

AID/ARGENTINA

A C T I O N P L A N

FY 1994-95

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AID/ARGENTINA

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FY 1994-95

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AID/ARGENTINA

A C T I O N P L A N

FY94 - FY95

I. PROGRAM OVERVIEW

During the six months since the Program Objectives Document/Action Plan was approved in June 1992, Argentina's economic transformation and democratic development have continued to progress. The Cavallo Plan is succeeding in reducing inflation (the CPI increased 18% in 1992 versus 84% in 1991), and in gradually increasing the competitiveness of the more open Argentine economy. Although not without some criticism, significant privatizations are proceeding on schedule. Argentina also succeeded in signing an agreement for a major restructuring of its debt under the Brady Plan in December 1992. President Menem is taking the lead in pushing the other MERCOSUR countries to meet an ambitious schedule for negotiation of trade and investment agreements, and Argentina is clearly interested in discussing trade arrangements with the NAFTA.

In this economic environment, significant opportunities exist for U.S. business to develop new markets in Argentina and the Southern Cone. U.S. exports to Argentina grew from \$1.12 billion in 1990 to an estimated \$2.2 billion in 1992.

Perhaps the most striking current aspect of Argentina's democracy is the degree to which its most serious problems are openly debated by community leaders and addressed by the media. Corruption was identified in a recent Gallup poll as the number one concern of Argentines. The lack of independence of the judiciary is another big preoccupation. With the return of price stability and the emergence of new opportunities for investment and growth, business leaders have begun to decry very publicly the lack of "judicial security" in Argentina and call for legal, judicial and regulatory reforms to provide for more dependable "rules of the game."

Bilateral relations with Argentina are excellent, and the Argentine public's positive attitude toward the United States continues to be strong. In the current political and economic environment, a unique opportunity exists to work collaboratively with Argentina in pursuit of mutually beneficial objectives to strengthen Argentina's democracy, consolidate the transformation of its economy and increase business and cultural ties between our two countries. A.I.D. has a role to play in helping to take advantage of this situation.

Highlights in implementing the new program strategy for Argentina over the last six months included:

- 1) Formal introduction of mediation in Argentina as an alternative dispute resolution technique.
- 2) Agreement by Argentina's provincial supreme courts to create a national center to exchange information on administration of justice reform.
- 3) Very significant expansion of Poder Ciudadano's work to increase awareness by various Argentine interest groups and the general public, of the economic effects of corruption and what they might do to combat it.
- 4) The expansion of A.I.D.-sponsored civic participation activities with the beginning of Conciencia's programs.
- 5) Completion by AOJ Advisor, William Davis, of a preliminary study on legal and judicial impediments to business in Argentina which is being used as a basis to interest selected NGOs, the IDB and the GOA in supporting new programs.
- 6) The initiation of bilateral cooperation in the regulatory field with the signing of an agreement with the Comision Nacional de Valores for collaboration with the S.E.C., and agreement by the U.S. Patents and Trademarks Office (PTO) to negotiate a similar agreement with the GOA in FY1993.
- 7) GOA Ministry of Economy interest in taking a leadership role in investigating the feasibility of developing the MERCOSUR-NAFTA Compatibility Program.
- 8) Opening of the A.I.D. Trade and Investment Promotion Office in Buenos Aires, and initial steps to introduce the PRE Trade and Investment Services (TIS) Program in Rosario, Cordoba and Mendoza.

Next steps for the AID/Argentina program include:

- 1) Efforts to initiate the CEJURA and judicial school components of the AOJ Program, and to collaborate with the World Bank as it begins working in the justice sector.
- 2) Deciding whether and how best to continue efforts to collaborate with the GOA in the public sector components of the accountability program.

