

Peru

Western Hemisphere / **South America**

CAPITAL Lima	TERRITORY 1,280,000 km ²	POPULATION (2020) 32,971,846.00	GDP TOTAL (2020) \$202B USD	GDP PER CAPITA (2020) \$6,126.87 USD	INCOME GROUP Upper middle income
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Convention Implementation



Implemented

4th of 31 western hemisphere
3rd of 12 South American countries

Prevention



In progress

Criminalization and law enforcement

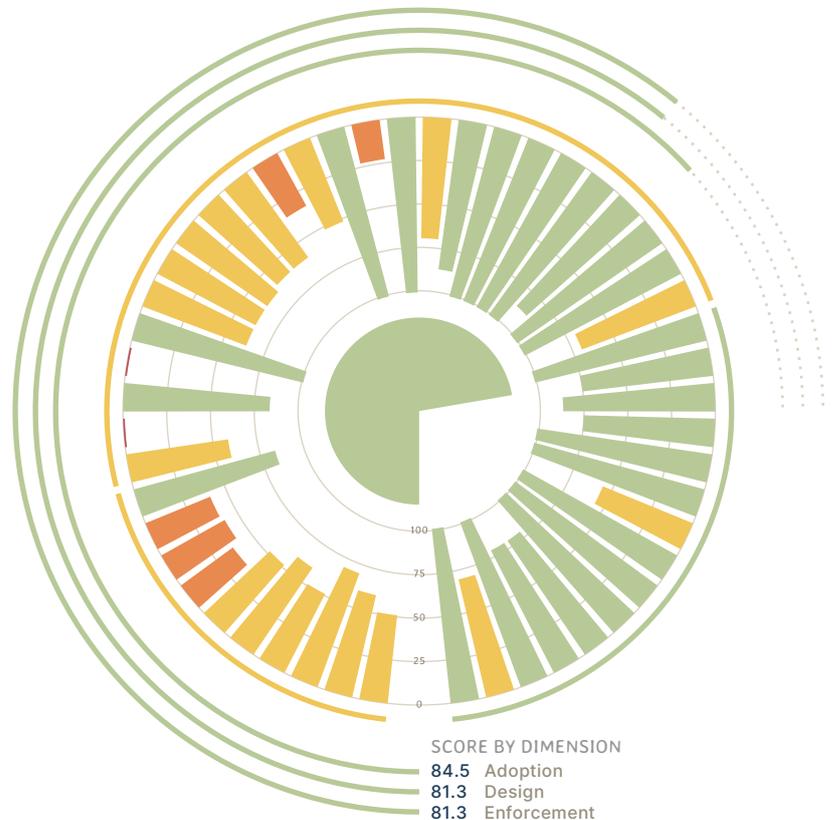


In progress

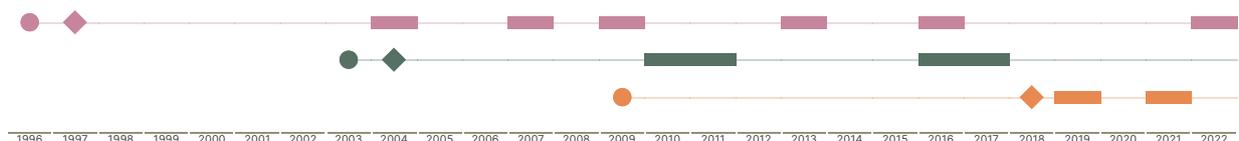
International cooperation



Implemented



Anti-corruption conventions timeline



CONVENTIONS

IACAC - Inter-American Convention Against Corruption

UNCAC - United Nations Convention against Corruption

OECD Anti-Bribery Convention

KEY EVENTS

○ Signed

◇ Ratified/ acceded

□ Review rounds

Prevention

In progress

53.7

✓ Adoption 77.5 ✎ Design 71.7 ⌚ Enforcement 68.3

Standards of Conduct In progress 50.0 ✓ 75.0 ✎ 66.7 ⌚ 66.7	Enforcement of Standards of Conduct In progress 59.4 ✓ 75.0 ✎ 83.3 ⌚ 66.7	Training of Public Officials In progress 68.8 ✓ 75.0 ✎ 66.7 ⌚ 100.0	Asset and Conflicts of Interests Declarations In progress 50.0 ✓ 75.0 ✎ 66.7 ⌚ 66.7	Transparency in Government Contracting In progress 59.4 ✓ 75.0 ✎ 66.7 ⌚ 83.3
Elimination of Favorable Tax Treatment In progress 50.8 ✓ 100.0 ✎ 83.3 ⌚ 50.0	Oversight Bodies Core-deficient 35.9 ✓ 50.0 ✎ 50.0 ⌚ 66.7	Measures to Deter Domestic and Foreign Bribery Core-deficient 40.6 ✓ 75.0 ✎ 66.7 ⌚ 50.0	Encouraging Participation by Civil Society Core-deficient 39.1 ✓ 100.0 ✎ 83.3 ⌚ 33.3	Study of Other Preventive Measures Implemented 82.8 ✓ 75.0 ✎ 83.3 ⌚ 100.0

