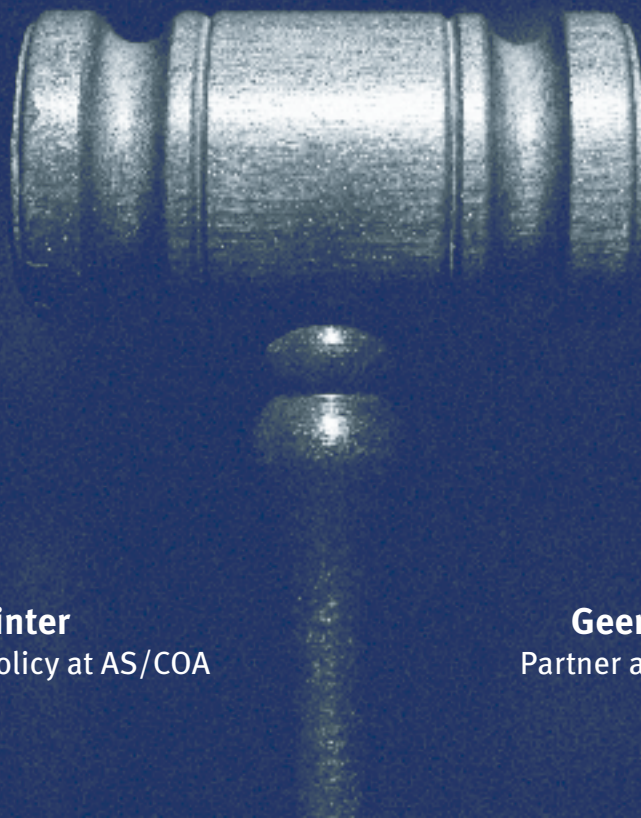


The Capacity to Combat Corruption (CCC) Index

Assessing Latin America's ability to detect,
punish and prevent corruption

2021



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WHO WE ARE



Americas Society and the Council of the Americas is the premier forum dedicated to education, debate, and dialogue in the Americas. Its mission is to foster an understanding of the contemporary political, social, and economic issues confronting Latin America, the Caribbean, and Canada. Views expressed in this report do not necessarily reflect those of AS/COA or its members.



Control Risks is a global specialist risk consulting firm that helps clients create organizations that are secure, compliant, and resilient in an age of ever-changing risk and connectivity. Our experts across 36 offices help clients investigate wrongdoing and resolve crises, and provide the insight and intelligence companies need to realize opportunities and grow.

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June 2021



The 2021 Capacity to Combat Corruption (CCC) Index

Assessing Latin America's ability to detect, punish and prevent corruption

The fight against corruption in Latin America suffered a new wave of setbacks over the past year. In several countries, the COVID-19 pandemic led governments and citizens to shift their focus to other urgent priorities, giving politicians space to diminish the autonomy and resources of judicial bodies without triggering popular outrage or street demonstrations as witnessed in years past. The widely documented erosion of democratic institutions in a number of countries continued, and there was a concerning decline in the efficiency and independence of anti-corruption agencies in almost all countries. The perceived errors and abuses committed by a number of high-profile prosecutors and judges in recent years also contributed to a decline in popular support for the anti-corruption movement that emerged in much of Latin America in the mid-2010s.

The tragedy of all this is clear: Efforts to combat corruption are more needed in 2021 than ever before. Latin America has been among the regions hardest hit by the pandemic, both economically and in terms of number of deaths. With governments under increasing financial strain, and healthcare systems in many countries severely impaired, the pernicious effects of graft on society are amplified. As governments engage in massive emergency spending to help the most vulnerable, reduced oversight has contributed to opacity in public procurement and overspending on protective equipment, ventilators and other medical supplies. Reports of counterfeit masks and vaccines have further undermined public confidence and delayed a return to normalcy. Meanwhile, increasing doubts about the application of rule of law and about the quality of judicial institutions have undermined business confidence at a time when both foreign and domestic investment in Latin America are at multi-year lows.

There were, however, notable exceptions to these challenging trends, especially in countries such as Uruguay, Chile and Costa Rica, where the overall quality of democracy and strength of political institutions remain high. Anti-corruption bills are slowly progressing through legislatures in Chile and Colombia. In the Dominican Republic, investigations were

conducted into former government officials accused of corruption. Panama and Ecuador saw considerable improvements in the independence of their chief prosecutors and in their capacity to tackle white collar crime. Across the region, a number of countries improved anti-money laundering mechanisms and implemented more transparent procurement tools.

A DATA-DRIVEN TOOL

Against this backdrop, Americas Society/Council of the Americas (AS/COA) and Control Risks are publishing the third edition of the Capacity to Combat Corruption (CCC) Index. First launched in 2019, the Index assesses Latin American countries' ability to detect, punish and prevent corruption.

Rather than measuring perceived levels of corruption, the CCC Index evaluates and ranks countries based on how effectively they can combat corruption. Countries with a higher score are deemed more likely to see corrupt actors prosecuted and punished. Continued impunity is more likely in countries at the lower end of the scale.

The CCC Index looks at 14 key variables, including the independence of judicial institutions, the strength of investigative journalism, and the level of resources available for combating white collar crime. The Index relies on extensive data and on a proprietary survey conducted among leading anti-corruption experts from Control Risks, academia, civil society, media and the private sector. For the second consecutive year, the index covers 15 countries, which together represent almost 95% of Latin America's GDP.

The country with the highest score in the 2021 CCC Index is Uruguay (7.80 out of 10). Uruguay was followed by Chile (6.51), Costa Rica (6.45), Peru (5.66), Argentina (5.16), Brazil (5.07), Colombia (4.81), Ecuador (4.77), Panama (4.55), the Dominican Republic (4.38), Mexico (4.25), Paraguay (4.08), Guatemala (3.84), Bolivia (2.43) and Venezuela (1.40).

AMONG KEY FINDINGS:

- Uruguay finished with the Index's highest score for the second consecutive year.
- Five of the 15 countries measured saw significant declines in their scores, reflecting the deteriorating overall context detailed above. Seven countries saw their scores remain mostly unchanged. Three countries saw significant improvements.
- Latin America's two largest countries and economies, Brazil and Mexico, experienced some of the sharpest declines.
- The Dominican Republic saw by far the greatest advance in its score.

The CCC Index's goal is not to shame or single out countries, but to foster a policy-driven discussion, helping governments, civil society and the private sector identify—through data and a robust methodology—areas of success and deficiencies to be addressed.

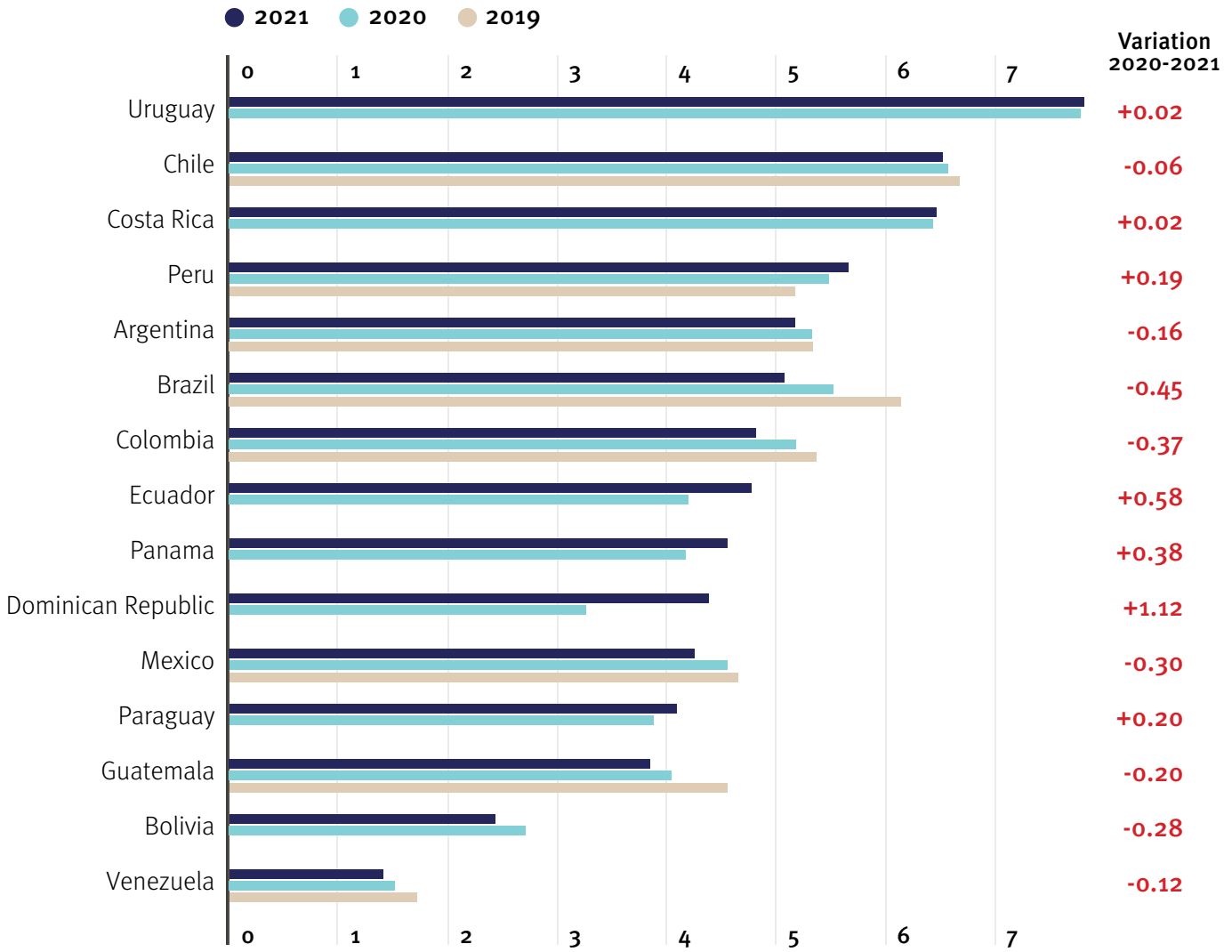
Overall Score



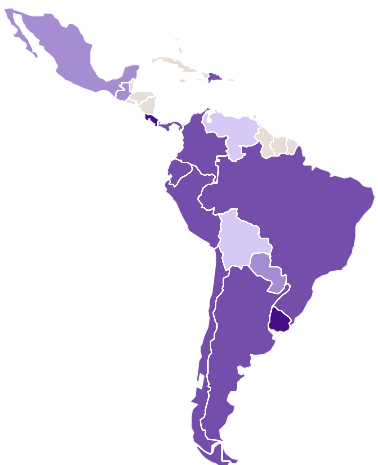
Overall Ranking

1	Uruguay	7.80
2	Chile	6.51
3	Costa Rica	6.45
4	Peru	5.66
5	Argentina	5.16
6	Brazil	5.07
7	Colombia	4.81
8	Ecuador	4.77
9	Panama	4.55
10	Dominican Republic	4.38
11	Mexico	4.25
12	Paraguay	4.08
13	Guatemala	3.84
14	Bolivia	2.43
15	Venezuela	1.40

Overall Scores



Legal Capacity



Democracy and Political Institutions

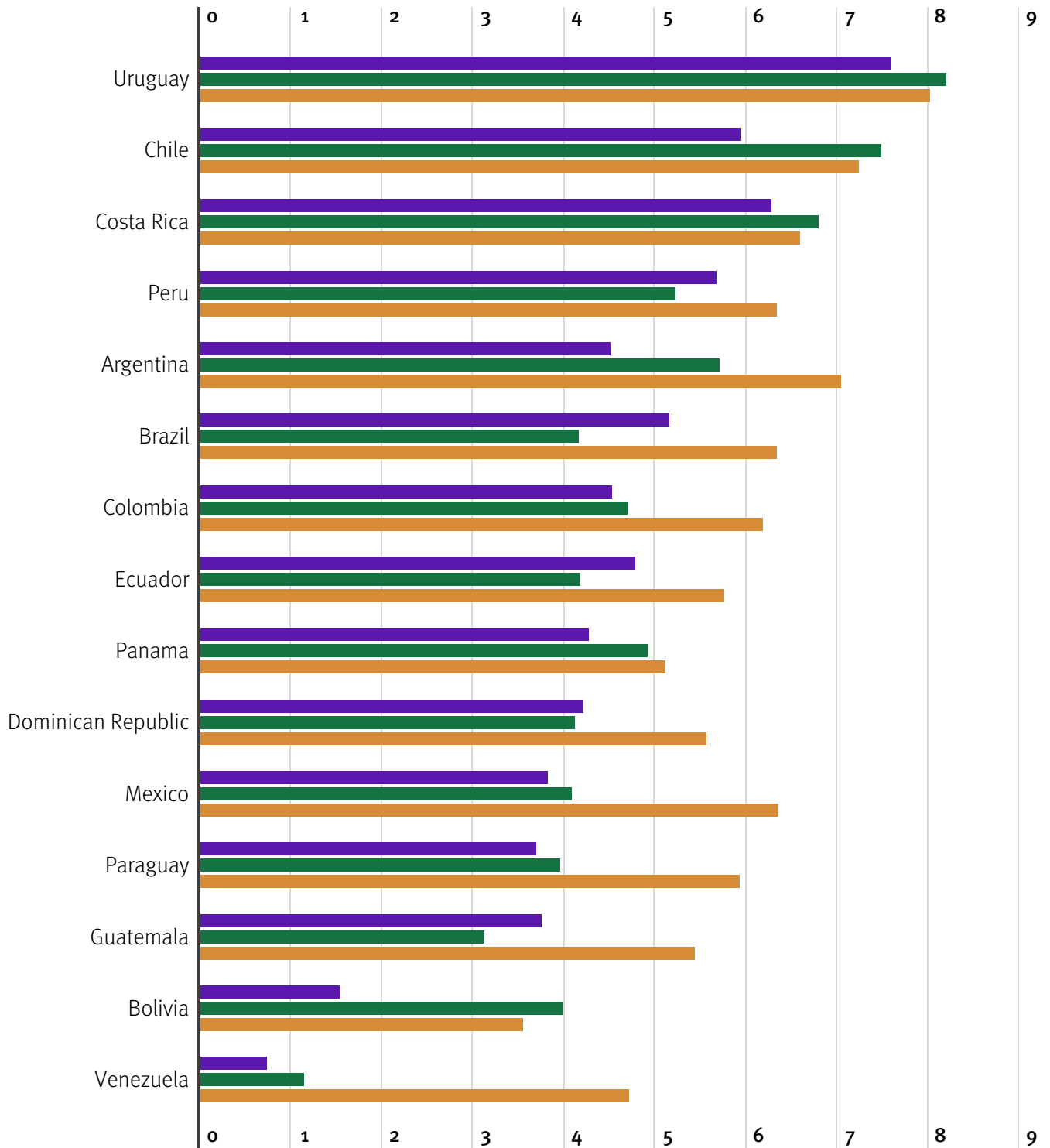


Civil Society and Media



Results by Category

- Legal Capacity
- Democracy and Political Institutions
- Civil Society and Media