- 3) Choosing another civic group to support, and identifying NGOs with which Fundacion La Ley can work under the AOJ, Program as part of efforts to reach program objectives for civic participation.
- 4) Negotiation of a PASA with the PTO and completion of a survey to identify other opportunities for USG-GOA regulatory cooperation.
- 5) Working with LAC/TI and the GOA to develop the MERCOSUR-NAFTA Compatibility Program.
- 6) Full implementation of the TIS Program, and introduction of other regional and central bureau business development programs in Argentina through the A.I.D. Trade and Investment Promotion Office.
- 7) Assistance with the establishment of an EAI Environmental/Child Survival Trust Fund.

II. STATUS OF STRATEGIC OBJECTIVES

- A. Strategic Objective No. 1: More Responsible Government Institutions and a More Engaged Citizenry
 1. Refinements in the Strategic Objective and Program Outputs

Following approval of its Program Objectives Document/Action Plan in June 1992, staff of the A.I.D. Representative's Office devoted significant time to considering alternative formulations to increase the precision of this strategic objective and better reflect AID/Argentina's goals in the area of democratic initiatives. Despite misgivings regarding the lofty level of the strategic objective as stated, it was decided to retain the statement included in the 1992 POD/Action Plan, with one slight change: the word "independent" was eliminated from the previous statement, "more responsible and independent government institutions and a more engaged citizenry." While AID/Argentina's activities support increasing the independence of the justice sector, they are not focused on increasing independence in government institutions in general. Hence, the concept of increasing independence was shifted to Program Output No. 1, which deals with the justice system.

AID/Argentina is working in three areas under Strategic Objective No. 1 which are important to strengthening Argentina's democracy: justice system improvement;

TABLE 1: STRATEGIC OBJECTIVE PERFORMANCE

ARGENTINA						
STRATEGIC OBJECTIVE NO. 1 More responsible government institutions and a more engaged citizenry						
<i>Indicator: Percentage of public who believe that there are significant degrees of corruption by a) politicians, b) government employees, and c) judges</i>						
Unit: Percentage		Year	Planned	Actual		
Source: Survey by NGO Poder Ciudadano	Baseline	1992	-----	a. 91 b. 88 c. 66		
<p>Comments: This is a new indicator which AID/Argentina was able to add using data from an extensive survey of public opinion in Argentina regarding corruption, performed by Gallup using a survey design executed by Poder Ciudadano. This survey will be repeated annually, and will include questions regarding public perception of the fairness of the justice system.</p>		1993	a. b. c.	***		
		1994	a. b. c.	***		
		1995	a. b. c.	***		
		1996	a. b. c.	***		

<i>Indicator: Number of cases resolved through mediation</i>				
Unit: Number	Year	Planned	Actual	
Source: Ministry of Justice and Fundación La Ley semi-annual reports	1991	-----	400 with AID funds	
Comments: On a pilot basis, mediation is being introduced in Argentina at AID-supported centers and will be expanded to other centers supported by the MOJ and provincial courts. When that expansion occurs, procedures for measuring the number of cases resolved by the additional centers will be developed. However, it is difficult to set a target for total cases resolved at this time.	1992		***	
	1993		***	
	1994	Target	***	
STRATEGIC OBJECTIVE NO. 1 More responsible government institutions and a more engaged citizenry				
PROGRAM OUTPUT NO. 1.2 Reduced opportunities for corruption				
<i>Indicator: Number of GOA offices debureaucratized</i>				
Unit: Number	Year	Planned	Actual	
Source: Ministry of Justice and Civil Service Secretariat semi-annual reports	1992	-----	0	
Comments: This program will be completed in 1994.	1993		***	
	1994	Target	3	***
<i>Indicator: Number of groups participating actively in anti-corruption activities</i>				
Unit: Number	Year	Planned	Actual	
Source: Poder Ciudadano semi-annual reports	1991	-----	1	
Comments: This is a reformulation of indicators reported in the 1992 POD/AP. This number is significant because one of the main strategies to reduce opportunities for corruption is to increase the number of groups (civic organizations, schools, professional and business associations, etc.) working in anti-corruption activities.	1992	-----	8	
	1993	20	***	
	1994	Target	36	***