Criminalization and law enforcement

In progress

70.5

✓ Adoption 84.0 ✎ Design 78.0 ⌚ Enforcement 79.3

Protection of Those who Report Acts of Corruption In progress 57.8 ✓ 100.0 ✎ 100.0 ⌚ 50.0	Scope No implementation 0.0 ✓ 0.0 ✎ 0.0 ⌚ 0.0	Jurisdiction: Offense-in-Territory Implemented 82.8 ✓ 75.0 ✎ 83.3 ⌚ 100.0	Jurisdiction: Offense-by-National No implementation 0.0 ✓ 0.0 ✎ 0.0 ⌚ 0.0	Jurisdiction: Offender-in-Territory Implemented 100.0 ✓ 100.0 ✎ 100.0 ⌚ 100.0
Passive Public Bribery In progress 62.5 ✓ 100.0 ✎ 83.3 ⌚ 66.7	Active Public Bribery In progress 62.5 ✓ 100.0 ✎ 83.3 ⌚ 66.7	Abuse of Functions In progress 62.5 ✓ 100.0 ✎ 83.3 ⌚ 66.7	Money Laundering In progress 59.4 ✓ 75.0 ✎ 83.3 ⌚ 66.7	Participation and Attempt In progress 59.4 ✓ 75.0 ✎ 83.3 ⌚ 66.7
Active Foreign Bribery Core-deficient 33.6 ✓ 75.0 ✎ 50.0 ⌚ 50.0	Illicit Enrichment In progress 50.8 ✓ 100.0 ✎ 83.3 ⌚ 50.0	Use of State Property Implemented 100.0 ✓ 100.0 ✎ 100.0 ⌚ 100.0	Illicit Acquisition of a Benefit Core-deficient 21.9 ✓ 50.0 ✎ 16.7 ⌚ 100.0	Public Embezzlement Implemented 100.0 ✓ 100.0 ✎ 100.0 ⌚ 100.0
Passive Foreign Bribery In progress 68.8 ✓ 75.0 ✎ 66.7 ⌚ 100.0	Private Bribery Implemented 85.9 ✓ 100.0 ✎ 83.3 ⌚ 100.0	Private Embezzlement Implemented 100.0 ✓ 100.0 ✎ 100.0 ⌚ 100.0	Obstruction of Justice Implemented 100.0 ✓ 100.0 ✎ 100.0 ⌚ 100.0	Liability of Legal Persons Implemented 100.0 ✓ 100.0 ✎ 100.0 ⌚ 100.0
Statute of Limitations Implemented 100.0 ✓ 100.0 ✎ 100.0 ⌚ 100.0	Prosecution, Adjudication and Sanctions Implemented 85.9 ✓ 100.0 ✎ 83.3 ⌚ 100.0	Consequences and Compensation Implemented 100.0 ✓ 100.0 ✎ 100.0 ⌚ 100.0	Cooperation With Law Enforcement Implemented 100.0 ✓ 100.0 ✎ 100.0 ⌚ 100.0	Asset Recovery In progress 68.8 ✓ 75.0 ✎ 66.7 ⌚ 100.0

