



SNAPSHOT

Between Efficiency and Transparency in Public Expenditure in Times of COVID-19



Minister of Health Zamora noted that the greatest challenge of the health sector during the pandemic was the ability to respond to the crisis in a timely manner. Mr. Zamora describes how the legal framework, protocols in place, and staff did not have the necessary mechanisms to deal with a crisis of this magnitude. In order to guarantee transparency, the integration of multiple information systems was key, yet public procurements faced a major roadblock due to the fragmented and dispersed nature of the health system.

On June 26, 2020, USAID Peru's Transparent Public Investment Project organized the webinar, "Between Efficiency and Transparency in Public Expenditure in Times of COVID-19." The project partnered with the Integrity Observatory, an initiative whose mission is to monitor and implement anti-corruption practices in Peru. Together, the two collaborated to launch a successful virtual event with more than 200 participants.

The webinar had three overarching objectives: (1) to establish a productive dialogue between two fundamental actors of the Peruvian public sector, the Minister of Health Victor Zamora and Comptroller General of the Republic Nelson Shack, regarding governance-related challenges in the public procurement process and the control system during the COVID-19 global pandemic; (2) to share best practices and lessons learned for public procurement from international actors, led by expert Gian Luigi Albano; and (3) to encourage cross-sectoral collaboration between the health sector and the Comptroller's office to facilitate efficient public purchases in accompaniment with an effective simultaneous control system. The webinar was moderated by the journalist and Convoca director, Milagros Salazar.

Comptroller General Shack emphasized three major challenges during the pandemic: the absence of a control system within public institutions, public officials' lack of knowledge of public procurement, and the decentralized public procurement system in Peru, which resulted in thousands of procurements being carried out across 1,800 municipalities nationwide. All these factors imposed serious limitations on the Comptroller's office's ability to implement effective controls. As a response to COVID-19, two main mechanisms were adopted: (1) a control monitor and transparency COVID-19 portal for citizen reporting and (2) citizen control monitors, which consist of youth volunteers, to support the control of public resources used during the pandemic.

Luigi Albano, a public procurement expert, emphasized that governments cannot solve an emergency solely



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from the perspective of the public procurement system, but rather need to adopt a strategic point of view which includes a legal framework and management capacity to be able to respond quickly and with transparency, as is the case in the US, Germany, and Chile.

Both the Minister of Health and the Comptroller General recognize the importance of collaboration to guarantee efficient public spending, accompanied by a control system. Lastly, Ms. Salazar emphasized the importance of access to timely information from the government to support transparency and accountability with citizens, which aligns closely with the project's holistic integrity network approach of integrating public, private, and civil society actors for transparent public investments in Peru.

This webinar met its objectives by creating a unique opportunity for both the Ministry of Health and the Comptroller General's Office to discuss technical assistance needs and best practices. Specifically, the Minister of Health identified a need for support to improve transparency standards, while the Comptroller General emphasized the need to train public officials on the public procurement system, particularly under emergency situations such as COVID-19.