URUGUAY

1
RANKING

7.80
2021 Overall Score

7.78
2020 Overall Score

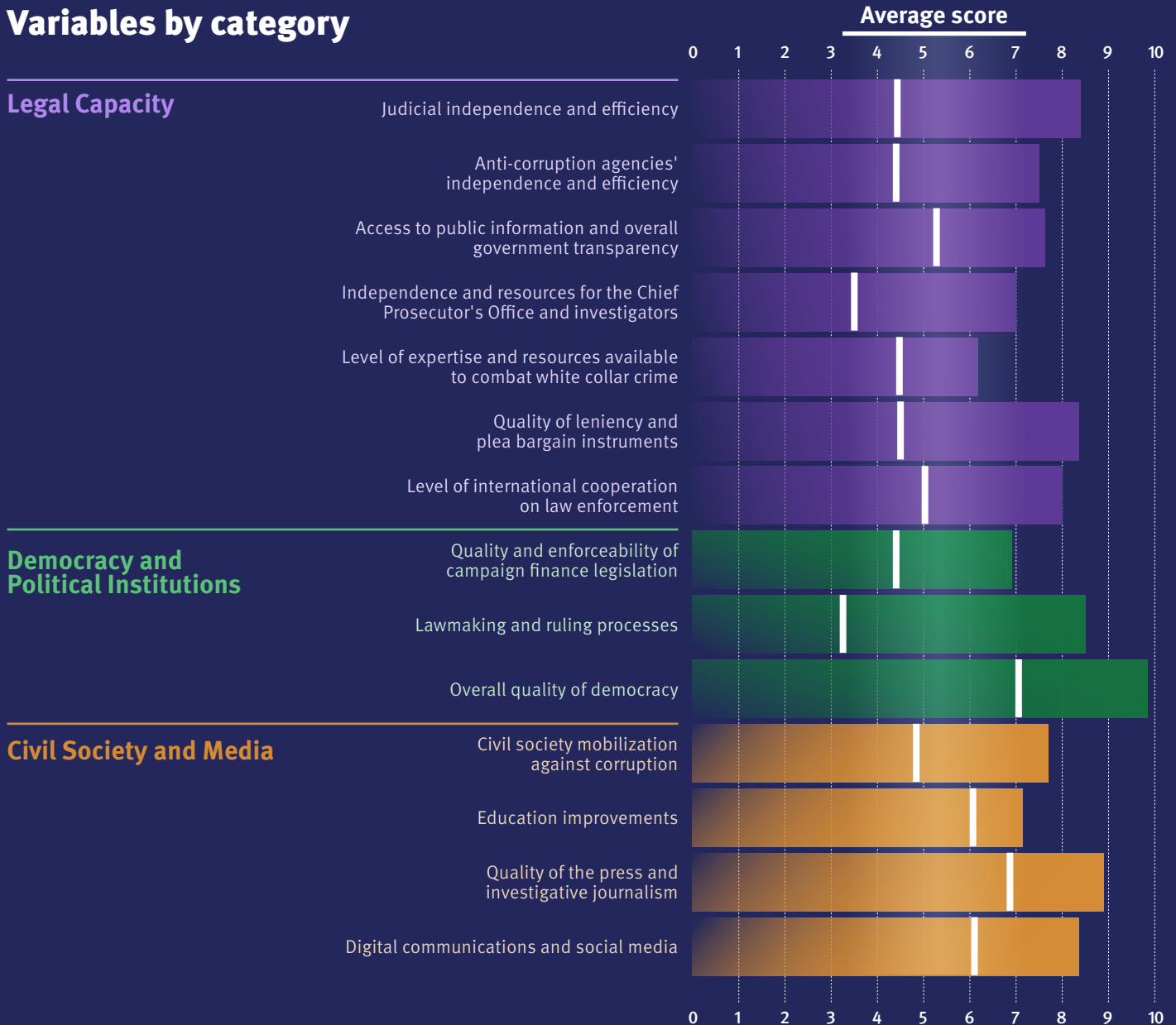
n/a
2019 Overall Score

7.59 Legal Capacity

8.19 Democracy and Political Institutions

8.02 Civil Society and Media

Variables by category





1
RANKING

URUGUAY

Uruguay placed first in the CCC Index for the second year in a row, leading all countries in all three categories. Chile is a close second in the civil society and media and the democracy and political institutions categories. Uruguay's overall score remained effectively unchanged since 2020, despite the COVID-19 pandemic and a change in government. After 14 years of center-left administrations, center-right President Luis Lacalle Pou took office in March 2020.

In the legal capacity category, Uruguay outperforms second-ranked Costa Rica by 1.3 points, or 21%. This reflects high levels of judicial independence, international cooperation and the independence of its anti-corruption institutions. On the democracy and political institutions front, Uruguay maintained its regional lead in variables such as campaign finance legislation, lawmaking and ruling processes, and overall quality of democracy. A 7% increase in the digital communications and social media variable contributed to a slight improvement in the civil society and media category.

Anti-money laundering (AML) policy remains a challenge for Uruguay—the variable measuring Uruguay's capacity to fight white collar crime fell by 5% since 2020. Despite key improvements in recent years, international watchdogs have highlighted Uruguay's need for progress in AML. Uruguay has continued to work with the World Bank and the International Monetary Fund to implement economic reforms that may lead to improvements in this area.

CRITICAL ISSUES TO MONITOR

The Transparency and Public Ethics Board (JUTEP, Uruguay's main anti-corruption agency) has faced budgetary constraints over the past year, following austerity measures from the Lacalle Pou administration that are likely to continue in 2021. Significant reductions in the JUTEP's resources and personnel could lead to setbacks in ongoing and future investigations.

President Lacalle Pou has actively worked to attract foreign investment, including in the financial sector. Some tax procedures have been simplified - coupled with relaxed restrictions over cash transactions, these may make tackling money laundering more complex.

Congress is discussing a new campaign financing law. While improvements in transparency are on the radar, a possible increase in public funding could create accountability challenges for political parties.



CHILE

2
RANKING

6.51

2021 Overall Score

6.57

2020 Overall Score

6.66

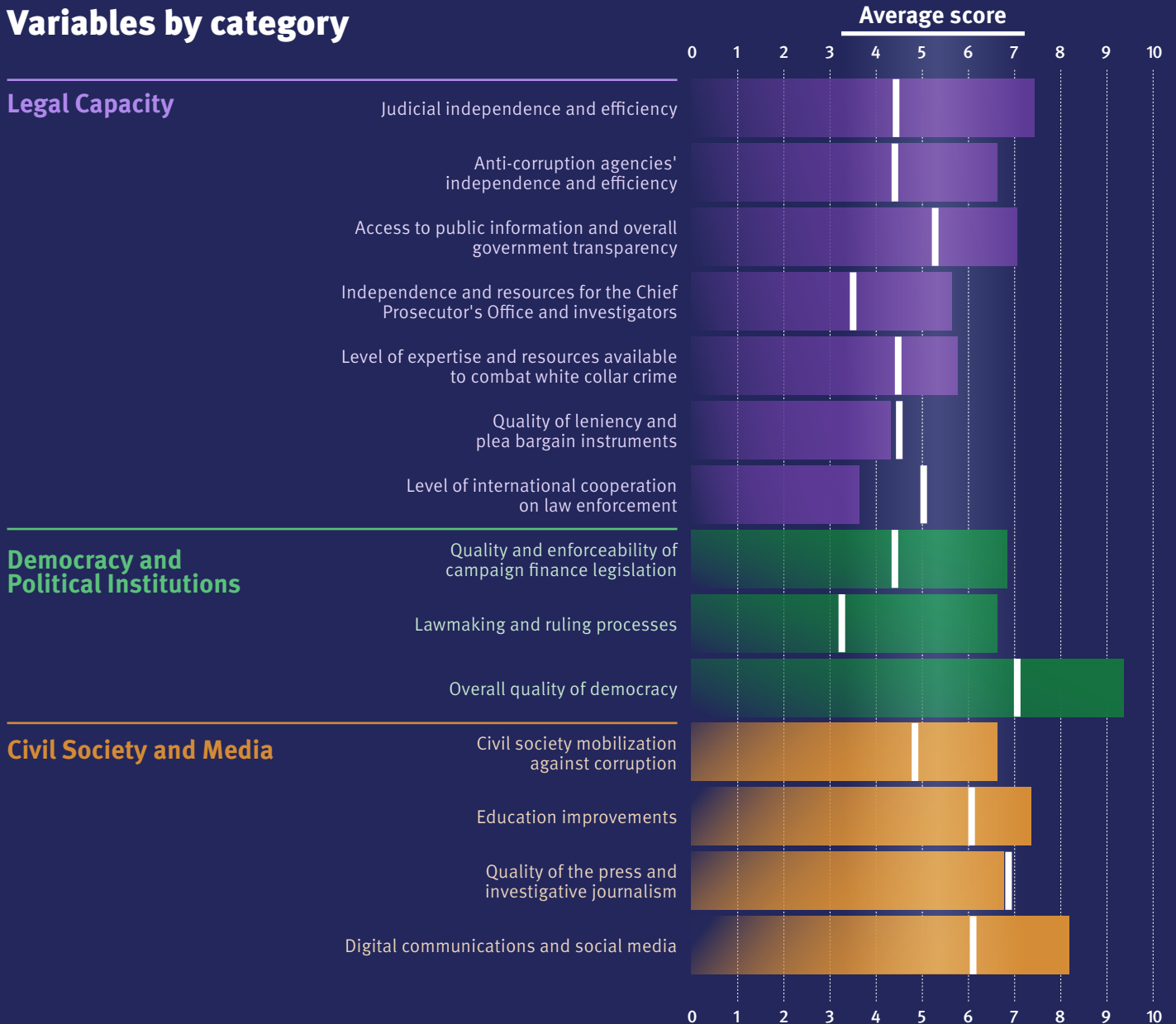
2019 Overall Score

5.94 Legal Capacity

7.49 Democracy and Political Institutions

7.24 Civil Society and Media

Variables by category





2

RANKING

CHILE

Despite a minor decline in its overall score, Chile maintained its second place standing in the CCC Index. Chile's capacity to combat corruption remained stable even following the unrest of late 2019 and the political tensions associated with the pandemic throughout 2020.

Since last year, Chile has taken steps to strengthen its anti-corruption environment. The Senate is discussing a bill to protect whistleblowers that denounce corruption. In a landmark case, former senator Jaime Orpis was sentenced to five years in prison after he was found guilty of fraud and receiving bribes to favor the interests of Chile's largest fishing company Corpesca, which was fined. Local politicians are also under scrutiny - there is an investigation into presidential candidate and current mayor Daniel Jadue for a corruption allegation involving donations to his municipality in Santiago.

Chile has maintained its institutional strength, as its steady performance in the democracy and political institutions category shows. The country's variables in that category widely outperform the regional average and closely trail the Index's leader, Uruguay. Within the civil society and media category, Chile saw a 21% increase in the variable measuring the use of digital communications and social media. However, social mobilization against corruption dropped by 13%, reflecting pandemic-related lockdowns as well as a shift in focus away from corruption to topics such as inequality, pension reform and the new Constitution.

CRITICAL ISSUES TO MONITOR

In mid-2021, Chile will begin a highly complex process to draft a new Constitution, which could include new rules that address corruption. Members of the constituent assembly from across the political spectrum would likely support steps to improve transparency and increase access to public information.

Anti-corruption bills will continue to slowly advance through Congress. Measures to address the short-term socioeconomic effects of COVID-19 will still take precedence, and other pieces of legislation may be put on the back burner.

Anti-government sentiment remains high, and any corruption cases involving public officials may fuel social tensions in the run-up to the November presidential election.



