

GOOD PRACTICES  
RECOMMENDATIONS  
**FOR INTEGRITY**  
IN PANDEMIC TIMES





# GOOD PRACTICES RECOMMENDATIONS FOR INTEGRITY IN PANDEMIC TIMES



The COVID-19 pandemic has been causing various effects on the regular functioning of public and private institutions, such as the emergence of unforeseen risks of corruption and other bad practices.

Based on what we have learned in recent months, and considering the importance of complying with the principle of probity at the national level -especially in terms of public procurement-, the Anti-Corruption Alliance has analyzed various national and international recommendations that provide valuable insights around the COVID-19 pandemic and recommendations to fight corruption.

In this document, we gathered this information in an effort to strengthen public trust regarding governmental actions around the COVID-19 pandemic and to safeguard integrity in pandemic times.

**Santiago, September 2020**



# DIAGNOSTIC



**The pandemic has generated a global health, economic and social crisis.** The increase in infections has led to a significant increase in the demand for hospital beds. The effects of this virus have meant a real change in people's routines and in the functioning of institutions. Quarantines, sanitary cordons, the use of masks and social distancing are part of the measures that have already been incorporated into the day-to-day life of Chilean population. This new scenario, in addition to implying a significant health impact, also has consequences in the administrative, criminal and financial spheres.

Before the COVID-19 pandemic, corruption already existed worldwide in the health sector and its cost is measured not only in economic losses, but also in lives. According to Transparency International, before the pandemic, corruption in the sector already caused losses of more than US\$500 billion each year, resulting in 140,000 children dying each year as a result of corruption. Meanwhile, UNODC estimates that **between 10 and 25 per cent of all resources spent on procurement and acquisitions are lost worldwide due to corruption.** Along furthermore, the 2019 Global Corruption Barometer showed a 14% increase in the rates of bribes in healthcare facilities.

It is well known that **when there is no effective monitoring, audit or accountability, spaces for corruption are generated.** In addition to the underlying vulnerabilities of health systems, the increase in spending, the need for rapid response and the focus on health measures can leave areas unsupervised and lead to a relaxation of standards of integrity.

Now, beyond what is happening in the health sector, to avoid a global economic collapse and possible depression, countries have taken emergency measures to provide an economic safety net for citizens and businesses in distress. COVID-19 is not only testing the resilience of health systems and the economy, but also the **responsiveness of governance systems,** including the role of auditing and oversight institutions.

Corruption prevention, transparency and accountability are usually not part of initial crisis response measures. Yet, in comparative experience, corruption has obstructed responses to crises, including pandemics, as in the cases of SARS, Ebola and H1N1.

Consequently, to ensure the efficient use of resources in this context, as well as to strengthen public confidence in the measures adopted, **it is necessary to mainstream integrity, transparency and accountability in the actions associated with the pandemic,** both in the most immediate response and in the recovery efforts.

Therefore, the Anti-Corruption Alliance, bearing in mind that **"integrity should not be neglected"**, has agreed to disseminate this document with recommendations addressed to the entire country, with the best practices to be implemented in these times.



# DECA LOGUE

## GOOD PRACTICES RECOMMENDATIONS FOR INTEGRITY IN PANDEMIC TIMES



### **Facilitate the use of new information technologies,**

Those allow the State and private providers of different goods and services to continue to operate, avoiding the risks of the pandemic, to the extent that the proper safeguards are adopted for the information that is shared.

# 01



### **Ensure legal compliance,**

In the understanding that contracting for the supply of goods and services to the State must comply with the applicable regulations, with emphasis on the technical and economic justification to define the contracting and the need to which it responds, being especially relevant that contracting is carried out at fair prices, as well as that payments to providers are made as soon as possible.

# 02



### **Strictly subject the procedures to the principle of probity.**

The actions of the state during this exceptional period will be guided by a criterion of urgency, which allows the use of more simplified procedures, but this does not imply that the basic rules of public integrity, such as those prohibiting conflicts of interest, should not be respected, ignoring rules of transparency.

# 03



### **Maintain available internal and external controls and apply them with a sense of urgency.**

The acts and contracts of the State must be rigorously audited, in order to verify that there are no conflicts of interest in decision-making, nor fraud, embezzlement of funds or other actions contrary to probity. To this end, it is necessary to respect the full exercise of existing internal and external control systems, which, in addition to the traditional techniques inherent to these functions, should consider the option of making intensive use of information technologies, data analysis and risk assessment methodologies. This respect and use of new technologies also applies to the administrative and criminal audits and investigations that may be carried out.

