Plugging the Leak: why opening governments and tackling corruption is essential to protect development finance after COVID19

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The COVID-19 pandemic exacerbating existing challenges.

Before the pandemic hit, we were witnessing reasonable progress on reforms that contribute to the wider governance and development environment - over 100 countries had developed legal frameworks for access to information,[i] the Open Budget Survey found steady progress on budget transparency across the 77 countries they track,[ii] and more countries than ever before have been opening up contracts.[iii] However, the COVID-19 pandemic exacerbated existing inequalities and policy gaps, catalyzing the rollback of some hard fought victories in advancing the Sustainable Development Goals and making governments more open and responsive.

Even among the members of Open Government Partnership (OGP) - a multilateral, multi-stakeholder partnership of 78 countries and a growing number of local jurisdictions committed to the values and principles of transparency, accountability, and participation - we saw significant setbacks. As an example - as of October 2020, journalists in 16 OGP countries faced restrictions and threats on their ability to cover the pandemic. At its peak, this was the case in 25 OGP countries.[iv]

A growing number of protests across the world in 2020,[v] show how even through the pandemic, citizens care about the protection of their civil and political rights, access to economic opportunities and transparency from governments about their decision-making, focusing resources to save lives and livelihoods rather than lost on corrupt contracts and money laundering. This is not just the case for the global south but equally in high-income countries - from France to the United States.

When the pandemic first hit, OGP launched the Open Response + Open Recovery campaign, promoting the need for transparency and accountability in how governments handled the crisis. Opaque government decision-making allows for massive mismanagement of resources that are critical to protecting lives and livelihoods. From Brazil to the United States, UK to South Africa, there have been scandals on how open contracting processes were circumvented to save time which saw emergency procurement funds being diverted, live-saving medical equipment not being delivered or ending up as faulty. Further, when data about the spread of COVID is falsified or kept secret, it affects government policy as well as citizen compliance.

No silver-bullet-reform idea, a suite of policies needed

Governments need to take a holistic approach when tackling corruption - there is no single silver bullet reform, but rather it is important to advance a set of integrated policy proposals that provide prevention mechanisms rather than only due process for enforcement after the fact.

Transparency provides a strong foundation for public accountability and building citizen trust. Access to information, including as enshrined in Goal 16 of the Sustainable Development Goals, is therefore critical for governance. During the pandemic, countries continue to see significant rollbacks in their transparency regimes. As of October 2020, one in five OGP members had suspended or altered Right to Information proceedings in response to the pandemic. Right to Information oversight agencies in some OGP countries were no longer carrying out their regular functions, which is to ensure essential information is provided to civil society, journalists and others to keep the government accountable.

The pandemic also showed how access to information could be critical to saving lives and livelihoods. In South Korea, Taiwan and New Zealand, a key to relative success in tackling the pandemic has been proactive, transparent, trustworthy communication from the government which empowered citizens to take responsible, mitigating actions, saving lives.[vi] Across the Open Government Partnership, we have seen progress on access to information including approaches to prioritize COVID19 information, proactive disclosure, minimizing exemptions, and publishing information in open data formats online and channels that address the digital divide.

While millions of lives and livelihoods are at stake as governments grapple with issues such as availability of Personal Protective Equipment (PPE), procurement and timely delivery of vaccines - including across national borders, social protection programs - a lack of adequate governance safeguards will only ensure that the massive public funding mobilized are lost to corruption scandals. Countries need to provide greater access to essential data and information, open budgets, open contracts, so their citizens can follow the money. Steps that governments could take include to publish all data and information about procurement in a timely manner and accessible formats, according to the Open Contracting Data Standard. All emergency procurement should be specifically tagged in order to enable the public to track and monitor this information. For example, in Paraguay, and Colombia data on budgets and contracts are published and available for civil society monitoring. South Africa's Vulekamali platform has started to publish COVID-19 budgets and contracts, and engage citizens, marginalized communities, women, youth, for feedback and oversight.

One of the most common forms of grand corruption is through money laundering. Money laundering fuels illicit criminal activities, drains money from public coffers that could fund essential public services like healthcare and education, and exacerbates inequalities. More importantly, as we have discovered recently, it also funnels dark money into disinformation campaigns and destabilizes electoral processes leading to erosion of democratic institutions.

To stem these illicit financial flows, countries should implement reforms as establishing a public and open beneficial ownership register to end anonymous companies. Countries including Armenia and Nigeria are advancing on their beneficial ownership transparency commitments as part of their biennial Open Government Partnership action plans, as a key element of their pandemic recovery and response agenda. Furthermore, there is a need to ensure that reform to promote transparency of company ownership reform sits within a broader anti-corruption ecosystem. Governments need to ensure that adequate oversight mechanisms are in place to prevent misuse of institutional power with impunity, safeguards to protect data reporting, those in power do not benefit from public money, hidden company ownership is not able channel money

from public contracts out of the country and into tax havens, that legal frameworks on asset declaration and conflict of interest are in place, along with whistleblower protection laws to protect those who uncover systemic corruption through opaque channels.

Going beyond transparency

A note of caution is needed to recognize that open data and transparency alone are not enough to tackle corruption and strengthen democracy. Transparency establishes the necessary infrastructure, but there is the need to go beyond transparency for transparency's sake and instead towards transparency for results which have the power to change the culture of government. The pandemic has shown that trust is vital for effective governance, but it can only be restored by bringing government closer to citizens and ensuring people feel they have a voice beyond elections.