COSTA RICA

3
RANKING

6.45

2021 Overall Score

6.43

2020 Overall Score

n/a

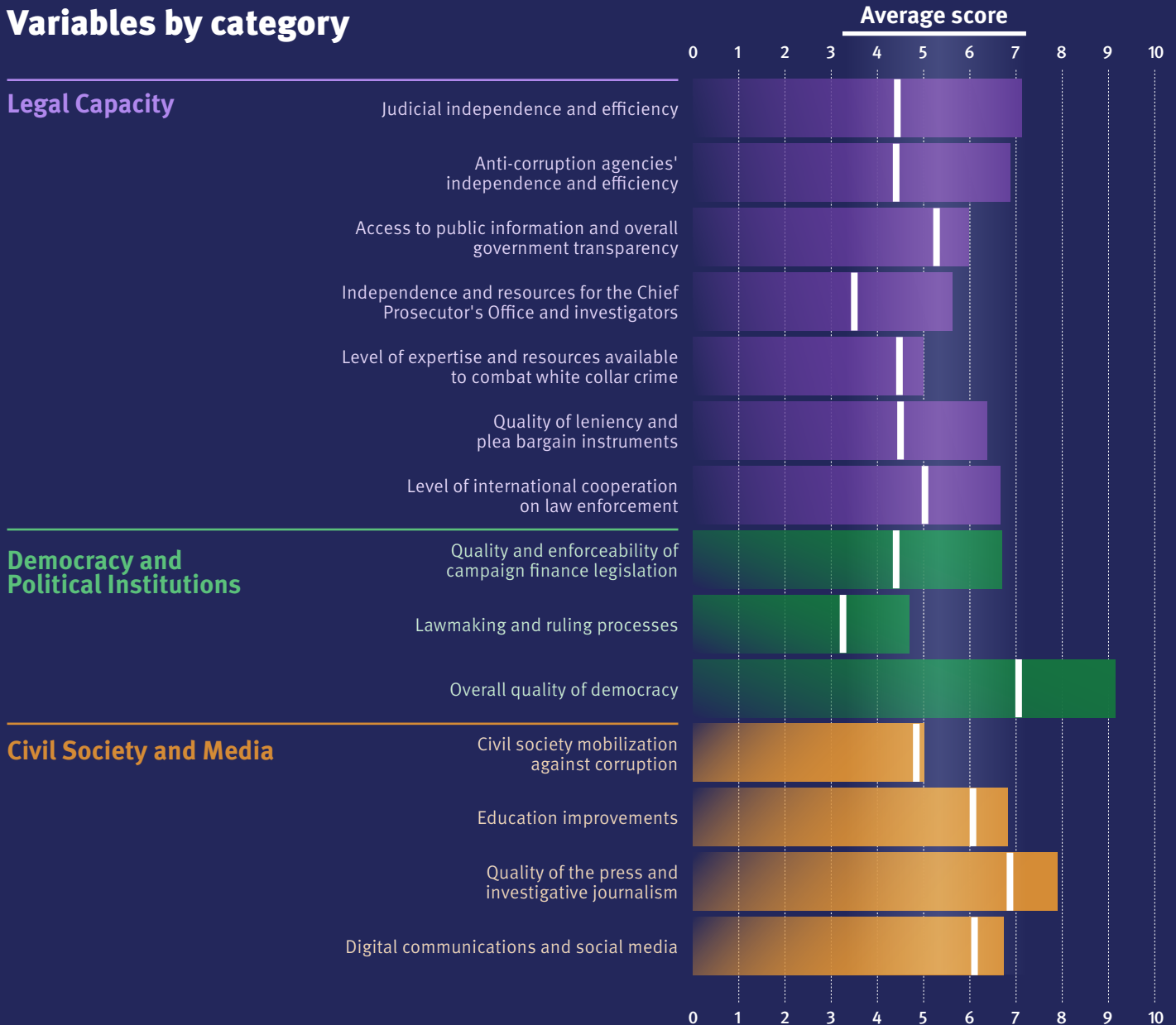
2019 Overall Score

6.28 Legal Capacity

6.80 Democracy and Political Institutions

6.59 Civil Society and Media

Variables by category





3

RANKING

COSTA RICA

As in 2020, Costa Rica placed third in the Index behind Uruguay and Chile. Costa Rica's overall score was stable, and the country again outranked Chile in terms of legal capacity, a category where it saw marginal improvements, along with the democracy and political institutions category.

While an unaltered overall score is good news in a region plagued by corruption scandals, it is also a sign that anti-corruption efforts are progressing slowly in Costa Rica. One bill to regulate lobbying activities that was first introduced in 2019 remains stalled in the legislative assembly. Costa Rica's main challenges in the anti-corruption fight are still related to complex judicial proceedings and regulatory gaps. These inefficiencies have led to stagnation even in high-profile corruption cases like the cementazo, an alleged scheme involving state officials, a public bank and imports of cement from China.

Like many countries, Costa Rica has struggled with transparency during the pandemic. Resources to address the health crisis have been misallocated and information about public procurement has been limited. Within the legal capacity category, most variables remained stable or saw slight increases except for access to public information, which decreased by 10%. In May, the legislature approved a law that seeks to promote transparency in public procurement by using a centralized digital system.

Pandemic lockdowns likely contributed to a 6% drop in civil society mobilization against corruption, which led to a minor decrease in the civil society and media category.

CRITICAL ISSUES TO MONITOR

Costa Rica had to implement anti-corruption measures to join the OECD in May 2021. The country will face increased pressure to pursue structural reforms in the near future, upon which a potential \$1.8 billion loan agreement with the International Monetary Fund is contingent.

Costa Rica is holding presidential and legislative elections in February 2022. More allegations of corruption and mismanagement during the pandemic, especially at the local level, may emerge in the run-up to the vote.



PERU

4
RANKING

5.66

2021 Overall Score

5.47

2020 Overall Score

5.17

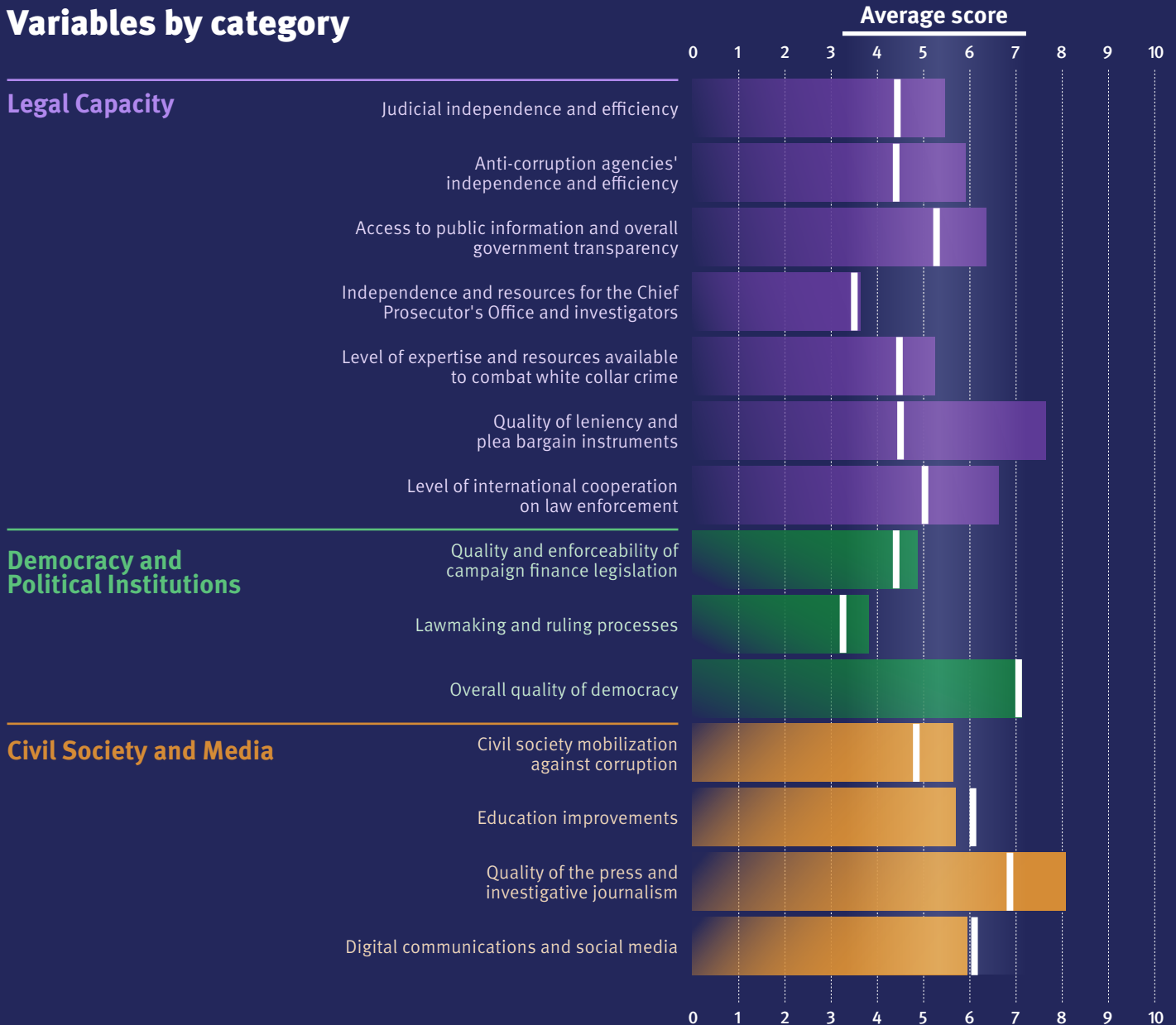
2019 Overall Score

5.68 Legal Capacity

5.21 Democracy and Political Institutions

6.34 Civil Society and Media

Variables by category





4

RANKING

PERU

Despite the political turmoil of late 2020, Peru's score remained stable, reflecting incremental progress in the anti-corruption space. The country's legal capacity score was relatively unchanged, and Peru saw an increase of 12% in the democracy and political institutions category: Peru held internal party primaries for the first time this year, and a campaign finance reform was passed in September 2020.

Although former President Martín Vizcarra has been accused of alleged corrupt practices, these advancements in part reflect the results of his anti-corruption drive. Vizcarra, who was impeached by Congress in November 2020 on corruption charges that he has denied, was then elected to Congress in the April elections. Later that month he was banned from holding public office for ten years for allegedly using his political position to receive an early vaccination in the vacunagate scandal.

Even with strict pandemic lockdowns, civil society mobilization against corruption saw only a slight setback, and in this variable Peru ranks fourth in the region. Vizcarra's ouster was followed by large protests. Demonstrations also led to the resignation of congressman Manuel Merino, who held Peru's presidency for less than a week following Vizcarra's removal.

Stagnation in the legal capacity category indicates that Peru's fight against corruption has lost some of the momentum it saw in last year's Index. COVID-19-related corruption is widespread, and lockdown restrictions have slowed the pace of judicial proceedings. Still, the National Justice Junta (JNJ), which nominates, ratifies and removes judges and public prosecutors, continues to make progress tackling corruption in the judiciary. In February, the JNJ stripped Attorney General Pedro Chávarry of his status as a prosecutor - Chávarry was allegedly involved in a corruption network, and notably removed two prosecutors leading Peru's Odebrecht inquiry.

CRITICAL ISSUES TO MONITOR

Pedro Castillo, the apparent winner of the June 6 presidential election (results were not final at time of publication of this report), has promised to strengthen anti-corruption agencies and create a national anti-corruption council over which he will preside.

Congress is highly fractured and may continue to stand in the way of anti-corruption reforms.



5
RANKING

ARGENTINA

5.16

2021 Overall Score

5.32

2020 Overall Score

5.33

2019 Overall Score

4.50 Legal Capacity

5.71 Democracy and Political Institutions

7.04 Civil Society and Media

Variables by category

Legal Capacity

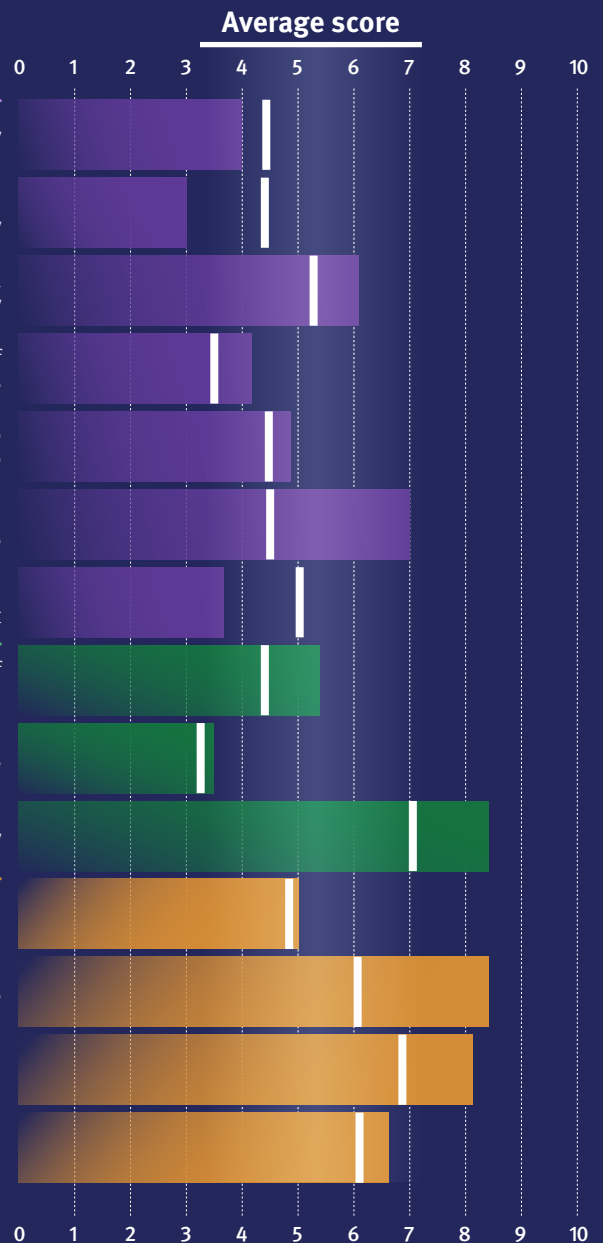
- Judicial independence and efficiency
- Anti-corruption agencies' independence and efficiency
- Access to public information and overall government transparency
- Independence and resources for the Chief Prosecutor's Office and investigators
- Level of expertise and resources available to combat white collar crime
- Quality of leniency and plea bargain instruments
- Level of international cooperation on law enforcement

Democracy and Political Institutions

- Quality and enforceability of campaign finance legislation
- Lawmaking and ruling processes
- Overall quality of democracy

Civil Society and Media

- Civil society mobilization against corruption
- Education improvements
- Quality of the press and investigative journalism
- Digital communications and social media





5

RANKING

ARGENTINA

Although Argentina climbed from sixth to fifth place in the Index's 2021 ranking, its overall score experienced a slight decline. A perceived increase in politicization of the judiciary and anti-corruption institutions during the administration of President Alberto Fernández contributed to a 7% drop in Argentina's legal capacity score. Within this category, Argentina saw the most significant reductions in the independence of both the chief public prosecutor's office and anti-corruption agencies. In October 2020, the Anti-Corruption Office withdrew as a litigant in criminal cases involving current and former government officials.

International watchdogs continue to express concern over the perceived influence that former President and current Vice President Cristina Fernández de Kirchner, a defendant in multiple corruption investigations, wields over the judiciary. In August 2020, 15 anti-corruption officials from the Financial Intelligence Unit (UIF) were dismissed, casting doubt on the UIF's independence – most of these officials played a role in corruption probes involving the vice president. However, a prominent businessman seen as close to Kirchner was sentenced to prison for money laundering in February 2021.

An 8% improvement in the civil society and media category, where Argentina outperforms the regional average in all variables, indicates the public's persistent scrutiny over corruption matters. Argentina's score in the variable measuring the quality of the press and investigative journalism increased since 2020, and the country ranks second, behind only Uruguay, in this area.