# 04



### **Strengthen inter-institutional coordination and information exchange among the public sector.**

But also with civil society and the private sector, avoiding asymmetry of information in decision making and taking into consideration that the prevention and detection of corruption is a task that should involve all actors in our society, and that there are also various channels available for reporting irregularities and illegal actions.

# 05



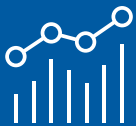
### **Ensure standards of transparency and accountability.**

Information related to public spending associated with the pandemic, public procurement and health and economic recovery measures should be published in a timely manner and in open data format, so that it is easily accessible and in clear language. In addition, the necessary safeguards for the protection of personal and sensitive data should be implemented. It is recommended to promote new initiatives related to access to information, making criteria transparent and explicit regarding the beneficiaries of aid policies, the origin of their financing and the way in which such funds and resources are managed.



### **Forge agreements between political and social actors to design effective governance strategies.**

It is important to provide inclusive and transparent responses under the rule of law, ensuring the proper functioning of institutions during the pandemic. There must be an approach that considers the whole of society, in which citizens can participate constructively.



### **Strengthen the implementation of systems of integrity**

that ensure that those who work in the public sector, regardless of their employment and/or contractual relationship, understand their duties and responsibilities in matters of integrity and can trust the procedures established for their participation, such as channels for reporting complaints and consultation, which should enhance the reportability and systematization of these matters for their subsequent accountability.



### **Strengthen the commitment of senior management to the implementation of systems of public integrity,**

defining goals, supporting dissemination in the organization and controlling their implementation through means of verification.



### **Permanently disseminate and raise awareness on issues of integrity,**

both within the institutions and with the public, in view of the risks and vulnerabilities posed by the emergency.

**In the context of the current pandemic, the need for urgency in the response, does not override the principle of probity, does not tolerate conflicts of interest, and does not authorize the performance of acts of corruption or exempt the application of sanctions, so the Anti-Corruption Alliance recommends that all the actors involved be aware of the responsibility of maintaining the standards of public integrity and prevention of corruption, expecting that they guide their actions in order to satisfy the common good.**



# A N N E X

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The documents that have been taken into account in the preparation of this document are the following:

- 1. Public Procurement Directive No. 34** "Recommendations on Public Procurement for Purchasing Bodies, on the occasion of the Covid-19 Virus Pandemic" approved by Exempt Resolution No. 237 B, of April 13, 2020, of the Directorate of Purchases and Public Procurement (Chilecompra).
- 2. Public Procurement Directive No. 36** "Recommendations for Purchased Entities on the Use of Direct Contracts in Emergencies, due to the COVID-19 pandemic," approved by Exempt Resolution No.257 B, of April 24, 2020, of the Directorate of Purchases and Public Procurement (Chilecompra), and Practical Guide for purchasers on the use of direct contracts in emergencies due to the Covid-19 pandemic, of Chilecompra.
- 3. Office of the presidential cabinet No.004**, of April 29, 2020, which "establishes a new governmental internal audit objective and imparts instructions and internal control measures in the public function due to the health alert decreed on the occasion of COVID 19".
- 4. Recommendations on public integrity made by the OECD** in "Public integrity for an effective COVID-19 response and recovery." April 19, 2020.
- 5. FATF Recommendations** in "COVID-19-related Money Laundering and Terrorist Financing, Risks and Policy Responses." May 2020.
- 6. Minutes of the main findings identified by PACTO** during the monitoring that it has carried out from the COVID-19 pandemic. April 2020. Financial Analysis Unit.
- 7. Minutes of the main findings of the FATF and GAFILAT** extracted from releases made in April 2020. "Threats and vulnerabilities arising from COVID-19-related crimes and impacts on the risks of money laundering and terrorist financing." Financial Analysis Unit.
- 8. Pandemic profiteering - how criminals exploit the Covid-19 crisis**, by EUROPOL. March 2020.
- 9. Information booklet directed to the private sector of the Financial Analysis Unit** "How to prevent money laundering and the financing of terrorism during the COVID-19 pandemic?" April 2020.

10. **Information booklet directed to the public sector of the Financial Analysis Unit** “¿cómo prevenir el lavado de activos y el financiamiento del terrorismo durante la pandemia por el COVID-19?”, abril 2020.
11. **Policy Brief N°8 “Technology for integrity in times of COVID-19,”** of the Andean Development Corporation (CAF) and the Development Bank of Latin America.
12. **Document “Public Procurement During States of Emergency: Minimum Requirements to Ensure the Integrity of Contracts Awarded During Crises,”** of Transparency International of March 30, 2020.
13. **“Recommendations on Transparency of Information and the Audit of Public Expenditure in the context of the COVID-19 health crisis in Chile,”** of the Public Expenditure Commission. April 20, 2020.

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