

Berlin, 20 May 2020

Luis Almagro
General Secretary
Organization American States (OAS)
1889 F Street, N.W.,
Washington, D.C. 20006

Re: Urgent need for action to minimize corruption risks, strengthen transparency and exercise reasonable emergency powers during the COVID-19 crisis.

Dear General Secretary,

We hope this letter finds you, your loved ones and colleagues healthy and well in these challenging times.

In the COVID-19 outbreak, the global community faces its most serious crisis for decades. The impacts have multiple dimensions across health, the economy, employment, institutions and technology. In addition to the extreme strain on health systems and the direct impact on those affected and their families, the economic impact of the pandemic is only starting to be felt. The IMF has already recognized that the world has entered a [recession](#) as bad or worse than in 2008/9.

In Latin America and the Caribbean, the situation is even more worrying. The [ECLAC](#) has already acknowledged that the effects of the pandemic in the region will result in the worst economic and social crisis in decades, with damaging effects on employment, the fight against poverty and the reduction of inequality.

We welcome the [steps](#) already taken by the OAS and its Joint Summits Working Group (JSWG) in order to mitigate the health, socio-economic and governance impacts associated with COVID-19. These include measures such as the [Rapid and Integrated Response Coordination Unit](#) (SACROI); recognition of the [specific impacts](#) the pandemic has on women; the ability of more than 30 countries to [jointly negotiate](#) public purchases of materials to combat the pandemic; and the [technical assistance and monitoring of funds](#) for COVID-19 that the CICES has begun in El Salvador. We understand governments' urgent need for funding and that in an emergency they need to act quickly.

Nevertheless, we are deeply concerned that as governments respond to the COVID-19 crisis the need for speed is leading to increased corruption risks. In many countries, these risks have already [materialized](#). The [disproportionate](#) use by several governments of emergency powers and [surveillance technology](#) to address the crisis is not only a threat to democratic values, but also undermines basic checks and balances and contributes to shrinking the space for Civil Society Organizations to work, all of them important pillars of a democratic system.

We respectfully request urgent action from the OAS in order to make sure that, in the Americas, corruption risks are minimized, transparency is strengthened and emergency powers are reasonably exercised. Insufficient action regarding these challenges risks undoing the progress the Organization has made to tackle corruption and strengthen democracy in the region.

Based on the public information available, countries in the region are receiving substantial amounts of funding in order to tackle COVID-19. As of mid-May, the [IMF](#) alone has lent over US\$ 4,003.2 million to countries in the region. Transparency International, together with other CSOs, has [called on](#) the IMF to ensure that funds are disbursed and managed transparently. In several cases money is being received by countries where there is a trend towards the concentration of power in the hands of the Executive, paralysis of control bodies, restrictions on access to public information and the exclusion of Civil Society Organizations from involvement in the design and implementation of responses to the pandemic, a dangerous combination.

We in no way wish to slow down the response to the crisis or prevent countries that need the money from receiving it. Rather, we want to **highlight the need for the OAS to establish basic measures to ensure that corruption risks are minimized and the rule of law and democratic norms are protected.**

OAS and the fight against corruption

Since the adoption of the Inter-American Convention against Corruption the OAS has taken steps in order to tackle corruption in the region. Its commitment to this agenda was renewed in 2018 with the adoption of the [Lima Commitment](#), which contains more than 50 anti-corruption commitments on a wide variety of topics, including the establishment of an Inter-American Open Data Program

Although progress has been made in the fight against corruption over the past 25 years, there is a long way to go and many challenges still to be faced. We now have regional agreements and frameworks, as well as national laws and political commitments to help fight corruption. Yet the implementation of these is at best [inconsistent](#). Commitments are a good starting point, but without concrete and effective action they become empty promises. We know how corruption harms people, economies and democratic norms, but the serious threat to lives and livelihoods that the coronavirus represents adds great urgency to turning words into action. Now, more than ever, we must show a genuine commitment to the fight against corruption. Business as usual is simply unacceptable.

During a crisis such as the COVID-19, [corruption risks do not disappear](#). Even at this first stage of the pandemic, there are already [dozens](#) of media reports of crime and corruption related to the virus. There is a high risk that public decisions will be captured or distorted by vested private interests for their own gain, using a range of methods that can include bribery, undisclosed lobbying, and opaque political donations, as well as leveraging situations where there are conflicts of interest or revolving doors between the public and private sectors.

The global financial system as a whole remains profoundly vulnerable to the operations of corrupt networks, with significant gaps in anti-money laundering effectiveness in developed countries and major financial centers. It is key that countries can identify patterns and red flags and prevent dirty money from entering or leaving their countries.