CRITICAL ISSUES TO MONITOR

Argentina's increasingly dire economic situation has contributed to a lack of resources – and personnel – for anti-corruption and law enforcement agencies.

The Fernández administration has put forth a controversial proposal for a judicial reform that, if approved, would allow the government to appoint more than 300 new judges, prosecutors and public defenders over the next two years. It was approved in the Senate in August 2020 but has stalled due to insufficient support in the lower house and other priorities facing the legislature.

Corruption will be among the key issues in the run-up to October 2021 legislative elections, when the ruling Peronist coalition has an opportunity to increase its slight majority in both houses. Opposition candidates may seek to increase the focus on corruption accusations during the campaign.



BRAZIL

6
RANKING

5.07
2021 Overall Score

5.52
2020 Overall Score

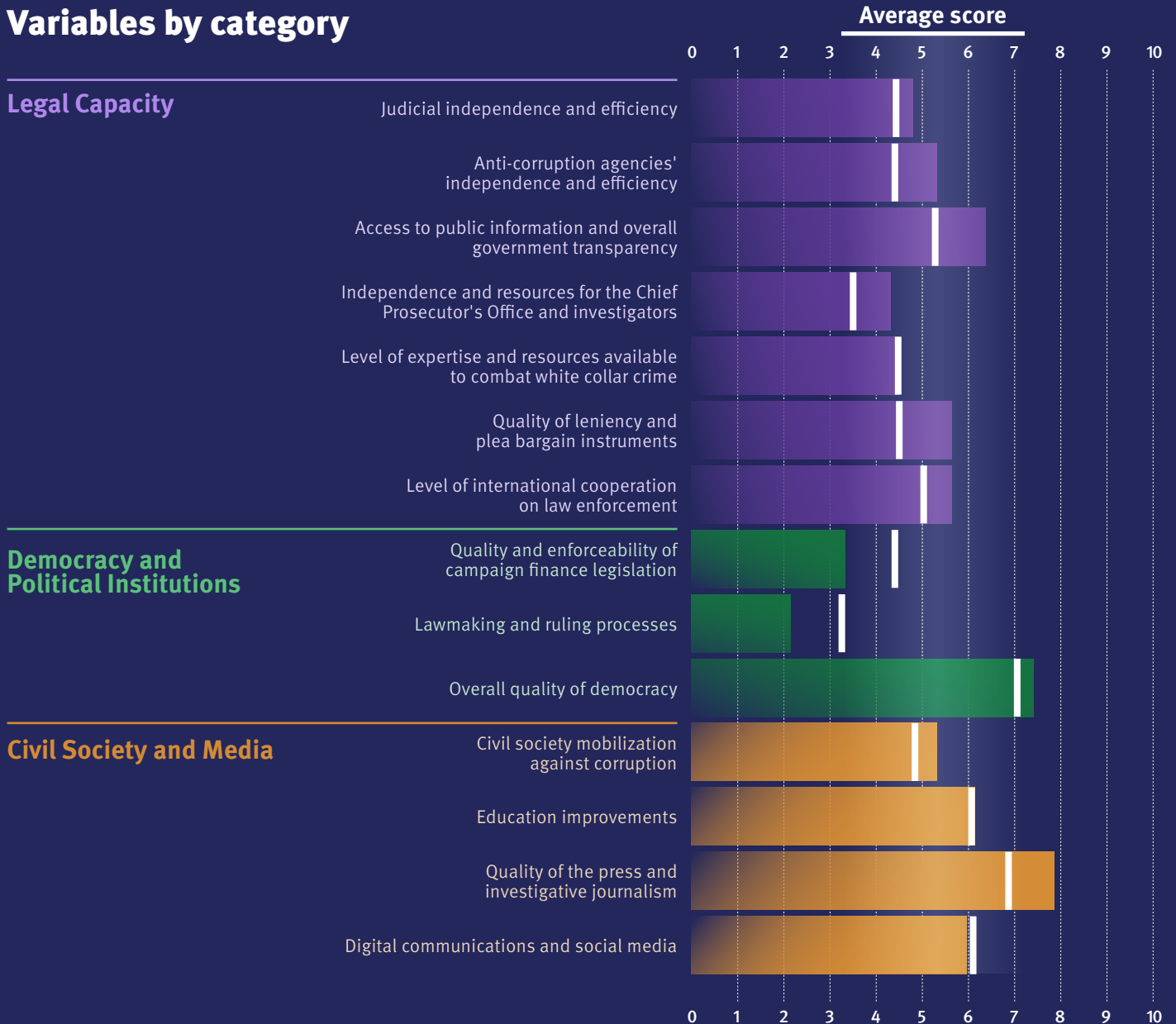
6.14
2019 Overall Score

5.15 Legal Capacity

4.16 Democracy and Political Institutions

6.34 Civil Society and Media

Variables by category





6

RANKING

BRAZIL

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Brazil has been on a downward trajectory in the CCC Index since 2019, and in 2021 it experienced the largest point drop among the 15 countries analyzed. Its overall score fell by 8% from 2020, and Brazil slipped from fourth to sixth place in the overall ranking.

Within the legal capacity category (down by almost 9% since 2020), the country had declines in the independence of both its anti-corruption agencies and the chief prosecutor's office. The Index reflects the Jair Bolsonaro administration's appointment of figures perceived as less independent to the Federal Police and the Federal Public Ministry. Investigations into transnational corruption also lost momentum, and the Lava Jato operation was dismantled in February 2021. The only improvement in Brazil's legal capacity was a slight uptick in its judicial independence, due to recent attempts to reinforce the separation of powers.

Brazil registered an 11% decline in the democracy and political institutions category, where the state of executive-legislative relations was a decisive factor. Bolsonaro's political capital has diminished throughout the pandemic, leading his allies to resort to pork-barrel politics, trading appointments and public funds in exchange for support in Congress.

Heightened levels of political polarization have also reduced civil society groups' ability to mobilize. This is reflected by a slight decrease in the civil society and media category. However, one variable in that category, the quality of the press, rose by 3%. Brazil's vibrant media ecosystem continues to provide significant scrutiny over corruption matters.

CRITICAL ISSUES TO MONITOR

The government-backed heads of the Federal Public Ministry and the Federal Police may continue to face pressure to shield the president and his inner circle from corruption investigations.

Bolsonaro will appoint a second justice to the Supreme Court in mid-2021, a key indicator of how much the government plans to increase its influence over the judiciary.

Recent court decisions have benefited high-profile defendants in the Lava Jato investigation, including but not limited to former President Luiz Inácio Lula da Silva. These rulings may affect other defendants, overturning or annulling decisions in cases adjudicated by Lava Jato since 2014.



7
RANKING

COLOMBIA

4.81

2021 Overall Score

5.18

2020 Overall Score

5.36

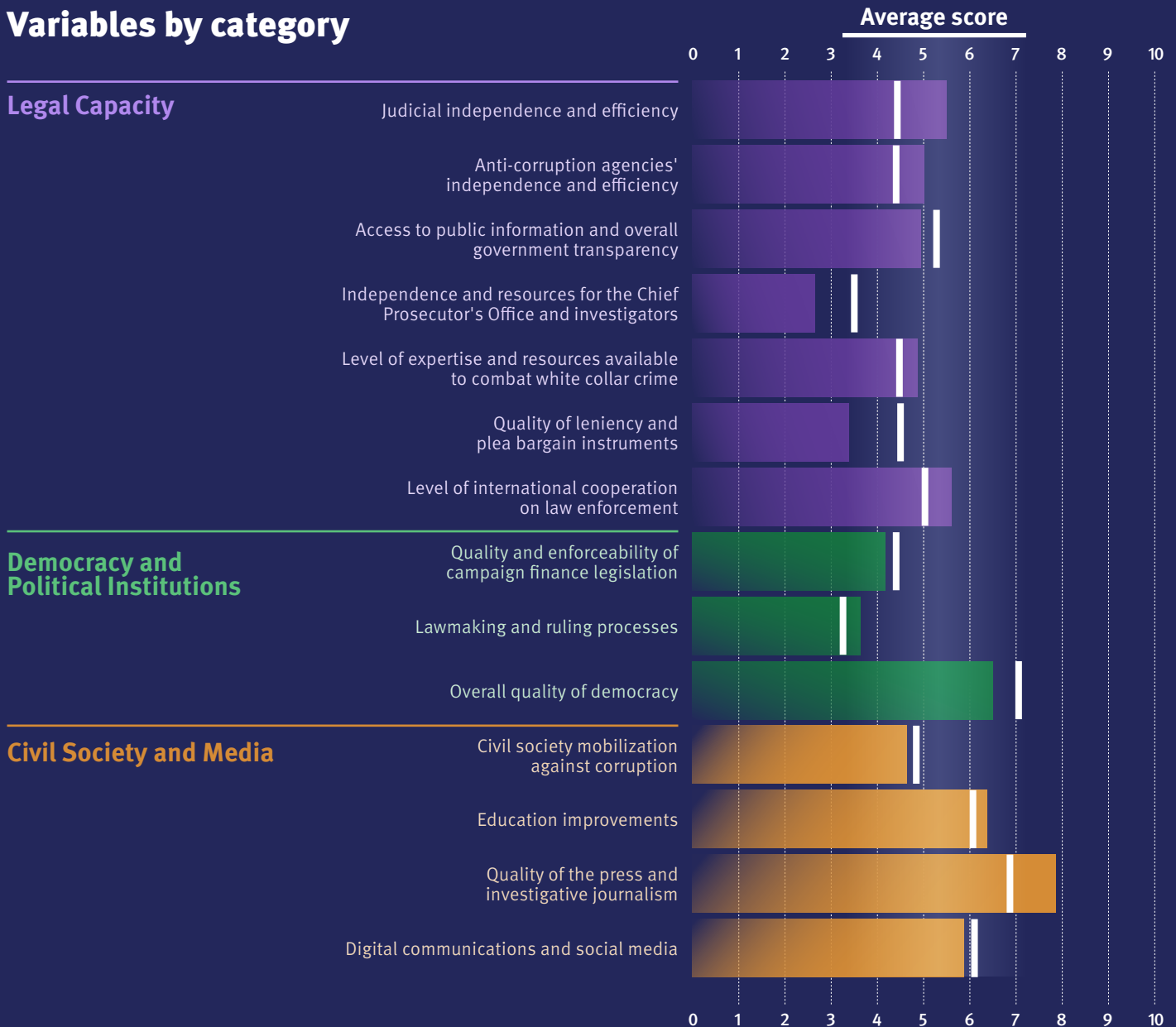
2019 Overall Score

4.53 Legal Capacity

4.70 Democracy and Political Institutions

6.18 Civil Society and Media

Variables by category





7

RANKING

COLOMBIA

Colombia continues to face challenges that affect its capacity to combat corruption. The country has been on a multiyear downward trajectory in the Index - its overall score fell by 10% from 2019 to 2021.

Almost all drivers within the legal capacity category declined, including a 20% drop in the variable measuring the independence of the chief public prosecutor and a 17% drop in the independence of anti-corruption agencies. These setbacks reflect perceptions that President Iván Duque has placed less independent figures in key positions such as the Ombudsman, Attorney General and the Inspector General, who was appointed in January 2021. Emergency spending in the healthcare sector has led to irregularities in public contracting and reports of other corruption. Transparency around these expenditures is perceived as lacking, accounting for a 21% decrease in the variable measuring access to public information.

Colombia saw a 12% increase in the civil society and media category, amid ongoing street demonstrations in which corruption is one of the protesters' many concerns.

CRITICAL ISSUES TO MONITOR

Colombia's judiciary, and the office of the Inspector General in particular, will face continued scrutiny over the possibility of political interference from the executive branch.

Presidential elections are slated for May 2022, and anti-corruption measures will be a major theme in the campaigns. There is a risk that with the political establishment focused on the elections, key anti-graft projects, including a multifaceted anti-corruption bill proposed in October 2020, may not advance.

There may be more developments in the ongoing investigation into alleged violations of campaign financing during former President Juan Manuel Santos' 2014 reelection bid, some of which may have involved Odebrecht.