STRATEGIC OBJECTIVE NO. 1 More responsible government institutions and a more engaged citizenry					
PROGRAM OUTPUT NO. 1.3 Increased civic participation					
<i>Indicator: Number of municipal, school and community projects undertaken through civic participation</i>					
Unit: Number	Year	Planned	Actual	Year	Actual
Source: Conciencia semi-annual reports	Baseline	-----	0	1992	
Comments: This indicator includes both projects undertaken directly by the AID funded organization Conciencia, and projects which are not executed directly by Conciencia but involve its technical assistance to NGOs or public institutions.			***	1993	
			***	1994	
	Target		***	1995	
<i>Indicator: Female political candidates trained and percentage of them who increase their active political participation</i>					
Unit: Number/Percentage	Year	Planned	Actual	Year	Actual
Source: Conciencia semi-annual reports	Baseline	-----	0/0	1992	
Comments: The confluence of number and percentage will measure the quantitative and qualitative impact of the AID-funded Conciencia program on increasing women's political participation. A target on the percentage has not yet been developed.			***	1993	
			***	1994	
	Target		***	1995	180/TBD
<i>Indicator: Other NGOs related to the program carrying out civic participation activities</i>					
Unit: Number	Year	Planned	Actual	Year	Actual
Source: Conciencia semi-annual reports	Baseline	-----	0	1992	
Comments: The training program will include several other NGOs to which Conciencia will provide T.A. not only related to the course or the related projects, but also to their own strengthening as a civic institution. Conciencia will also provide material for other NGOs interested on the subject of civic education and participation, even if they are not formally participating at the program. Follow-up on the level of participation of the first group will be done. A target has not yet been developed.			***	1993	
			***	1994	
	Target		***	1995	

TABLE 2: STRATEGIC OBJECTIVE PROGRAM "TREE"

Argentina
Bureau Objective: Support the evolution of stable, participatory democratic societies
Bureau Sub-objective: Encourage the strengthening of competent, civilian government institutions that will merit public confidence, diminish the concentration of political power, and foster public participation
STRATEGIC OBJECTIVE NO. 1 More responsible government institutions and a more engaged citizenry

PROGRAM OUTPUT NO. 1.1 A more independent, efficient and accessible justice system	PROGRAM OUTPUT NO. 1.2 Reduced opportunities for corruption	PROGRAM OUTPUT NO. 1.3 Increased civic participation
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Activities	Activities	Activities
Fundación La Ley:	Poder Ciudadano	Conciencia
Supreme Court of the Nation	UNDP: Civil Service Secretariat/MOJ	Other civic group
Supreme Court of the Province of Buenos Aires	UNDP: Tribunal de Cuentas	(USIS programs)
Ministry of Justice (MOJ)		
FORES and other NGOs		
CEJURA		
USIS programs		

accountability; and civic participation. The Office will continue to work in these three areas, with a cross-cutting theme of increasing civic participation applied to its work in the first two areas. AID/Argentina has retained three program outputs corresponding to these areas, which were described in the 1992 POD/AP as "sub-objectives". The formulations for these three program outputs remain unchanged.

2. Strategic Objective Performance

Despite the brief time elapsed since submission of the 1992 POD/Action Plan, AID/Argentina has made progress toward achievement of the three program outputs.

a. Justice

Progress under the Administration of Justice Program has primarily been made in two areas: introducing mediation to Argentina and obtaining agreement to begin a program to promote reform at the provincial court level (CEJURA).

The Ministry of Justice project to create four pilot neighborhood justice centers provided a first experience for Argentina in using alternative methods of dispute resolution through mediation. The Centers have survived through four justice ministers. Their costs are being assumed by the GOA, which has agreed to expand the program at the federal level and work with provincial courts to develop centers at the provincial level.

