

## TC ABSTRACT

### I. Basic Project Data

▪ Country/Region:	REGIONAL/IDB
▪ TC Name:	Enabling Greater Public Integrity Through Innovative Technology-Driven Solutions in Latin America and the Caribbean (LAC)
▪ TC Number:	RG-T4024
▪ Team Leader/Members:	Dassen, Nicolas (IFD/ICS) Team Leader; De Michele, Roberto (IFD/ICS) Alternate Team Leader; Vieyra, Juan Cruz (IFD/ICS); Santa Maria, Benjamin R (IFD/ICS); De Simone, Francesco (IFD/ICS); Alvarez Bollea, Maria Cecilia (IFD/ICS); Aguilar Blandon, Maria Alejandra (IFD/ICS); Kim, Seong Youn (IFD/ICS); Greco, Maria Sofia (LEG/SGO)
▪ Taxonomy:	Research and Dissemination
▪ Number and name of operation supported by the TC:	N/A
▪ Date of TC Abstract:	22 Nov 2021
▪ Beneficiary:	Ethic Agencies, Supreme Audit Institutions and OPG Points of contact in LAC.
▪ Executing Agency:	INTER-AMERICAN DEVELOPMENT BANK
▪ IDB funding requested:	US\$500,000.00
▪ Local counterpart funding:	US\$0.00
▪ Disbursement period:	30 months
▪ Types of consultants:	Firms; Individuals
▪ Prepared by Unit:	IFD/ICS - Innovation in Citizen Services Division
▪ Unit of Disbursement Responsibility:	IFD/ICS - Innovation in Citizen Services Division
▪ TC included in Country Strategy (y/n):	No
▪ TC included in CPD (y/n):	No
▪ Alignment to the Update to the Institutional Strategy 2010-2020:	Institutional capacity and rule of law

### II. Objective and Justification

- 2.1 To support technology-driven solutions to increase public integrity in Latin America and the Caribbean
- 2.2 One of the main challenges for Latin American and Caribbean countries is to promote reforms to enhance the quality of institutions and regulations, broaden access to information and strengthen the role of agencies responsible for promoting integrity. Evidence shows that the combination of transparency, access to information and technology is a great ally in promoting integrity and preventing corruption. Recently, some countries have also adopted sophisticated e-procurement, payroll, and public investment management systems to increase public sector accountability and enhance citizens and private sector participation. These systems reduce the need for human intervention, allow automated controls and keep records of financial transactions for public dissemination and analysis. Also, the data gathered can be stored and archived almost for an indefinite period. Providing they are sufficiently comprehensive with appropriate and segregated users rights, automated public finance management systems can be of major help in securing, controlling, and better analyzing financial transactions. They can also help promote integrity and prevent corruption in the public sector, as most corrupt activities leave digital traces at some point.

The IDB provides technical assistance to LAC countries to strengthen institutional capacity and to achieve higher standards of integrity, efficiency and accountability. The Bank receive a constant demand from member countries to provide assistance to improve public sector agencies responsible for transparency, integrity and accountability. These include, among other, ethics offices, anti-corruption agencies and supreme audit institutions. This demand includes, among others, providing support in Honduras and Paraguay to improve their public integrity framework, the financial disclosure policies and audit systems, combining legal and regulatory reforms with technological solutions.

- 2.3 The Republic of Korea stands as a reference of advanced policies to harness the power of technology to improve public integrity. The Korean Public Service Ethics Program, overseen by the Ministry of Personnel Management focuses - among other things - on the prevention of conflict of interest, through the following key assessments: (i) an automated property registration system; (ii) a system to report corporate gifts to public and elected officials; and (iii) financial disclosure, including the disclosure of participation in the stock market, and establishment of qualified blind trusts. Currently, through the Public Ethics and Transparency Initiative (PETI), the government of Korea has developed a tailored ethics training for public officials and has accumulated a vast experience in the assessment of integrity risks in the public sector. Furthermore, the Republic of Korea is considered a best practice reference in incorporating innovation and transformation of service delivery leveraged on ICTs.

### III. Description of Activities and Outputs

- 3.1 **Component I: Improved public sector integrity systems.** This component will contribute to: 1) strengthening the institutional capacity to detect and prevent conflicts of interest and 2) assessing the opportunity for upscaling/modernizing the public officials' financial disclosure, including a stocktaking and baseline to assess the current back-office operations and use of technology in order to encourage corruption prevention and assessments as well as citizen engagement and civil society participation.
- 3.2 **Component II: Research and knowledge sharing.** This component is intended to provide evidence-based analysis and foster the regional exchange of best practices to increase public integrity through ICT-driven solutions. The component encompasses the following outputs: (i) two (2) regional events (workshops / bootcamps); and (ii) at least two (2) evidence-based studies.

### IV. Budget

Indicative Budget

Activity/Component	Total Funding (IDB)
Improved public sector integrity systems	US\$350,000.00
Research and knowledge sharing	US\$150,000.00
<b>Total</b>	<b>US\$500,000.00</b>

### V. Executing Agency and Execution Structure

- 5.1 The TC will be executed by the Inter-American Development Bank (IDB). The general coordination and technical supervision of the operation will be in charge of the Innovation in Citizen Service's Division of the Institutions for Development's Department (IFD/ICS) of the Bank.
- 5.2 The project team is led by IFD/ICS who will supervise the TC components. Specifically, The Transparency and Integrity Cluster in ICS will be responsible for the execution of this TC since it has: (i) a proven track record in providing technical assistance in these

areas, supported by extensive technical and operational expertise in the execution of projects of this kind in the region; and (ii) experience in selecting international experts in this field to successfully implement the envisaged activities. The products will be available for countries in the region.

## **VI. Project Risks and Issues**

- 6.1 The TC is expected to face three main risks: (i) low political will to advance implementation; (ii) possibility that reforms will not be implemented due to limited capacity and/or lack of coordination; and (iii) sustainability of reforms. The first risk will be mitigated by aligning the implementation of this TC with the social and economic recovery and the ongoing plans and broader institutional reforms for greater transparency. The second will be mitigated through actions such as: (a) focusing on targeted capacity building to support early results, showcase efforts and build capacity gradually; and (b) demonstrating the value (economic, time, human resources) that comes from more efficient coordination. The third will be mitigated by: (a) ensuring that public officials understand the benefit of technology and automation as a component to increase the accountability decision-making processes; and (b) supporting the application of analytical tools to identify critical aspects for the long-term viability of project results.

## **VII. Environmental and Social Classification**

- 7.1 The ESG classification for this operation is "undefined".