ECUADOR

8
RANKING

4.77
2021 Overall Score

4.19
2020 Overall Score

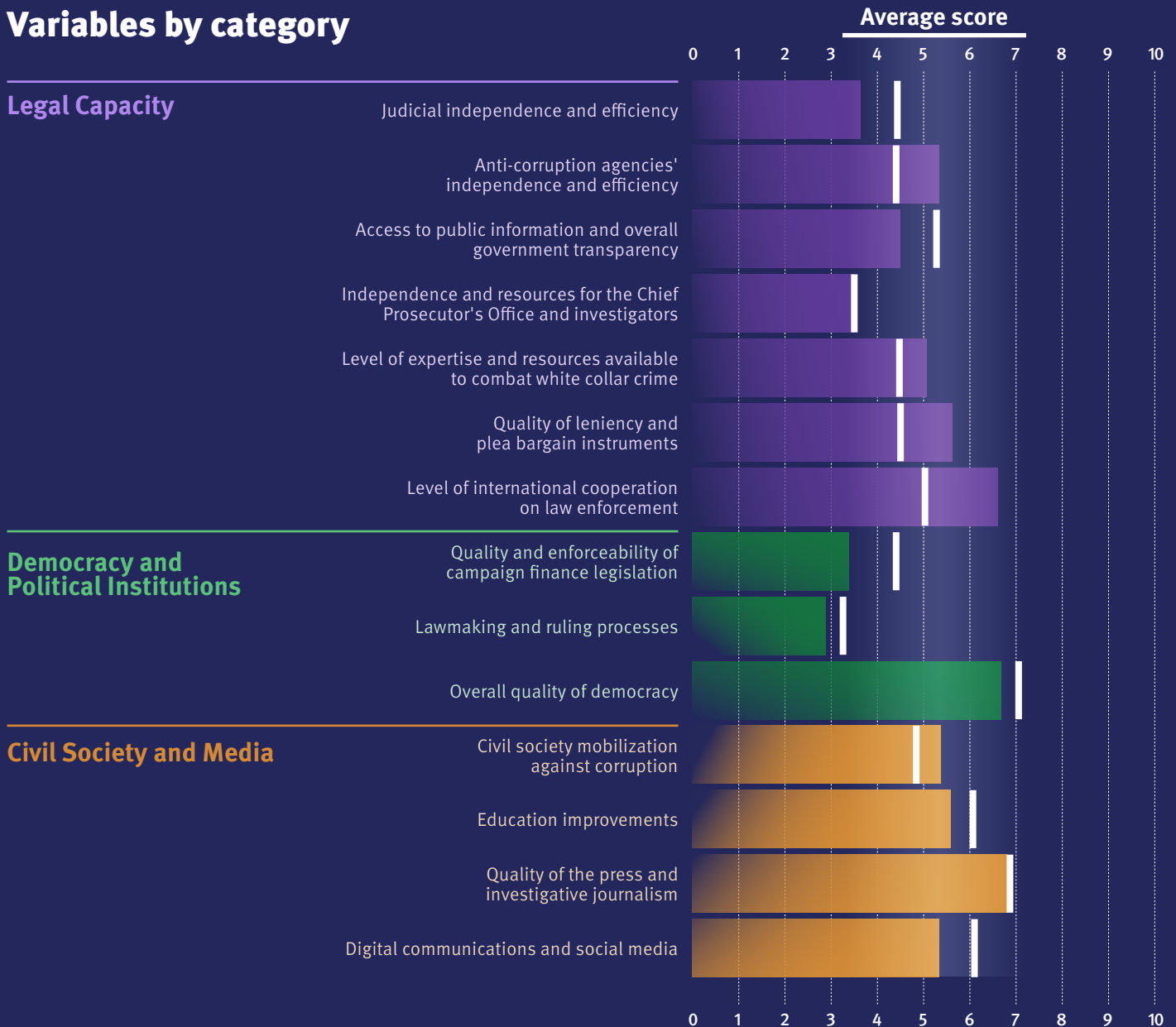
n/a
2019 Overall Score

4.78 Legal Capacity

4.17 Democracy and Political Institutions

5.76 Civil Society and Media

Variables by category





8

RANKING

ECUADOR

Ecuador, whose overall score increased by 14% since 2020, has advanced in its capacity to combat corruption. The country saw a 16% rise in the legal capacity category, with increases in the scores for important variables such as the independence of anti-corruption agencies, the independence and efficiency of the chief public prosecutor and judicial efficiency. These improvements, which placed Ecuador above Mexico, Colombia and Argentina in the legal capacity ranking, are also reinforced by Attorney General Diana Salazar's investigations. In April her office detained high-ranking current and former government officials, in a probe investigating corruption at the state oil company Petroecuador.

There has also been progress on the legislative front. In December 2020, the National Assembly approved an anti-corruption law that modifies the penal code and incorporates criminal offenses established in the United Nations Convention Against Corruption. The Assembly's approval of the Asset Forfeiture Law in January 2021 is another positive step, as it allows the state to recover assets that have illegal or illicit origins. Ecuador's 36% increase in the variable measuring the ability to combat white collar crime in part reflects these advancements.

A prison sentence against former President Rafael Correa for violating campaign finance laws was upheld in September 2020, preventing him from running as vice president in the February 2021 election. In January 2021, Correa's former vice president Jorge Glas was sentenced to eight years in prison for another corruption case involving alleged irregularities in the awarding of an oil contract.

Ecuador has seen widespread cases of pandemic-related corruption, often involving medical equipment sold at inflated prices. At the same time, civil society mobilization against corruption has increased significantly, and NGOs worked with the government to create a digital platform that tracks public procurement in accordance with the Open Contracting Data Standard.

CRITICAL ISSUES TO MONITOR

President Guillermo Lasso, whose term began in May, has pledged to combat corruption and increase government transparency and accountability. However, he lacks support in the National Assembly, which may hamper his ability to pass additional anti-corruption reforms.



PANAMA

9
RANKING

4.55
2021 Overall Score

4.17
2020 Overall Score

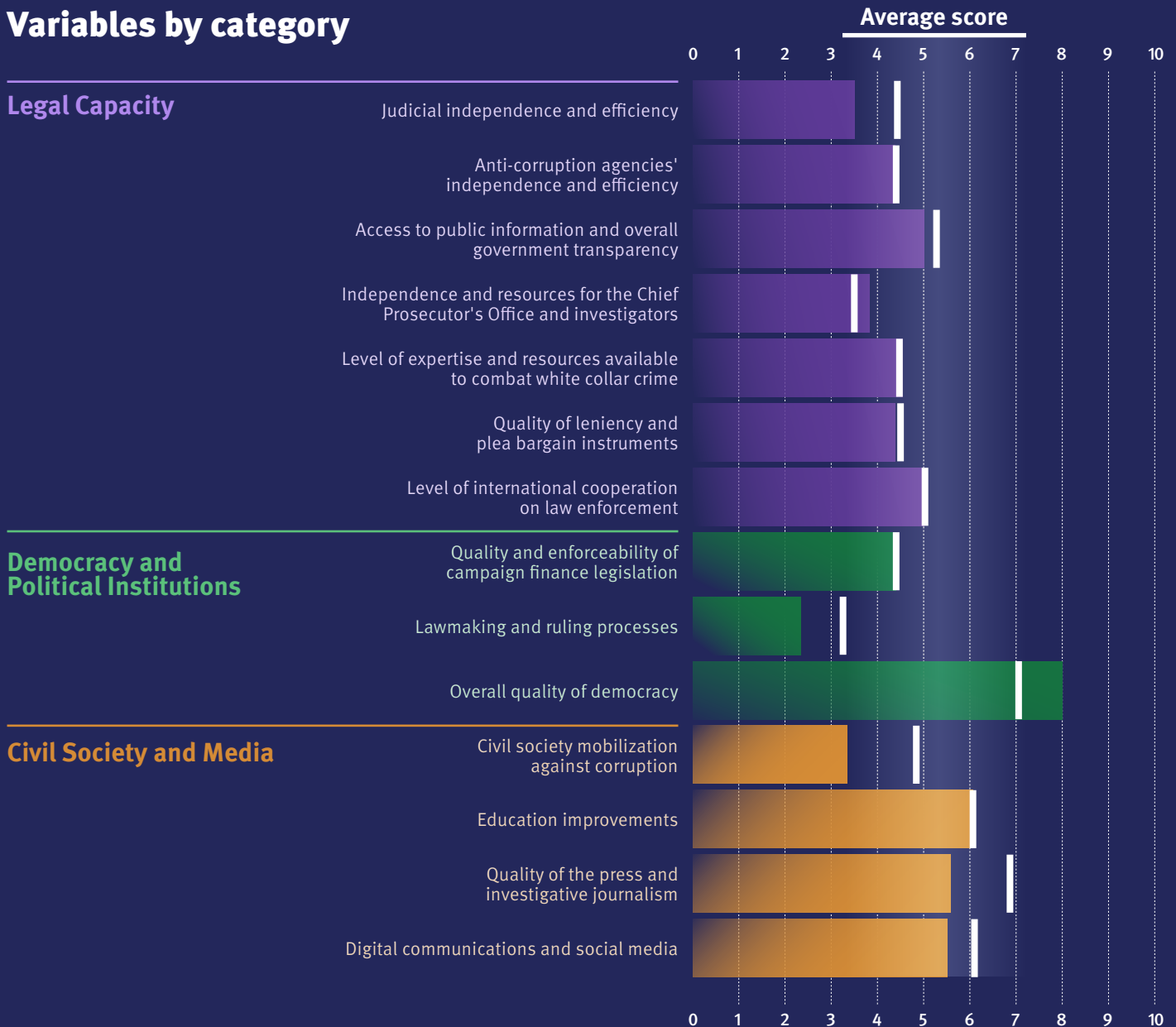
n/a
2019 Overall Score

4.27 Legal Capacity

4.91 Democracy and Political Institutions

5.11 Civil Society and Media

Variables by category





PANAMA

Although Panama remains a global money laundering hub, its performance in the Index reflects improvements in its anti-corruption environment. An increase of 9% in its overall score bumped Panama from 10th to 9th place in the overall ranking, and scores in the legal capacity and democracy and political institutions categories each grew by about 12%. The government has sought to remove Panama from the Financial Action Task Force (FATF)'s grey list of countries with deficiencies in AML and combating the financing of terrorism (CFT). Those efforts are reflected in a 21% increase in its score for combating white collar crime, putting Panama just above the regional average. In August 2020, Panama and the United States signed a Memorandum of Understanding to establish a task force of Panamanian officials that will receive training from the FBI to target money laundering networks and prosecute corruption.

Panama has also made strides to improve transparency. Last March, Panama passed a law that establishes a registry of the beneficial owners of legal entities. In September, a law creating a public digital observatory of government procurement projects came into force.

The country has seen procurement-related corruption during the pandemic, in some cases involving high-level officials. Authorities investigated attempted purchases of allegedly overpriced medical equipment by officials at the Ministry of the Presidency. Although this and other alleged scandals have caused public outrage, civil society mobilization against corruption remains weak - Panama ranks ahead of only Bolivia in this area.

CRITICAL ISSUES TO MONITOR

Developments in the Odebrecht corruption case could mark key progress in Panama's fight against corruption. Former President Juan Carlos Varela is under investigation for allegedly accepting illicit campaign donations from Odebrecht. In July 2020, the U.S. charged two sons of former President Ricardo Martinelli with money laundering and bribery related to Odebrecht. Martinelli was charged with money laundering in a separate case.

The government will continue its efforts to meet the FATF's standards on AML and CFT ahead of the FATF's next review. The effective implementation of the registry of beneficial owners will be critical to secure Panama's removal from the grey list, and could assist in corruption investigations.



DOMINICAN REPUBLIC

10
RANKING

4.38
2021 Overall Score

3.26
2020 Overall Score

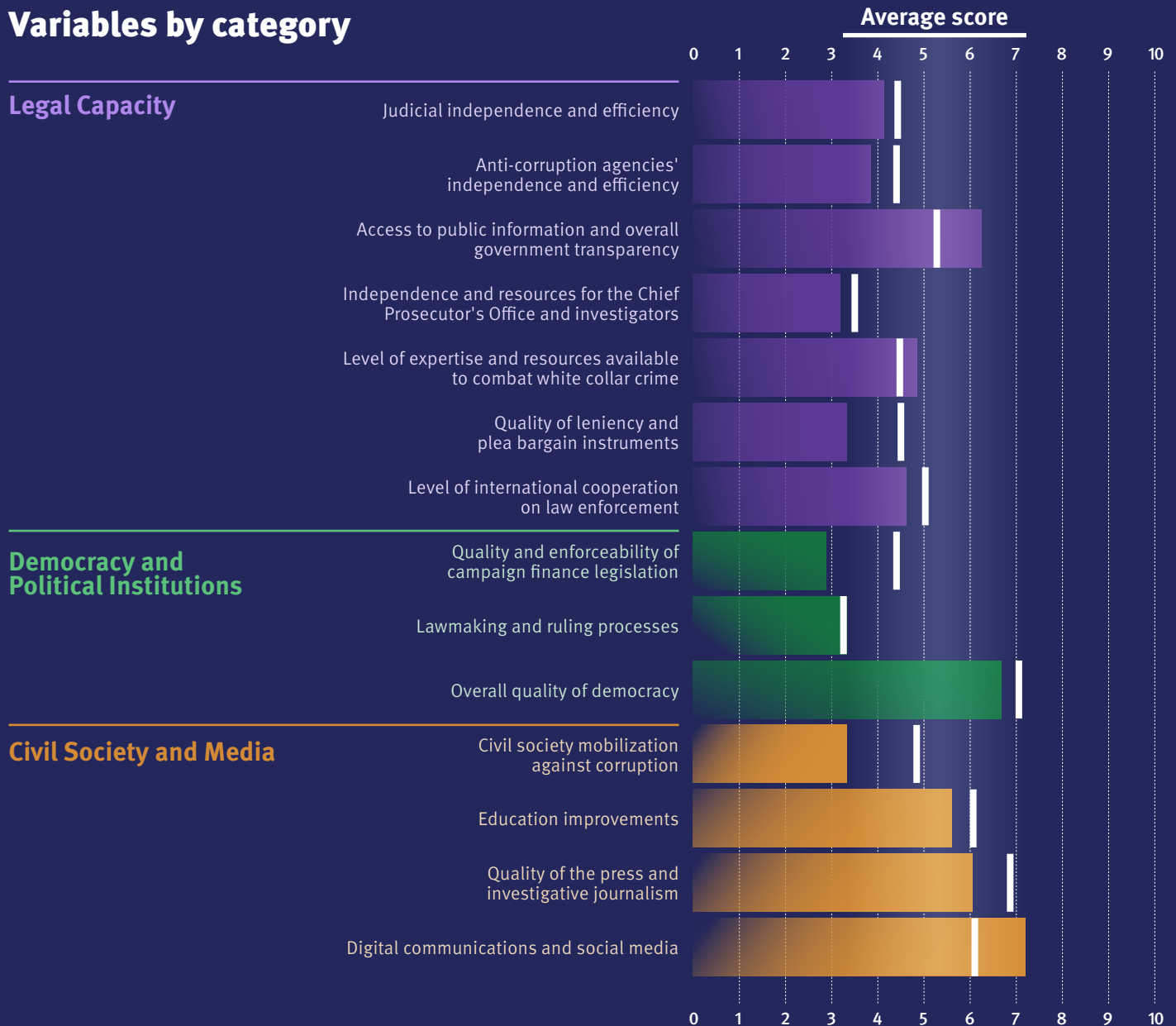
n/a
2019 Overall Score

4.21 Legal Capacity

4.11 Democracy and Political Institutions

5.57 Civil Society and Media

Variables by category





10

RANKING

DOMINICAN REPUBLIC

The Dominican Republic stands out as one of the countries that most improved in the CCC Index, moving from 13th to 10th place overall. That stated, some of the year-on-year gains are also flattered by a relatively low base of comparison from the previous year. The country's most significant advances were booked in the legal capacity category, which reflects an anti-corruption push from President Luis Abinader, who entered office in August 2020. The Dominican Republic's score in democracy and political institutions category increased by 14%, reflected in the peaceful July presidential election and political stability after the transition of power from the Partido de la Liberación Dominicana (PLD) to the Partido Revolucionario Moderno (PRM).