The Ministry of Justice recently issued a decree to legalize and regulate the use of mediation as a dispute settlement mechanism. It is expected that the Argentine Congress will issue a law in 1993 based on the decree. Meanwhile, a corps of mediators has been trained, and a formal training program has been created. This program grew out of a cooperative effort between Fundacion Libra and the MOJ under the AOJ Program, part of which involved three training courses sponsored by USIS and A.I.D. given by U.S. mediation experts (general introduction, commercial disputes, family disputes). As a result of the enthusiastic reception to mediation in Argentina, it is expected that mediation will now be introduced into the formal court system.

Fundacion La Ley (FLL) contacted all 23 provincial supreme courts in an effort to gain their agreement to create a National Center for Provincial Courts (CEJURA) to take advantage of enthusiasm which exists at the provincial level to exchange experiences on AOJ reforms. Twenty-one courts have agreed to cooperate to date, and the first meeting of

CEJURA will be held by April 1993. FLL will also begin publishing a bulletin for circulation among provincial courts, universities and foundations on AOJ reforms in Argentina. Given the continuing lack of initiative for AOJ reform by the National Supreme Court, it is expected that the CEJURA component of the AOJ Program will become a primary impetus for further AOJ progress in Argentina.

The public defenders training program implemented by FORES will soon be completed and made available to the MOJ. Meanwhile, FORES has been requested by the Province of Buenos Aires to help improve its legal aid system. Improvement of legal aid in this Province will improve access to justice for one-third of the country's population.

In cooperation with USIS, programs were carried out to improve the flow of information and general level of understanding between the justice system and the press. We hope to continue this program, given the important role of the media in Argentina currently.

As a further consequence of the A.I.D. program, an agreement was signed between the University of Buenos Aires' (UBA) College of Administration, the Civil Service Secretariat and the Supreme Court of the Nation to offer an 18-month master's degree program in Judicial Administration. A.I.D. has proposed that UBA sign an agreement with the University of Southern California to support the program.

The primary problem with the AOJ Program continues to be lack of leadership from the politically divided members of the National Supreme Court. A plan for creation of a national judicial school was presented to the justices of the Supreme Court in October which may be used to make necessary decisions early in 1993 regarding its establishment. Pending these decisions, at the express request of the President of the Court, A.I.D. has financed the initial months of the Supreme Court's program to train judges in Argentina's new oral procedure for criminal cases, which came into effect last October. The Supreme Court also still has not made necessary decisions regarding administrative reform.

b. Accountability

Obviously, it will take a long time to reduce the incidence of corruption in Argentina. During the last six months, however, very significant progress has been made in raising the level of public discussion of the topic. Much of the credit both for increasing the attention of the

general public to the effects of corruption in Argentina and for making various interest groups more knowledgeable about what they can do to combat it goes to Poder Ciudadano. Evidence of Poder Ciudadano's efforts are highly visible in the Argentine media. For example, in just the last three months (Sept.-Nov. 1992), Poder representatives appeared in 550 minutes of television and 300 minutes of radio programs. Sixty articles were published in which Poder work was cited, and Poder staff had 200 interviews with journalists and opinion-makers. Poder Ciudadano has also continued sponsoring and participating in seminars for various sectors of society and workshops for high school and university students. While Poder Ciudadano was once the only organization working on the problem of corruption in Argentina, due to its efforts there are now eight groups addressing the issue, including a major business group which has publicly raised the issue of "judicial security" for business, the University of Buenos Aires and major foundations. A recent Gallup poll with which Poder Ciudadano cooperated showed corruption is the number one concern of the Argentine public -- ahead of economic issues such as jobs and inflation.

