

**Uraía Platform
Inspiring Practices Catalogue**

**Interview with Valentina Rigamonti, Regional coordinator for western
Europe
Transparency International**

About Transparency International (TI): Created in 1993, TI is a non-governmental organization which goal is to stop corruption and to promote transparency, accountability and integrity at all levels and across all sectors of society. Based in Berlin, it has more than 100 representations around the world.



1. According to you, what are the links between transparency, fight against corruption, municipal finances and SMART technologies?

We can identify two main dynamics. First, we observe that if the citizen knows how tax money is being spent, they will be more willing to pay their taxes. To achieve this, local governments can increase transparency, citizen engagement and accountability, which will in turn improve the trust of the citizen in the administration and, in the long-run, it may raise compliance in paying taxes. Secondly, we observe that local governments lose a lot of potential revenue due to tax evasion and fraud. If the administration fights corruption, it might increase its revenue rapidly and significantly. The main way to fight corruption and increase trust of citizens in the administration is to implement transparency and participation initiatives, and SMART technologies offer great opportunities to do so. Such initiatives may reduce citizen

passiveness, increase city revenues and reinforce municipalities' investment capacity and ability to offer services of better quality to citizen.

2. What work Transparency International is doing to fight corruption in local governments with the support of SMART technologies?

Anti-corruption initiatives often focus on abuses and illegal practices at the national level. Yet significant power is increasingly vested in local government that are responsible to deliver public services to their citizens. This proximity to the people and the discretion that local officials have in exercising their functions can make local governments highly vulnerable to corruption. In parallel, we observe that technology and web and mobile-based initiatives are more and more seen as democratic tools that can reshape the interaction between citizen and government and also change the fight against corruption. Thus, TI develops several actions related to local governments and technology, including the following examples¹:

Tools to monitor local government performance

- Online monitoring systems that engage the population in the oversight of services, such as creating a Smartphone application where citizens can flag problems and the information is sent directly to the public administration. TI has implemented such initiatives in a variety of countries.
- Tools reporting corruption include: physical offices such as the Advocacy and Legal Advisors Centres (ALAC) that exist in 50 countries, telephone hotlines, or online complaint mechanisms. Among other examples, TI has developed complaint mechanisms in Honduras in 2013 for increased transparency in the procurement of medical material; and in Morocco in 2012 where it created a website that allows citizen to report bribery.
- Rankings and indices of local governments transparency, integrity and accountability are effective advocacy tools to foster upward competition between governments. TI National Chapters develop Municipal Transparency Index to assess and rank a selected number of municipalities within a country. Municipal Indexes have been implemented in Spain, Portugal and Slovakia².

Tools to prevent local corruption

Integrity Pacts³ (IP) are a tool developed by TI in the 1990s for preventing corruption in public contracting, both at the national and local level. They are an agreement between the government agency offering a contract and the companies bidding for it that they will abstain from bribery, collusion and other corrupt practices for the extent of the contract. To ensure accountability, Integrity Pacts also include an independent monitoring system (the social witness) typically led by civil society groups, which are often TI's national chapters. When one of the parties violates these terms it is liable to sanctions, which could include blacklisting, contract revocation or forfeiture of bid bonds. The transparency agreement covers the whole cycle of the project, from the preparation of tender documents until the last phase of implementation. Integrity Pacts have been applied in more than 15 countries and 300 separate situations. Among other benefits, Integrity Pacts discourage corruption and lead to more efficient outcomes by reducing purchase prices and project costs by 30 to 60%; clean operations on the part of contractors and public officials during the execution of a project; ensure that infrastructure projects and other public works are delivered efficiently, and stave off avenues for illicit gain; increase the level of transparency in

¹ For more information about TI activities to strengthen integrity in local governments:

https://www.transparency.org/whatwedo/activity/strengthening_local_government_integrity about tools to support transparency in local governance:

https://www.transparency.org/whatwedo/tools/tools_to_support_transparency_in_local_governance/3/

² On municipal indexes: TI Spain (<http://transparencia.org.es/en/index-of-municipalities-ita/>), TI Portugal

(<https://transparencia.pt/indice-de-transparencia-municipal/>) and TI Slovakia (<http://zupy2015.transparency.sk/sk/sets/zupy-2011/rank>).

³ About the integrity pacts: https://www.transparency.org/whatwedo/tools/integrity_pacts/4/

public procurement and contracting processes. This, in turn, leads to greater confidence and trust in public decision-making and public decisions, reduces litigation over procurement processes, enhances competition in the business sector by having more bidders competing for contracts. Integrity pacts can also encourage institutional changes, such as the increased use of e-procurement systems, simplified administrative procedures and improved regulatory action. The cost of implementing an IP may vary depending on the implementation arrangements, the activities included in the process and the complexity of bidding procedures, but experience has shown that they remain a very small percentage of the project costs and can be covered by different sources: the authority's own resources; contributions from donors or project financiers; bidders' fees, or a combination of these.