Abinader has sought to support inter-institutional coordination on anti-corruption matters by creating the Cabinet of Transparency, Prevention, and Control of Public Expenditures. The appointment of an attorney general widely perceived as independent contributed to an increase in the variable measuring the independence and resources for the chief prosecutor's office, although the country still remains below the regional average in this variable. Anti-corruption investigations have increased since Abinader entered office. Authorities have investigated alleged corruption in public contracts involving former officials of the Danilo Medina administration and his family members in the anti-pulpo operation. Another high-profile probe investigating an alleged corruption network during the Medina administration is underway. Anti-corruption enforcement has also affected members of Abinader's government - in February the president fired former Health Minister Plutarco Arias over the alleged purchase of overpriced medical equipment.

The country also saw a 12% increase in the civil society and media category. Improvements in the variables measuring civil society mobilization against corruption and digital communications and social media variable signal that digital activism has taken place throughout the pandemic.

CRITICAL ISSUES TO MONITOR

Anti-corruption investigations into officials from previous administrations will continue, but lengthy trials are expected. A trial of six defendants accused of allegedly receiving bribes from Odebrecht is ongoing.

Citizens are increasingly engaged in the fight against corruption, and scrutiny from civil society over the Abinader administration's anti-corruption policies is likely to increase.



MEXICO

11
RANKING

4.25
2021 Overall Score

4.55
2020 Overall Score

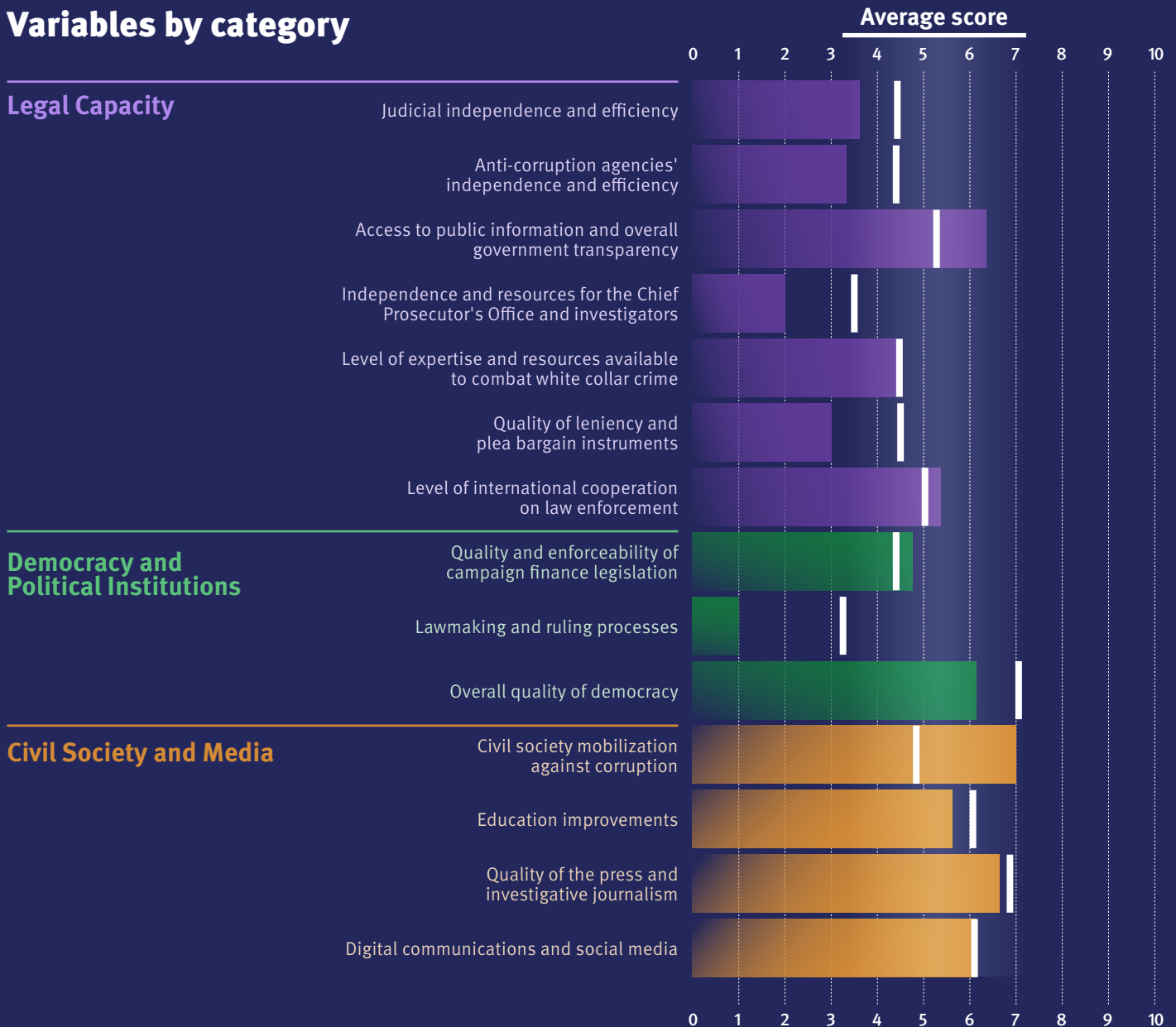
4.65
2019 Overall Score

3.82 Legal Capacity

4.08 Democracy and Political Institutions

6.35 Civil Society and Media

Variables by category





11

RANKING

MEXICO

Mexico is on a clear downward trajectory in the CCC Index - while the decline from 2019 to 2020 was only 2%, its score in 2021 fell by 7%. This drop, along with setbacks in two of the three categories, resulted in Mexico falling from 8th place in 2020 to 11th in 2021. Over the past year, President Andrés Manuel López Obrador (AMLO) has continued the anti-corruption rhetoric that he campaigned on in 2018, even declaring in a morning press conference this year that “there is no more corruption” in Mexico. However, prominent corruption cases, including former PEMEX CEO Emilio Lozoya’s, remain unresolved, while corruption allegations involving politicians including members of AMLO’s fellow MORENA party have emerged.

Mexico’s score declined by 8% in the legal capacity category, where it ranks ahead of only Venezuela and Bolivia in the variable measuring the independence of the chief public prosecutor. The National Anti-Corruption System (SNA) has not been implemented, and even saw significant budget cuts as part of austerity measures. This contributed to a 13% decline in the variable assessing the independence and efficiency of anti-corruption agencies. There has been a lack of transparency in both public procurement during the pandemic and in trust funds (*fideicomisos*), several of which have been dismantled and centralized under the executive branch.

The country fared better in the civil society and media category, where Mexico ranks 5th regionwide. Despite AMLO’s rhetorical attacks on NGOs, civil society mobilization against corruption remains strong, registering over 2 points above the regional average, second only to Uruguay. Mexico also saw increases in two variables measuring the use of digital communications and social media and the quality of the press.

CRITICAL ISSUES TO MONITOR

In the months following the midterm elections, it will be crucial to monitor whether the integrity of independent institutions is maintained. The president and members of MORENA have criticized the National Institute for Transparency, Access to Information and Protection of Personal Data (INAI) and the National Electoral Institute (INE) and may pursue reforms that affect their autonomy.

AMLO has supported a Senate measure to extend the term of Supreme Court Justice Arturo Zaldívar, who has previously supported the president. The move raises questions about executive branch interference in the judiciary.



PARAGUAY

12
RANKING

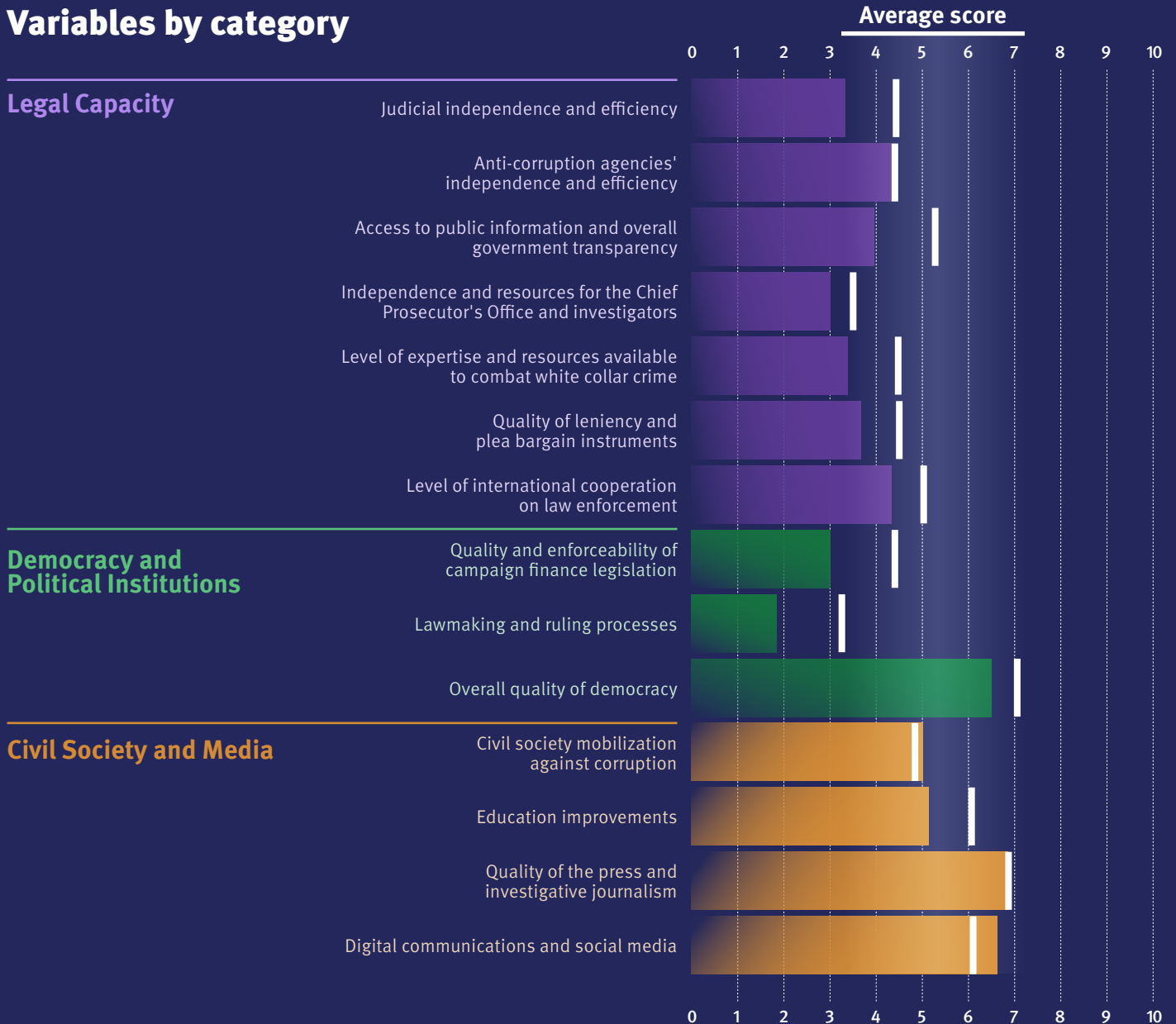
4.08
2021 Overall Score

3.88
2020 Overall Score

n/a
2019 Overall Score

- 3.69** Legal Capacity
- 3.95** Democracy and Political Institutions
- 5.92** Civil Society and Media

Variables by category





12

RANKING

PARAGUAY

Paraguay's score improved slightly since 2020, but it remains one of the lower-performing countries in the overall ranking. In the democracy and political institutions and legal capacity categories, it ranks third to last. The politicization of judicial institutions is a persistent problem – Paraguay ranks only ahead of Bolivia and Venezuela in the variable assessing judicial independence. In February 2021, national media and civil society critiqued the appointment of César Diesel to the Supreme Court of Justice because of his perceived ties to Vice President Hugo Velázquez.

Within the legal capacity category, Paraguay saw its sharpest decline in the access to public information, which dropped by 16%. The perceived lack of transparency regarding emergency spending and the alleged misuse of public resources to fight the pandemic triggered large-scale anti-government demonstrations in March 2021. Four cabinet ministers were replaced and President Mario Abdo Benítez survived an impeachment attempt, his second since he entered office in 2018.

As in 2020, Paraguay performed best in the civil society and media category, where it saw an almost 11% increase. Paraguay registered the fifth-highest digital communications and social media score and also had an above-average level of civil society mobilization against corruption. Activism on social media was key to sustaining the March protests.

CRITICAL ISSUES TO MONITOR

Heightened levels of mistrust towards public officials and institutions will persist as the government struggles to address the pandemic and purchase vaccines. Suspicions of any corruption practices may lead to further political instability.

AML enforcement remains a challenge for Paraguay, but the Secretariat for the Prevention of Money Laundering (SEPRELAD) has improved the country's ability to tackle this problem, passing regulations in November 2020 to prevent terrorist groups from using the national financial system. Officials will seek to further strengthen AML capabilities prior to a visit from the Financial Action Task Force of Latin America (GAFILAT) by the end of 2021.

Paraguay is a key drug trafficking and money laundering hub for Brazilian organized criminal groups, particularly the First Command of the Capital (PCC). Their presence in Paraguay further weakens the country's anti-corruption environment.