International cooperation

Implemented

87.60

✓ Adoption 90.0 ✎ Design 93.3 🔄 Enforcement 93.3

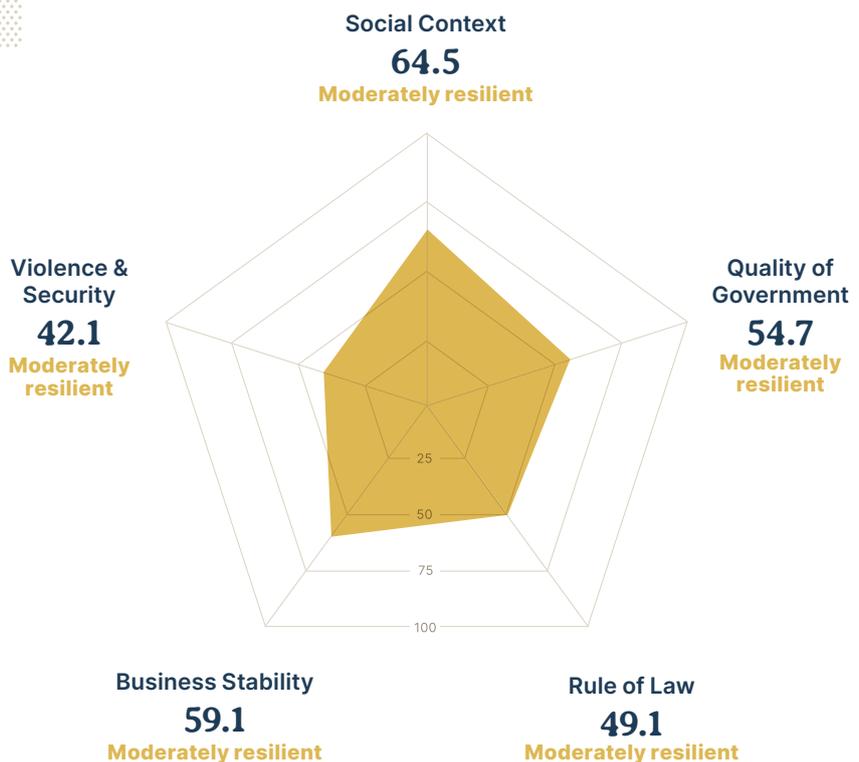


Corruption Resilience

53.9

Moderately resilient

18th of 31 western hemisphere
7th of 12 South American countries



Analysis

Convention Implementation

Peru signed the Inter-American Convention Against Corruption (IACAC) on March 29, 1996, and ratified it on April 4, 1997. It is a State Party to the Follow-Up Mechanism for the Implementation of the Inter-American Convention against Corruption (MESICIC) since June 4, 2001. The country also signed the United Nations Convention Against Corruption (UNCAC) on December 10, 2003, and subsequently ratified it on November 16, 2004. Peru is also party to the OECD Anti-Bribery Convention (OECD-ABC), having deposited the instrument of accession on May 28, 2018. Accordingly, Peru has undergone six rounds of review under MESICIC (of which only the first five were considered here, as the final report for the sixth round was only adopted on March 11, 2021), one round of review under the UNCAC review mechanism, and two phases of evaluation by the OECD Working Group on Bribery.

Peru's record in implementing its commitments to IACAC, UNCAC and OECD-ABC exhibits a large number of successes and very few failures. With an overall score of 72.3, the measures adopted place the country at the higher point of compliance with international norms, surrounded by Brazil (69.8), Chile (70.5), Colombia (74.2), and Argentina (75.2). Despite achieving higher success in regard to criminalization and international cooperation (as is the case throughout the region) the majority of preventive measures are found to be in progress or implemented, while roughly an equal number of failed measures pertain rather to criminalization and law enforcement. Although these results point to a reasonable degree of progress in all three sections, a stronger emphasis on international cooperation over prevention is nonetheless identified.

The prevention of corruption is undergoing, classified as "in progress" by its average score and with prominent measures given a score of 50 or above—standards of conduct and their enforcement, the training of public officials, the systems for registering asset and conflict of interests' declarations, transparency in government contracting, and the elimination of favorable tax treatment for corrupt expenditure. Indeed, over half of all preventive measures are considered to be in progress, and the country has successfully implemented preventive measures related to equitable compensation. Within this section, only three measures are found deficient at core: the state of oversight bodies (35.9), the initiatives to encourage the participation of civil society (39.1), and the actions to deter domestic and foreign bribery related to accounting regulations (40.6). However, these measures represent almost

half of all failing scores given to Peru's implementation of international commitments, again reflecting the comparatively lower degree of progress made concerning the prevention of corruption.

In terms of criminalization and law enforcement, Peru shows strong results. The country is found to have successfully implemented roughly half of its commitments, including significant ones such as the criminalization of embezzlement in the public and private sectors, bribery in the private sector, and the obstruction of justice, as well as adopted and enforced the liability of legal persons, a long statute of limitations, and broader consequences—such as the rescinding of contracts and obtaining compensation—for the commitment of corrupt offenses (as required by UNCAC), among others. On the other hand, two important measures are found deficient at core: the criminalization of the illicit acquisition of a benefit (i.e., influence trading) (21.9) and active bribery of foreign officials (33.6). Concerning the former, the UNCAC review mechanism reports that "[t]he Peruvian Criminal Code does not cover active trading in influence. Passive trading in influence is regulated under article 400 of the Code, although the term 'directly or indirectly' is not explicitly used. Moreover, the provision applies only where a public official has been trying, is trying or is about to try a specific 'legal or administrative case', whereas the Convention does not contain such a restriction."