Recommended Anti-Corruption Measures in response to COVID-19

We fully recognize the need for immediate financial assistance as well as the need for governments to act quickly in order to save lives and protect livelihood. Nevertheless, **we believe there are several measures the OAS and its member countries can effectively and systematically include in their response to COVID-19 that will help to reduce corruption risks, and strengthen democratic institutions and systems during these challenging times.**

The OAS can take some of these measures itself and provide the needed support to governments in order that they can implement them. Governments can demonstrate compliance with the suggested measures in a timely manner, for instance when requesting funds to Financial Institutions such as the IMF. Furthermore, these measures give civil society a tool to hold their governments accountable.

1. Articulate and demonstrate OAS and JSWG commitment to anti-corruption during the COVID-19 crisis

Publicly and regularly highlighting the importance of transparency and anti-corruption to saving lives and livelihoods during the current crisis, will allow the OAS and the JSWG to underscore that the pandemic will not weaken the Organization's commitment to this agenda.

2. Reasonable exercise of emergency powers and state of emergency

Exceptional times require exceptional measures but this does not imply a blank check for decision makers. Any state of emergency and/or emergency powers declared and exercised by national governments should be in compliance with international human rights law and standards. These principles are not being followed in all countries in the region: for example, the United Nations High Commissioner for Human Rights has already [expressed](#) serious concern that the rule of law and constitutional order are being undermined in El Salvador as authorities implement measures to combat the spread of COVID-19.

In order to ensure that state of emergency and emergency powers are exercised in a reasonable way and in compliance with international law, governments should as a minimum ensure that:

- States of emergency are limited in duration and scope
- Emergency powers should be exercised only for the purposes for which they were granted
- Measures adopted during the state of emergency are respectful of the rule of law, proportionate, transparent (public information should be available) and subject to control.

During this unprecedented time, the OAS should not hesitate to apply the [Inter-American Democratic Charter](#) whenever needed.

3. Transparency and accountability in public procurement

In the COVID-19 pandemic, [transparent public procurement](#) is critical to saving lives and livelihoods. The ongoing global crisis exposes vulnerabilities in public procurement: loose requirements that contribute to unequal competition and bidding wars, and rushed measures that result in low quality or faulty goods, price gouging, undue influence and limited access to information.

To [mitigate risks](#) such as hidden contracts, overpricing, collusion, and bribery, it is essential that transparency, openness, integrity and accountability are promoted and that public purchases and contracting processes are reinforced. At a minimum, countries should be given all possible assistance to ensure that:

- Relevant information, including contracts, is published in a timely manner, in an open data format and, wherever possible, on a single platform.
- Companies that bid for and/or are awarded a public contract must publish beneficial ownership information in order to help authorities, media, and civil society identify potential conflicts of interest, reduce the opportunities for collusion between linked companies, create fair competition for companies, and ensure full knowledge of who is ultimately benefitting from public funds;
- Fair and open competition among bidders, including both state-owned enterprises and private companies is taking place; where non-competitive bidding takes place for emergency reasons, the use of this approach is strictly limited in both time and scope;
- Where national competition and anti-monopoly agencies exist, they are empowered to monitor market developments in critical sectors in order to prevent collusion between economic actors or practices that result in price speculation.

OAS member states already made commitments regarding many of these aspects in 2018; in the current context, it is even more urgent to put them into practice and publicly report on progress.

4. Audits by internal audit bodies and third parties

Information on how public funds are being disbursed should be swiftly and fully available to the internal audit bodies of the ministries or government agencies in charge of responding to the crisis, as well as to citizens. Governments should guarantee that as soon as feasible, an external comprehensive audit will take place. Internal and external audits should include inputs from civil society and should be published.

We would welcome the creation and implementation of a mechanism through which the OAS could monitor the use of emergency resources.

5. Implementation of existing anti-corruption and anti-money laundering frameworks

[Transparency International](#) has highlighted the gaps and weaknesses in anti-money laundering systems of various countries. In a context where each and every dollar can make a difference, corrupt individuals will continue to rely on existing mechanisms and networks to make bribe payments, as well as to hide and launder the proceeds of corruption. These risks grow when resources and attention are focused elsewhere.

The failure to stop the flow of dirty money will have both short-term and long-term consequences. It will affect the ability of countries to save lives and the economy in the current crisis. Illicit financial flows will lead to further declines in institutional capacity, trust in government and the rule of law. Where there are gaps in anti-corruption and anti-money laundering frameworks, especially in implementation, the OAS should encourage all member countries to accelerate measures to tackle them. This is in line with commitments made by countries in 2018 [Lima Commitment](#), in particular commitment number 43.

We trust the OAS will take these concerns seriously and support countries in devoting proper attention to support critical transparency and accountability measures as well as a reasonable use of emergency powers.

We thank you in advance for your consideration, and we would welcome the opportunity to discuss this further with you. Transparency International and its chapters in the region are ready to collaborate with both the OAS and its country members during these challenging times.

Please do not hesitate to contact us for clarification on any of these proposals. We look forward to constructively engaging with you in these exceptional circumstances.

Respectfully,



Delia Ferreira Rubio
Chair