Income and Asset Disclosure – Case Study Illustrations

Overview: This study analyzes the situation in 11 countries (Argentina, Croatia, Guatemala, Hong Kong, Indonesia, Jordan, Kyrgyz Republic, Mongolia, Rwanda, Slovenia and United States). It aims to give both the CSOs and the public officials an idea on how are things are being done in other countries. The case studies are structured as follows: a brief overview of the system; a background section describing the relevant legislation (this includes a profile of the in-law provisions that define which officials are subject to the disclosure requirement, the content of declarations, filing frequency, submission compliance and content verification, sanctions, public access, and investigations); the mandate and structure of the implementing agency; and the resources and procedures of the system (this includes facilities and information technology resources, human resources, budget, regulatory function, and practices related to managing submission compliance, content verification, investigations, interagency collaboration, public access, reporting, and outreach). What is important to emhasize when it comes to this publication is the fact that it does not try to answer the question of what works best, since it is many times emphasized that the success of the system mostly relies on its elements in the government, and different approaches and expectations are suited for each country.

However, there are a few takeavays which are important, as stated in the publication and those are:

* **Understanding the context.** The effectiveness of a financial disclosure system is, to a large  
  extent, dependent on elements of the local context (including elements of the institutional,  
  cultural, and political environment in which it operates). An assessment of these factors  
  prior to designing or upgrading an IAD system is important to ensure a good fit between  
  the agency’s role, functions, and procedures and the local environment. The key principle  
  here is that context matters.
* **Building capacity incrementally.** Although there is no single or standardized approach that will work in every context, systems that begin with too many requirements—such as too large a pool of filers—and with inadequate institutional capacities to manage and enforce compliance are more likely to fail than those that start with modest, manageable objectives. Building capacity incrementally can be achieved by, for example, gradually  
  expanding the submission requirement to a widening pool of filers, beginning with the highest-ranking officials; by putting in place the capacities and procedures for managing submission compliance before introducing verification procedures; or by limiting costly functions, such as verification, to a fraction of total declarations through systematic random sampling and risk-based selection of declarations for verification.
* ***Managing expectations: establishing the credibility of the system with stakeholders.***The credibility of government efforts to establish and enforce financial disclosure requirements goes a long way toward establishing a “culture of integrity” that instills behavioral norms of ethics in government. Fostering confidence in an IAD system’s ability to enhance transparency can positively shift perceptions of corruption, which, in turn, influences behaviors. The process of developing IAD systems is often highly politicized, however, and managing expectations during what can be a lengthy process of debate and gradual implementation can be vital to its success.

Also, a really valuable and useful part is The Key Considerations in Designing and Implementing a Financial Disclosure system, which contains the question everyone who wants to setup one should know the answer to prior to proceeding:

* What needs or behaviors is the system intended to address?
* How many filers should be obligated to declare, how much information and how frequently?
* What kind of budgetary and resource support is required?
* Should the content of declarations be verified, and if so, how?
* Should public access to information about the content of declarations be provided, and if so, how?
* What kind of sanctions should be applied in cases of noncompliance?

Valuable parts:

Table A.2 – Legal framework indicators for IAD (the table consists of 200 indicators upon which whe quality of the legal framework can be assessed),

Table A.3 – Implementation Indicators for IAD and COI, Declaration Required (the table consists of indicators that can be used to assess the implementation of asset disclosure in countries as well as public engagement, information access etc).

Appendix B – Key Characteristics of Selected IAD Systems (this appendix provides a comparative overview of the 11 systems analyzed)