whistleblowers. Similarly, donor countries and multilateral and regional lending agencies must strengthen their assessment of corruption and respect for human rights when granting loans. They should also demand transparency in internationally funded projects and the establishment of independent monitoring mechanisms.