AID/Argentina efforts to complement Poder Ciudadano's work with activities within the public sector have had some success. Technical assistance is now being provided to the Tribunal de Cuentas to transform it into an Auditoria General in conformance with Argentina's new public financial control legislation. Also, a plan to de-bureaucratize the Immigration Office was prepared by the Civil Service Secretariat/MOJ.

c. Civic Participation

A.I.D. support for Conciencia began in August 1992. For the municipal component of the project, Conciencia held the first of three seminars for citizens and NGOs. Three municipal-level groups were formed and are carrying out community-based projects. In the "school and community" component, two day-long workshops were held for 110 participants. A group of 40 individuals was formed and is carrying out two community projects. In its component for training women for participation in the political process, Conciencia defined topics for the course it will offer, began designing it, and is selecting professors.

National Center for State Courts AOJ Advisor, William Davis, has been visiting Argentina regularly under A.I.D.'s AOJ Program for three years, and his work has been invaluable to the success achieved to date. In his last report he stated: "A.I.D.-funded projects are making an extremely valuable contribution to Argentina's road to

building strong democratic institutions. The amounts of money involved have been small, but the value received is significant, indeed."

3. Monitoring and Evaluation Status and Plans

AID/Argentina is in the process of completing its monitoring and evaluation plan for this objective and negotiating with its counterparts regarding the exact procedures for gathering and reporting data for strategic objective and program output indicators. Details regarding the development of the monitoring and evaluation plan are included in comments on the indicators in Table I.

AID/Argentina plans to conduct an evaluation of this strategic objective together with AID/Uruguay's Strategic Objective No. 2 at the end of Fiscal Year 1993.

B. Strategic Objective No. 2: Increased U.S.-Argentine Trade and Investment

1. Refinements in the Strategic Objective and Program Outputs

This strategic objective remains unchanged from its statement in the 1992 POD/Action Plan. The reciprocal focus of the objective reflects the maturing relationship between the U.S. and Argentina, clearly a more developed country with potential for full participation in the Enterprise for the Americas Initiative (EAI). The objective responds directly to Bureau priorities relating to furtherance of the EAI, as well as achievement of broad-based, sustainable economic growth. AID/Argentina's program is designed to utilize opportunities to strengthen the trade and investment relationship between the U.S. and Argentina, a particularly significant goal given Argentina's traditionally stronger commercial ties with Europe.

In its 1992 POD/AP, AID/Argentina identified three sub-objectives for this strategic objective: 1) progress made implementing EAI in Argentina; 2) an improved legal, regulatory and judicial environment for business in Argentina; and 3) US/Argentina business opportunities identified. Numbers 2 and 3 have been refined and are presented here as program outputs. The third area referred to activities to promote the adoption by the MERCOSUR countries of trade and investment policies in conformance with the requirements for accession to the NAFTA. This will be pursued as a regional activity by LAC/TI.

Argentina					
STRATEGIC OBJECTIVE NO. 2 Increased U.S.- Argentine trade and investment					
<i>Indicator: U.S. exports to Argentina</i>					
Unit: US\$ million	Baseline	Year	Year	Year	Actual
Source: U.S. Department of Commerce Comments: The option of tracking investment as well as trade was discarded as reliable data for investment are not available. Various options for proxy measures for investment were discussed, but it was felt that the time and cost required, as well as the limited validity of the proxies, argued against their use. Other indicators listed for this objective in the 1992 POD/AP were dropped in order to limit reporting to the most essential indicators.	Baseline	1991			1,897
		1992			2,000 (est.)
		1993			***
		1994			***
		1995			***
		1996			***
		1997			***
<i>Indicator: Argentine exports to the U.S.</i>					
Unit: US\$ million	Baseline	Year	Year	Year	Actual
Source: U.S. Department of Commerce Comments:	Baseline	1991			1,368
		1992			1,400 (est.)
		1993			***
		1994			***
		1995			***
		1996			***
		1997			***

STRATEGIC OBJECTIVE NO. 2 Increased U.S. - Argentine trade and investment

PROGRAM OUTPUT NO. 2.1 Selected improvements in legal, regulatory and judicial environment for business in Argentina