GUATEMALA

13
RANKING

3.84
2021 Overall Score

4.04
2020 Overall Score

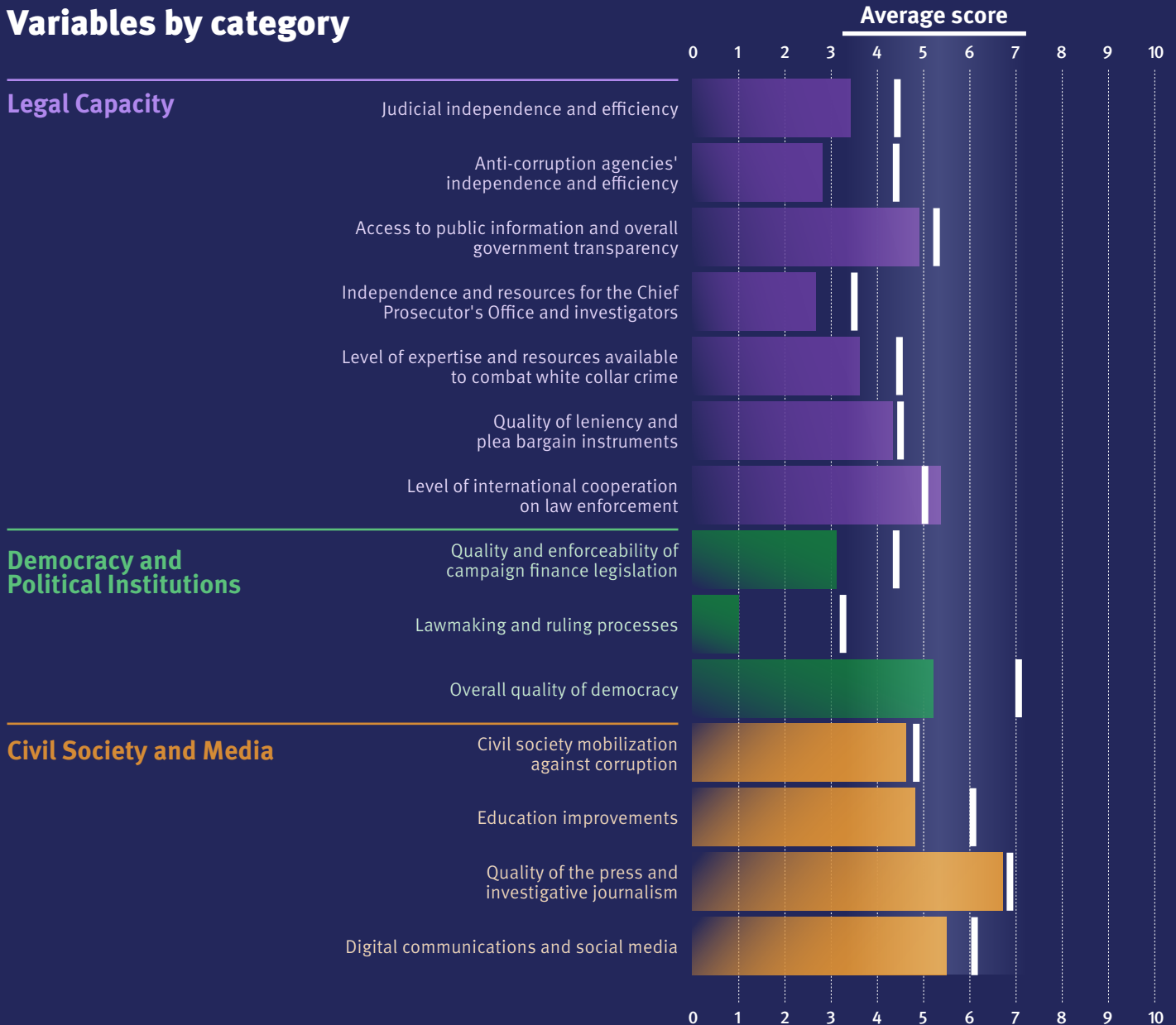
4.55
2019 Overall Score

3.75 Legal Capacity

3.12 Democracy and Political Institutions

5.43 Civil Society and Media

Variables by category





13
RANKING

GUATEMALA

Guatemala fell from 11th to 13th place in the Index, and its overall score continued on a downward trend, dropping by 5% in 2021, and 16% since 2019. Anti-corruption efforts have diminished since 2019, when the UN-backed International Commission against Impunity in Guatemala (CICIG) was shut down. Guatemala saw a 9% decline in the legal capacity category, and the Index's variable measuring anti-corruption agencies' independence and efficiency plunged by 32%. In January 2020, President Alejandro Giammattei created the Presidential Commission Against Corruption, a body that operates under the control of the executive branch and has not undertaken major investigations. By contrast, the Anti-Corruption Unit (FECI), an agency within the Public Ministry, has continued to conduct anti-corruption investigations, despite limited financial resources and political pressure.

A controversy in April 2021 involving the Constitutional Court speaks to Guatemala's 11% decline in the judicial independence and efficiency variable. In a case that received international attention, Congress refused to appoint Gloria Porras, a judge known for fighting graft, to the Court after she was re-elected for a five-year term.

The country's civil society mobilization variable saw a 7% setback, but a series of protests did lead to policy changes. In late 2020, Guatemalans protested against the lack of transparency in emergency procurement, forcing the government to shelve a widely criticized budget plan. Social media was key to organizing these demonstrations, and the country saw a 11% improvement in its digital communications variable.

CRITICAL ISSUES TO MONITOR

The mainstream political class and business elites may continue to oppose anti-corruption efforts, as past attempts to dismantle the FECI and block meaningful investigations suggest. Independent judges and prosecutors may continue to face threats from influential politicians and individuals seeking to undermine their work.

Corrupt practices in Guatemala will face increased international scrutiny, particularly from the U.S. The Biden administration is closely monitoring corruption in the Northern Triangle and may sanction corrupt individuals from the region with tools such as the forthcoming Engel List or the Global Magnitsky Act.

Continued citizen discontent with the state's mishandling of the COVID-19 pandemic has the potential to reignite anti-government demonstrations.



BOLIVIA

14
RANKING

2.43

2021 Overall Score

2.71

2020 Overall Score

n/a

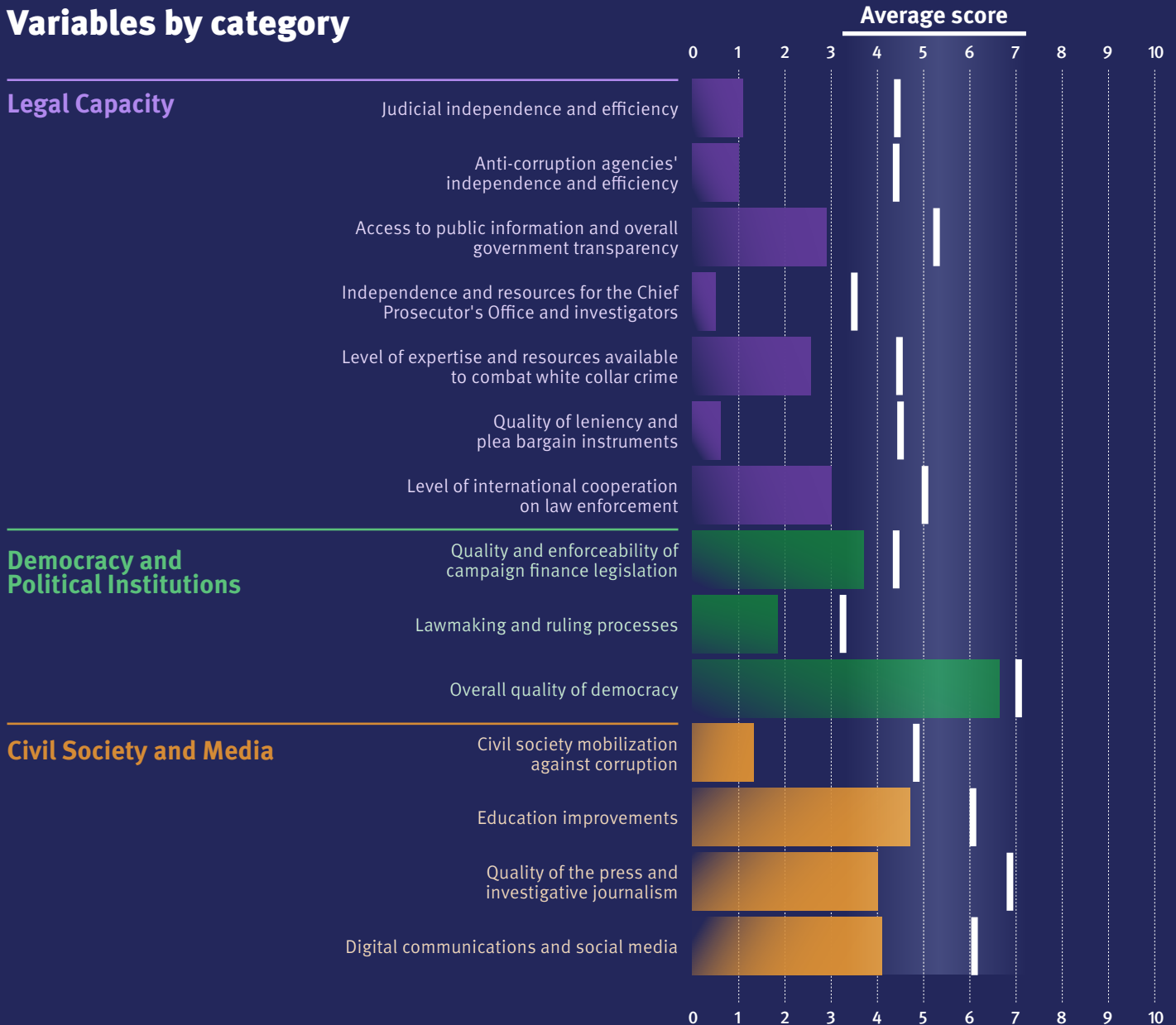
2019 Overall Score

1.53 Legal Capacity

3.99 Democracy and Political Institutions

3.54 Civil Society and Media

Variables by category





14

RANKING

BOLIVIA

As in 2020, Bolivia scored only above Venezuela in the CCC Index. During a period of rapid political change, the country's overall score declined by 10%, and its score in the legal capacity category fell by 26%. Bolivia scored at least three points below the regional average on key variables like judicial independence and efficiency, independence of the chief public prosecutor and the independence and efficiency of anti-corruption agencies.

These trends underscore actions from the administration of President Luis Arce from the MAS party, who was elected in October 2020. Arce vowed to unite the country, but he is accused of using the judicial branch to target the opposition, a tactic that former Interim President Jeanine Áñez also deployed. In March, Áñez was arrested and placed in preventive detention. She was charged with terrorism and sedition (charges her government also leveled at former President Evo Morales), and authorities have stated that Áñez and members of her cabinet may face corruption charges.

The pandemic has further exacerbated corruption risks, especially those related to more lax procurement processes. One prominent case involved a former health minister: In May 2020, Marcelo Navajas was fired, then arrested in connection with the alleged purchase of overpriced ventilators.

Bolivia fell from 10th to 12th place in the democracy and political institutions category, driven down by a lower score in the lawmaking and ruling processes variable. However, Bolivia still ranks ahead of Paraguay, Mexico and Guatemala in its overall quality of democracy. Bolivia again ranked last in the civil society and media category. There are insufficient resources for the independent press, which is often intimidated, and civil society mobilization against corruption is the lowest among the 15 countries analyzed in the Index.

CRITICAL ISSUES TO MONITOR:

Corruption investigations into the opposition and members of Áñez's interim government may continue to be politicized.

Although the MAS lost key local elections in March, it has a majority in Congress and exerts influence over the judiciary. Anti-corruption reform seems unlikely under these conditions.

Despite continued anti-government sentiment due to mismanagement of the pandemic, efforts by civil society and the media to fight corruption may have limited effects.



15
RANKING

VENEZUELA

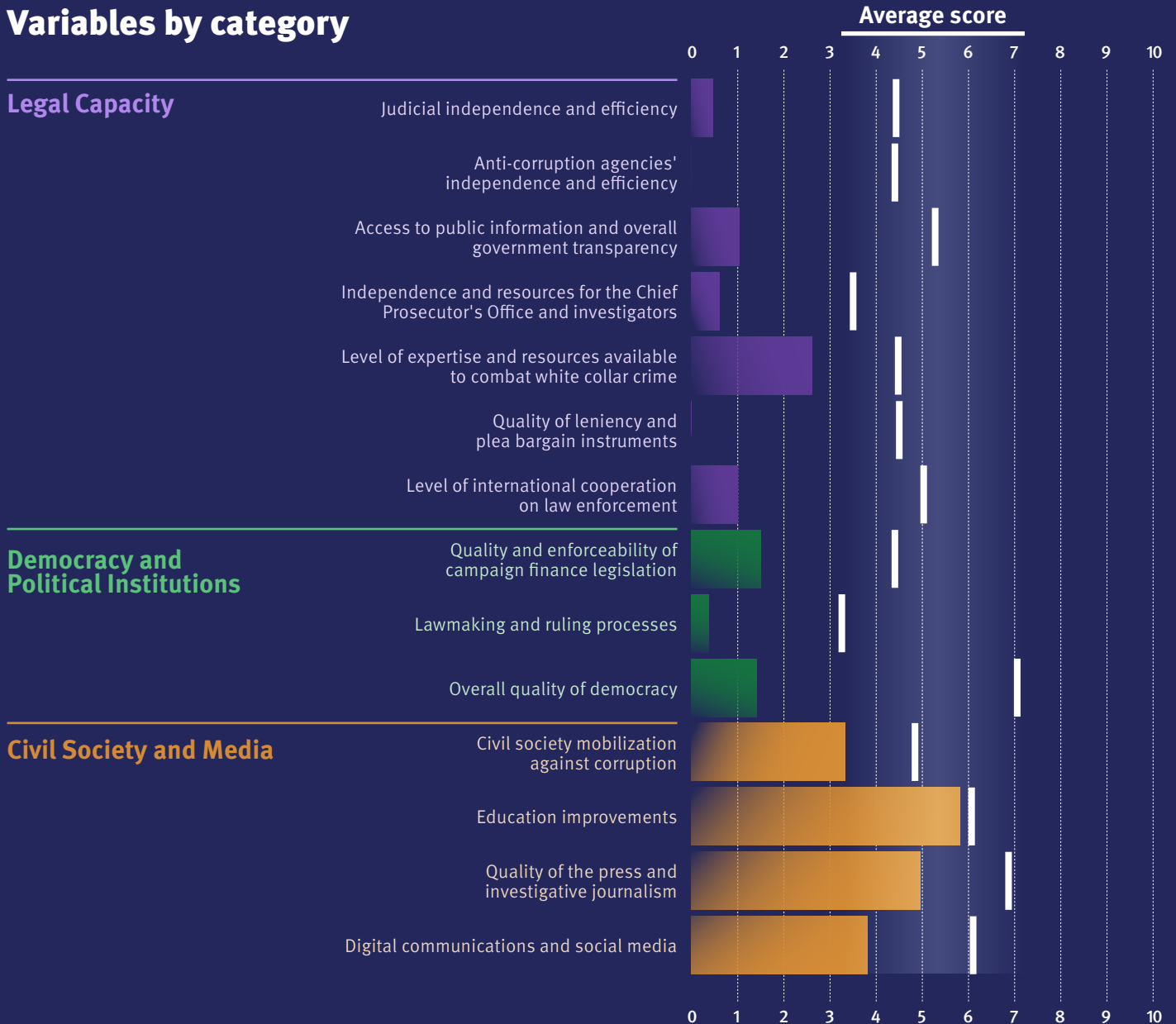
1.40
2021 Overall Score

1.52
2020 Overall Score

1.71
2019 Overall Score

- 0.73** Legal Capacity
- 1.14** Democracy and Political Institutions
- 4.72** Civil Society and Media

Variables by category





15
RANKING

VENEZUELA

Venezuela remains an outlier in the CCC Index and has ranked last for the third year running. The country's overall score fell by 8% since 2020, and is over one full point behind Bolivia, the second-worst performer. The CCC Index evaluates the *de facto* Nicolás Maduro regime, not the *de jure* interim government recognized by some in the international community.