Ensuring that power is not concentrated in any one individual or institution is critical to stem corruption, across the different organs of the state. The pandemic surfaced several instances of strong executive control, diluting opportunities for public oversight. As of October 2020, legislative oversight was limited in seven OGP countries, where the executive branch can rule by decree, and decisions could go unchecked. This number sawn a sharp rise in June. While data shows some governments are now setting time limits for their emergency measures, overall this trend shows how easy it is for executive power to be misused, since those legislatures, audit agencies, ombudsman offices are critical to ensuring government oversight.

In some countries, governments were quick to respond to civil society demands for greater information. In the Netherlands, the government convened discussions with civil society and journalists following criticism about the slow down in response times for Right to Information requests. In Latvia, the government responded to civil society demands on procurement transparency and published emergency contracts online. In OGP we have seen governments as diverse as South Cotabato in the Philippines to Italy devising ways to create more channels for sustained participation of citizens.

Finally, the wider ecosystem outside the state that preserves government accountability saw the most worrying trends. Several governments used the pandemic as a route to restricting space for civil society and underrepresented communities, and curbing media freedoms. As of October 2020, many months after the pandemic first hit different parts of the world, about 10 countries continued to restrict media freedom. Two worrying trends that have worsened even just over the past few months - is the rise in state surveillance and spread of disinformation. This was a trend across countries in the global north and south.

Importance of coalition-building and collective action in 2021

2021 is an important moment for this community to strengthen the links between tackling corruption, including to strengthen democracy, and for the governance and development communities to advance on SDG16 as a way to deliver on the other global goals.
Looking ahead at the opportunities in 2021 - there is the need to build a shared roadmap for collective action. There are several key forums this year that provide a specific opportunity for

governments and other sectors to highlight the need for these cohesive anti-corruption reforms. Most prominently, the UNGA Special Session on Corruption (UNGASS), the FACTI panel, the HLPF 2021, are key forums linked across the UN processes. In addition, there are other key moments that can further bolster these efforts. The G20 are going to be developing their new anti-corruption working group action plan, under the leadership of the Government of Italy. The G7 under the UK government's presidency could be another key moment to bolster this agenda, given the UK.

An important goal across these forums should be to advance ambition on a few shared anti-corruption reform areas, not to find the lowest common denominator. It will also be important that these forums show action on implementation, rather than only be restricted to speeches and communiques, important though they may be. It will also be critical to have civil society at the table at these meetings with dedicated space for their engagement in shaping these policy priorities, in addition to ensuring there is a roadmap to implementation at the country-level, also involving civil society.

For instance, in some countries OGP action plans have been used as instruments to translate global commitments into concrete country actions. Following the 2016 London Anti-corruption Summit, several OGP members - ranging from Afghanistan to Nigeria, implemented their summit commitments through OGP action plans, co-creating the specific policies with civil society. For these international forums to be meaningful, it becomes necessary to ensure that domestic coalitions and implementation mechanisms are in place. It is critical to join up the dots - not just with those on the SDG16 review but for individual policy follow up.

Within OGP, these global opportunities will be multiplied in 2021 when a record 100 national and local governments will co-create action plans with civil society. 2021 will also mark OGP's 10th Anniversary and South Korean President Moon will host the OGP Global Summit next December inviting all OGP Heads of States and the community of reformers. These will provide a global platform and incentives for reformers to advance and showcase the most transformative reforms among the 100 action plans that tackle the crises.

Neither the government nor civil society can fight corruption alone. We need to forge stronger coalitions between civil society activists, including moving beyond those that work on anti-corruption issues to pushing for change from the outside and committed reformers opening up opaque systems from the inside, because even corrupt governments are not monolithic entities. This has been our key learning from OGP's work over the past 10 years. At the core of OGP is a domestic dialogue between government and civil society who co-create a set of open government commitments that are locked down in two-year action plans. The dialogue helps governments gain trust and buy-in for their reforms. We have found from OGP that a structured channel for civil society to be partners in co-creation and implementation of reforms as OGP's domestic "Multi-Stakeholder Forums" provide. In OGP - we also provide a significant emphasis on independent reporting as OGP's Independent Reporting Mechanism (IRM). The progress of each member is independently monitored - both on the ambition and delivery of the commitments taking forward through OGP action plans as well as on the quality and depth of the collaboration. The OGP members that tend to go farthest in terms of implementation is where domestic coalitions are the strongest.

[i] According to the Global RTI ratings available at https://www.rti-rating.org/country-data/

[ii] For the 77 countries assessed in every round between OBS 2008 and OBS 2019, the average global score for the OBS measure of budget transparency – also referred to as the Open Budget Index – has increased by 20 percent, from 41 to 49 out of 100. Accessed on January 29, 2021.

[iii] https://www.open-contracting.org/worldwide/#/. Accessed on January 29, 2021.

[iv] State of Open Government during COVID19. https://www.opengovpartnership.org/state-of-open-government-during-covid-19/. Accessed on January 29, 2021

[v] Worldwide protests in 2020: A Year in Review. https://carnegieendowment.org/2020/12/21/worldwide-protests-in-2020-year-in-review-pub-83445 Accessed on January 29, 2021

[vi] Lessons Learned from Taiwan and South Korea's tech-enabled COVID19 communications, The Brookings Institutions. https://www.brookings.edu/techstream/lessons-learned-from-taiwan-and-south-koreas-tech-enabled-covid-19-communications/. Accessed on January 29, 2021