Finally, Peru is found only partially compliant with its commitments to establish jurisdiction over the offenses covered by the conventions. The UNCAC review mechanism finds that "[t]he principle of active or passive personality is not explicitly regulated, except in the case of offenses committed by public officials or public servants in the course of their duties. There is no jurisdiction regulating acts preparatory to money-laundering or offenses committed against the State." That being said, the overall level of the country's commitments regarding international cooperation shows a very positive result, with an average section score of 87.6 and all but two measures classified as "implemented".

Corruption Resilience

Peru's social context indicator declined in 2020 by 0.7 points from 2019, resulting in a score of 64.5, which fell 0.4 points below the average for the region. Between 2010 and 2020, Peru's score varied between +/- 2 points, and in 2014, Peru achieved their highest social context score of 67.9. Although the country's score fares relatively well compared to its regional counterparts, the media does face some

challenges when it investigates government corruption and connections with drug trafficking networks.

With regard to the quality of governance and institutions, the country's indicator fell by 0.6 points from the previous year; however, Peru's score remained 2.3 points above the regional average. In 2020, Peru's quality of government indicator fell within the 50th percentile of the score distribution. Following the first two decades of Peru's democratic transition in 1980, the country's democracy was fragile. Since then, Peru has continued their progress—particularly excelling in areas of policy formulation and implementation—and the government remains committed to maintain it.

In 2020, Peru had a marginal decrease in the rule of law by 0.3 points, which is 2 points lower than the average of 51.1 for the Western Hemisphere. Peru's rule of law indicator in 2020 fell within the 50th percentile of the distribution for the region. Over the decade, the country's rule of law has varied but always remained below the regional average. For example, Peru's average rule of law score from 2010 to 2020 is 48.7, whereas the decade score for its

counterparts in the region is 50.6. Peru's rule of law score remains at a low level because the judiciary is perceived to be very corrupt, where judges accept bribes and irregular payments in return for more favorable decisions. Additionally, there is widespread political interference within the judicial system and the courts remain susceptible to influence.

Peru's business stability indicator score declined by 1.8 points from the preceding year, resulting in a score of 59.1 for 2020. Between 2010 and 2020, Peru's score hardly fluctuated, consistently remaining within a range of 5.2 points. Despite exceeding the Western Hemisphere average by 8.6 points in 2020, Peru's business environment is impacted by corruption and facilitation payments. The country faces challenges within the business regulatory environment and lacks transparency in government policy related to business. Peru's 2020 violence and security indicator reflected a score of 42.1, which decreased from the preceding year by 12.9 points. Peru's violence and security indicators are within the lower percentile for the region.

Transparency

MAIN REPORTING NGO

Proética

REPORT DATE	REVIEW YEAR	DOCUMENT REVIEWED	LANGUAGE
Oct-2021	2010-2011	Executive Summary	English

Did the government make public the contact details for the country focal point? ✔ Yes

Was civil society consulted in preparation for the self-assessment? ✘ No

Was civil society invited to provide information to the official reviewers? ✘ No

Was the self-assessment published online or provided to CSOs? ✘ No

Assessment of the Review Process Civil Society Parallel Reports

Source: UNCAC CIVIL SOCIETY COALITION

Peru's civil society parallel review report was authored by the organization Proética—the Peruvian chapter of Transparency International—during the 2010-2011 period. The report assessed Peru's compliance with articles 15, 16, 17, 23, 26, 32, 33, and 46 of chapters III and IV of the UNCAC. In terms of the availability of information, the report notes that there is a lack of information on the implementation and enforcement of UNCAC obligations that is publicly accessible. Statistics from the judiciary, office of the Attorney General, or Ministry of Justice, among other public institutions, were unavailable. In regard to the legal framework, Peru largely complies with the UNCAC articles reviewed for this report. Important steps have been taken in the fight against corruption, including the enactment of a new criminal procedure code and the adoption of laws on money laundering.

The real problems lie on the enforcement side, as the Peruvian state has been unable to successfully develop the capacities of law enforcement authorities. Generally, there is a lack of independent authorities (in terms of prosecuting authorities and the judiciary) with sufficient resources to carry out investigations. The newly established National Anticorruption Office was closed in less than a year of carrying out operations and presents one of many examples where there is a lack of guidance on behalf of the government. Additionally, delays in

processing corruption cases and imposing sanctions have created a sense of impunity. The report culminates in a series of recommendations, namely providing training on anti-corruption implementation, hiring additional staff to lessen corruption case-loads, increasing budgets for anticorruption initiatives, and lastly, implementing a system to maintain records on corruption cases.