The Maduro dictatorship has had a consistent decline in its legal capacity since 2019, with especially low scores for the independence of the judiciary, anti-corruption agencies and investigators. Reliable public information is not available, and the government has not disclosed budget allocations or international donations to fight COVID-19. The state has also persecuted those who denounce the lack of transparency on pandemic-related data, as well as poor conditions in hospitals and PPE shortages.

Venezuela's score in the democracy and political institutions category plunged by 20%, following a non-competitive legislative election in December 2020. Maduro's PSUV regained control of the National Assembly, and most opposition candidates did not participate.

The one category in which Venezuela does not lag behind the rest of region is civil society and media, where it outranks Bolivia. Media outlets, especially web-based platforms, and NGOs have continued to condemn corrupt practices from the Maduro regime, even as they face threats from the government.

CRITICAL ISSUES TO MONITOR

With the pandemic raging and the government desperate for economic improvement in 2021, corrupt practices and sanctions evasion may become even more entrenched.

The Biden administration will likely continue to target FCPA violations and money laundering in Venezuela. However, it is improbable these actions will have lasting effects on Venezuela's anti-corruption environment.

The opposition will encounter corruption risk as it gets access to state assets and resources that have been kept from Maduro and his allies. Any graft scandals from the opposition could undermine their efforts to promote democracy. Regional elections scheduled for November 2021 may provide an opportunity for the opposition to wield more power at the local level, but as of publication it is unclear who in the opposition might participate in these elections.

METHODOLOGY

STRUCTURE OF THE RESEARCH

The CCC Index encompasses different aspects of countries' anti-corruption environment—from the independence of the judiciary and law enforcement agencies, to the quality of laws governing lobbying and campaign financing. The overall CCC Index score is composed of three categories:

- Legal Capacity (I)
- Democracy and Political Institutions (II); and
- Civil Society and Media (III).

These categories are in turn broken down into the following 14 variables:

LEGAL CAPACITY

Judicial independence and efficiency

Anti-corruption agencies' independence and efficiency

Access to public information and overall government transparency

Independence and resources for the Chief Prosecutor's Office and investigators

Level of expertise and resources available to combat white collar crime

Quality of leniency and plea bargain instruments

Level of international cooperation on law enforcement

DEMOCRACY AND POLITICAL INSTITUTIONS

Quality and enforceability of campaign finance legislation

Lawmaking and ruling processes

Overall quality of democracy

CIVIL SOCIETY AND MEDIA

Civil society mobilization against corruption

Education improvements

Quality of the press and investigative journalism

Digital communications and social media

Collectively, these 14 variables provide a comprehensive and detailed view of countries' anti-corruption environment – in other words, their ability to uncover, punish and deter corruption. We understand that the 14 variables influence countries' capacity to combat corruption differently, so the variables receive different weightings in the scoring to reflect this reality. For example, we considered judicial independence and efficiency to be more critical than the free flow of information on social media. Consequently, the former variable has a higher weighting in the score of the CCC Index.

DATA COLLECTION

The data fed into the index's model was drawn from two sources: publicly available data generated or gathered by renowned institutions, and a proprietary survey of Control Risks' and other leading anti-corruption experts on the ground.

THE PUBLIC DATA USED FOR THE INDEX WAS DRAWN FROM

Basel Institute on Governance
Freedom House
Harvard Electoral Integrity Project
International IDEA
International Budget Partnership
Newzoo Global Mobile Market Report
Reporters Without Borders
UNESCO
World Bank
World Economic Forum
World Justice Project

The index relies on the latest available data from these institutions. Certain data points from the Harvard Electoral Integrity Project, UNESCO, and the World Economic Forum were not updated over the past year. In those cases, we used the same data points as in the 2020 CCC Index. Because of this, the survey results had a greater relative weight in determining changes in countries' scores in 2021. Previous iterations of the CCC Index used data from Freedom House's Freedom of the Press report - since that report is no longer produced, its data was not included in the 2021 CCC Index. In some cases, specific data within the dataset was carved out—for instance, the index only uses the Open Government factor in the World Justice Project database and only the campaign financing variables in the Harvard Electoral Integrity Project repository.

Alongside the publicly available data, we conducted a fact-based survey with anti-corruption experts working on the ground. The survey questionnaire serves two purposes. Firstly, to complement the publicly available data, which in itself does not comprehensively cover all of the

areas we intended to assess. And secondly, to gather more specific and detailed information unavailable in the public domain. The end result is a methodology that is a hybrid of “hard” and survey data, granting the necessary flexibility and accuracy to perform the analysis.

As was the case in the 2020 edition, we consulted three experts per country – one Control Risks analyst plus two independent analysts – compared to two experts in 2019. The advantage of having an additional expert is that we were able to track outliers: when one expert diverged significantly from the other two (by more than two points), we invited the expert to clarify the reasoning behind the response provided. Where the divergence continued, the response was considered an outlier, and consequently, excluded. This occurred in only a few instances.

With more survey data, we were also capable of performing better regional comparisons to spot anomalies. For example, we analyzed the correlation between the “hard” data and the survey data and escalated cases of major divergence to a detailed analysis. When clear inconsistencies were identified, we consulted the three experts to precisely determine the best correction, based on a three-point scale. Only in one case, a correction was effectuated.

The survey was conducted between mid-March and early April and included the following experts: Mauricio Alarcón Salvador (Fundación Ciudadanía y Desarrollo), Fabiano Angélico (Fundação Getúlio Vargas), Miguel Carter (DEMOS- Centro para la Democracia, la Creatividad y la Inclusión Social), Marielos Chang (Universidad del Valle de Guatemala), Mariana Campos (México Evalúa), María Lorena Cummings (MLC & Co.), Camilo A. Enciso Vanegas (Anticorruption Institute), María Laura Escuder (independent consultant), Benjamín Fernández Bogado (Fundación Libre), Babaji Cruz Peñaló (consultant and public procurement expert), Mercedes De Freitas (Transparencia Venezuela), Octavio del Favero (Fundación Ciudadanía Inteligente), Hazel Feigenblatt (Macblatt), María Jaraquemada (lawyer), María Paula Garat (Brum Costa Abogados), Paula Henríquez (consultant), Theodore Kahn (Fedesarrollo), Eduardo Mello (Fundação Getúlio Vargas), Gustavo L. Morales Oliver (Marval, O’Farrell Mairal), Valeria Moy (IMCO- Mexican Institute for Competitiveness), Carolina Muñoz (According2Law), Alfredo Ortega Franco (Universidad Rafael Landívar), Raúl Peñaranda U. (Brújula Digital), Rafael Piñeiro Rodríguez (Universidad Católica del Uruguay), Denisse Rodríguez-Olivari, (Humboldt University Berlin), Juan David Polit (Aguilar Castillo Love), Lindsay Sykes (PPO Abogados), Simeon Tegel (journalist and analyst), and Ana Carolina Ureña Adames (LOVILL). One external expert requested not to be identified – a senior anti-corruption analyst working in Venezuela. The Control Risks analysts who participated include Gabriel Brasil, Inés Echeagaray, Thomaz Favaro, Raúl Gallegos, Leandro Lima, Claudia Navas, Adriana Thomas, Nicolás Urrutia, and Alan Zamayo.

The above-mentioned experts don’t necessarily agree with all the conclusions and opinions expressed in this report.

METHODOLOGICAL LIMITATIONS

All indices measuring human behavior are imperfect, as they can never capture all elements of a given phenomenon. The CCC Index is necessarily a partial representation based on the model discussed above, with 14 variables, based on limited public and proprietary data. The index's model has some limitations, including subjectivity, overlapping and endogeneity (a causal relationship between some of the variables). Questionnaires to country experts were as factual as possible, but some degree of subjectivity inevitably remained. To reduce subjectivity, we applied rigorous analysis to test consistency of responses and requested that experts interpret and compare the data against regional averages. Overlapping relates to the fact that some variables include the same elements: for instance, the Freedom House score also includes measures of judicial independence. Regarding endogeneity, although we recognize that it may be present in the methodology, it does not undermine the consistency of the results. The same variables, using the same data sources, were analyzed for all countries, so any endogeneity would affect all countries in largely the same way. Last but not least, it is impossible to analyze all elements affecting a country's ability to fight corruption. We selected 14 variables that cover a wide array of topics and which we believe are the key elements shaping the anti-corruption environment. But some aspects may have been left out. In cases where we believed this posed a limitation, we highlighted this factor in the country profile.

ACKNOWLEDGMENTS

The 2021 CCC Index is the work of over fifty people and we are profoundly grateful to all of them.

At AS/COA, Policy Associate Emilie Sweigart helped manage the project's execution and assisted with editing the report. Research Assistant Leonie Rauls coordinated the survey responses and contributed to the report editing process. Creative Director Donald Partyka and Assistant Creative Director Nikita Kataev designed the report and the digital data visualizations. Senior Media Relations Manager Pía Fuentealba helped amplify the Index's media repercussion.

At Control Risks, Thomaz Favaro, Director, was instrumental in coordinating the responses from the firm's country experts, as well as providing thoughtful insights throughout the undertaking. Renato Akamine, Manager, brought his data science skills to bear to the project. He developed a robust data base to host the growing volume of data obtained from the various sources and ran the scoring and analytics across that data. Kate Rallis, Julia Livick, and Laure le Masson, respectively Partner, Senior Manager and Manager of Marketing, collaborated closely with AS/COA's media team to coordinate media coverage and planning of post launch events.

Categories

	Argentina	Bolivia	Brazil	Chile	Colombia	Costa Rica	Dominican Republic	Ecuador	Guatemala	Mexico	Panama	Paraguay	Peru	Uruguay	Venezuela
Legal Capacity	4.50	1.53	5.15	5.94	4.53	6.28	4.21	4.78	3.75	3.82	4.27	3.69	5.68	7.59	0.73
Democracy and Political Institutions	5.71	3.99	4.16	7.49	4.70	6.80	4.11	4.17	3.12	4.08	4.91	3.95	5.21	8.19	1.14
Civil Society and Media	7.04	3.54	6.34	7.24	6.18	6.59	5.57	5.76	5.43	6.35	5.11	5.92	6.34	8.02	4.72

Variables

Legal Capacity	Argentina	Bolivia	Brazil	Chile	Colombia	Costa Rica	Dominican Republic	Ecuador	Guatemala	Mexico	Panama	Paraguay	Peru	Uruguay	Venezuela
Judicial independence and efficiency	3.98	1.05	4.78	7.43	5.50	7.13	4.14	3.65	3.42	3.63	3.49	3.31	5.42	8.39	0.41
Anti-corruption agencies' independence and efficiency	3.00	1.00	5.33	6.67	5.00	6.83	3.83	5.33	2.83	3.33	4.33	4.33	5.83	7.50	0.00
Access to public information and overall government transparency	6.07	2.92	6.33	7.05	4.93	5.96	6.24	4.51	4.92	6.32	5.00	3.99	6.32	7.64	1.01
Independence and resources for the Chief Prosecutor's Office and investigators	4.17	0.50	4.33	5.67	2.67	5.67	3.17	3.50	2.67	2.00	3.83	3.00	3.67	7.00	0.67
Level of expertise and resources available to combat white collar crime	4.80	2.57	4.49	5.76	4.86	4.96	4.81	5.06	3.62	4.40	4.52	3.44	5.24	6.20	2.56
Quality of leniency and plea bargain instruments	7.00	0.67	5.67	4.33	3.33	6.33	3.33	5.67	4.67	3.00	4.33	3.67	7.67	8.33	0.00
International cooperation	3.67	3.00	5.67	3.67	5.67	6.67	4.67	6.67	5.33	5.33	5.00	4.33	6.67	8.00	1.00

Democracy and Political Institutions	Argentina	Bolivia	Brazil	Chile	Colombia	Costa Rica	Dominican Republic	Ecuador	Guatemala	Mexico	Panama	Paraguay	Peru	Uruguay	Venezuela
Quality and enforceability of campaign financing legislation	5.38	3.70	3.32	6.82	4.19	6.70	2.91	3.38	3.16	4.78	4.36	3.00	4.87	6.92	1.50
Lawmaking and ruling processes	3.50	1.83	2.17	6.67	3.67	4.67	3.33	2.83	1.00	1.00	2.33	2.83	3.83	8.50	0.33
Overall quality of democracy	8.40	6.60	7.40	9.30	6.50	9.10	6.70	6.70	5.20	6.10	8.30	6.50	7.10	9.80	1.40

Civil Society and Media	Argentina	Bolivia	Brazil	Chile	Colombia	Costa Rica	Dominican Republic	Ecuador	Guatemala	Mexico	Panama	Paraguay	Peru	Uruguay	Venezuela
Civil society mobilization against corruption	5.00	1.33	5.33	6.67	4.67	5.00	3.33	5.33	4.67	7.00	3.33	5.00	5.67	7.67	3.33
Education improvements	8.40	4.72	6.17	7.34	6.33	6.78	5.66	5.58	4.84	5.60	6.02	5.18	5.73	7.16	5.81
Quality of the press and investigative journalism	8.14	4.00	7.88	6.76	7.88	7.87	6.06	6.83	6.72	6.68	5.57	6.85	8.04	8.93	5.96
Digital communications and social media	6.63	4.09	5.98	8.20	5.85	6.72	7.21	5.31	5.50	6.12	5.53	6.65	5.90	8.32	3.78