A recent example is the implementation of Integrity Pacts in four local districts in Rwanda in 2012. Initially on a pilot basis, the IP tool monitored two projects related to infrastructure and water supply contracts in each district. Integrity pacts were signed between the local governments and the bidders under the supervision of an independent monitor. As of 2016, 22 types of infrastructure projects including roads, water, electricity facilities and buildings were monitored. All monitored projects have a total value of 21.6 billion RW. This corresponds to 55% of the 4 selected districts' development budgets. As TI-Rwanda advocated for the active inclusion of concerned citizens, a new web-based tool called Civil Society Procurement Monitoring (CSPM) was created to enhance the process of procurement oversight by representatives from communities in their districts. CSPM is inbuilt in all the phases of the tendering process namely, planning, bidding, evaluating, implementation and monitoring. Through CSPM tool, citizens got involved in anonymous reporting to complain about theft and mismanagement in the project. Districts complied with procurement guidelines and no bribery was detected during the project implementation. National stakeholders involved in the procurement oversight, managing of local government and public financial management discussed issues linked to improving public procurement.

Tools to assess local corruption risks: The Local Integrity System (LIS)⁴ tool assesses the effectiveness of procedures and mechanisms to promote transparency, accountability and integrity in order to fight corruption at the local level, provides recommendations on areas for reform, and develops a follow-up action plan for strengthening local integrity in collaboration with key local stakeholders. The LIS Assessment Toolkit is designed to conduct an in-depth assessment of a small number of local government units in a given country based on a series of indicators that allow to identify strength and weaknesses of local system. TI National Chapter approaches the municipality to understand if they are interested in doing a LIS and if it is the most appropriate tool. The LIS is paid through the project money and not by the municipality. The implementation usually takes between 6 months and one year. Since its launch in 2014, the tool has been implemented in the cities of 5 countries: Argentina, Kenya (Kisumu and Kwale), Palestine (Ramallah), Portugal (Lisbon and Braga) and Senegal (Guediawaye).

Activities to strengthen local governments' capacity: A TI National Chapter may organize training activities for municipal officials based on the needs and projects, and anti-corruption schools addressed not only to public servants but also students and civil society organizations, such as training for trainers; anti-corruption schools⁵, etc.

Activities to foster creation of innovative tools that use SMART technologies to fight corruption: In 2012, TI organised a series of Hackathons around the world to bring together anti-corruption and technology experts to create innovative ICT solutions to corruption problems. TI is now supporting its chapters to put their ideas on mobilising people through web- and mobile-based technologies into practice.

⁴ About the local integrity system assessment:

http://www.transparency.org/whatwedo/publication/local_integrity_system_assessment_toolkit

⁵ About transparency school on anti corruption: <http://transparencyschool.org/>

Actions to spread knowledge and facilitate the exchange of experiences: TI and its chapters regularly organize anti-corruption seminars, publish reports with case studies and recommendations to improve local governance (for ex. series of case studies on how governments can use open data to fight corruption), organize webinars on specific topics (ex. use of technology in political financing in election periods).

3. What are the main obstacles that local governments may find when using SMART tools to increase transparency and fight against corruption? How this can be overcome?

One of the main difficulties we encounter is that often the legislation exists but it stays on paper, either because local governments do not want to apply it either because they cannot. There are two key elements here: dialogue with public authorities in order for them to understand the benefits of fighting corruption; and training so they know how and have the capacity to comply with national regulation.

4. What are the key elements that ensure the success of a project to improve transparency and fight against corruption? What advices would you give to local governments wishing to implement such projects?

TI has established a few principles and standards that, if followed by local governments, should ensure good governance and greater trust between citizen and administration. Principles include: transparency (e.g. access to information); accountability (e.g. elections; media independence; people's participation); and integrity (e.g. rule of law; ethical conduct). Standards identify concrete measures that local governments should take to make sure that these principles are realised. Although it is important to know that contexts vary a lot and thus adaptation to local context is key, when we talk about SMART technologies and municipal finances, a few examples of standards and recommendations are:

- Rules and regulations for revenue collection must be clear, transparent and simple.
- Citizens should be able to access information on taxes and administrative procedures.
- All information about taxpayers and subscribers to services must be managed in electronic databases.
- Tax appeals mechanism should exist and be functioning.
- Provide fully transparent and comprehensive information to the public about how the money is collected, how much is collected and how it is spent.
- Reporting should be facilitated through a complain mechanism, and victims and witnesses of corruption must be anonymous and protected.

Other issues that are key to ensure the success of projects using SMART technologies to fight against corruption and reinforce transparency in city management include:

- A strong political will from the local government to work closely with TI.
- A lot of dialogue to make sure all parties are on board and understand why the project is needed.
- Establishing a feedback loop to make sure there is a follow-up after complains and corruption reports. When citizens report corruption cases, they expect at least a reaction, if not a solution to their problem. This is one of the most difficult challenges to tackle when building a reporting tool.
- E-government policies help but real clear codes of conducts are also very important. A simple example is to show how much public servants earn.
- Training and capacity building of the municipal team is very important to ensure the success of any SMART project. National governments can play an important role in this matter, particularly to assist local administrations in developing necessary skills and be prepared to adapting and complying with new national legislations regarding transparency, accountability and fight against corruption.
- To work with a third neutral party in initiatives to fight corruption: the citizen may trust more an independent institution as it ensures protection of witnesses, transparency of denunciation, and

follow-up in justice. TI for example often play the intermediary between the citizen and the local administration when it comes to complaining mechanisms.

- SMART projects have costs that must not be underestimated. This includes the cost of technical development but also human resources. It may be important that the local government have a dedicated team to manage transparency and anti-corruption SMART projects.
- Local governments must remember that technology is a tool to empower citizens, raise awareness, show areas needing improvement and pressure authorities. But it is not a solution that will ensure the end of corruption. SMART technology is not enough to change cultures or amend laws ... only people can do so. It is imperative to remember that online tools should be part of a broader strategy of engagement and participation.