Indicator: Number of LRJ issues identified that are taken up for action by other agencies

Unit: Number	Year	Planned	Actual
Source: Grantee reports	1992	-----	0
Comments: This is a new indicator reflecting AID/Argentina's strategy to involve other agencies in addressing LRJ constraints. Targets will be identified in FY93.	1993		***
	1994		***
	1995		***
	1996		***
	1997		***
	Baseline		
	Target		

Indicator: Number of regulatory norms and procedures adopted

Unit: Number	Year	Planned	Actual
Source: Reports from USG and other agencies providing assistance to Argentine entities	1992	-----	
Comment: This is a more result-oriented rephrasing of an indicator included in the 1992 POD/AP. The indicator will provide information regarding the impact of collaborative relationships developed between U.S. and Argentine entities with A.I.D. support. Planned targets will be set following FY93 survey of regulatory possibilities.	1993		***
	1994		***
	1995		***
	1996		***
	1997		***
	Baseline		
	Target		

STRATEGIC OBJECTIVE NO. 2 Increased U.S. - Argentine trade and investment						
PROGRAM OUTPUT NO. 2.2 U.S./Argentine businesses made aware of trade and investment opportunities						
<i>Indicator: Number of firms engaged in deal-related discussions as a result of AID-sponsored programs</i>						
Unit: Number		Year	Planned	Actual		
Source: Buenos Aires Trade and Investment Office database	Baseline	1992	-----			
Comments: This new indicator will measure actual impact of AID/Argentina's activities to make U.S. and Argentine businesses aware of trade and investment opportunities. Targets will be set after FY93 initiation of program.		1993		***		
		1994		***		
		1995		***		
		1996		***		
	Target	1997		***		
<i>Indicator: Number of deals completed</i>						
Unit: Number		Year	Planned	Actual		
Source: Buenos Aires Trade and Investment Office database	Baseline	1992	-----			
Comments: See Comments for previous indicator.		1993		***		
		1994		***		
		1995		***		
		1996		***		
	Target	1997		***		

TABLE 2: STRATEGIC OBJECTIVE PROGRAM "TREE"

Argentina
Bureau Objective: Support the achievement of broadly-based, sustainable economic growth
Bureau Sub-objective: Encourage a vigorous response by the private sector to a more favorable policy environment
STRATEGIC OBJECTIVE NO. 2 Increased U.S.- Argentine trade and investment

PROGRAM OUTPUT NO. 2.1 Selected improvements in legal, regulatory and judicial environment for business in Argentina	PROGRAM OUTPUT NO. 2.2 Argentine and U.S. businesses made aware of trade and investment opportunities
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Activities	Activities
S.E.C./Comisión Nac. de Valores PASA	TIS Program
P.T.O./Industrial Property Office PASA	R&D/EI activities
LAC/TI MERCOSUR/NAFTA Compatibility Program	PRE Franchise Guarantee Program
	LAC/TECH Agroprocessing Seminar
	NRECA activities
	(Agricultural Cooperative Business Development)
	(PRE Capital Project?)

Program Output No. 1: "Selected Improvements in the Legal, Regulatory and Judicial Environment for Business in Argentina."

In the 1992 POD/AP, this program output was stated as "an improved legal, regulatory and judicial environment for business in Argentina." The statement was changed to reflect more closely the more limited level at which AID/Argentina can endeavor to show impact. AID/Argentina will support activities to address a few selected LRJ constraints in order to help clear Argentina's path to full participation in the EAI. AID/Argentina's strategy includes identifying key impediments in the LRJ environment which may then be taken up for action by private Argentine organizations, the IDB, the World Bank, or the GOA. More directly, USAID/Argentina will continue to take advantage of opportunities to support the establishment of cooperative relationships between U.S. regulatory agencies and their GOA counterparts to assist in improving Argentine regulatory norms and practices. These relationships will be mutually beneficial in the longer run. Lastly, AID/Argentina plans to cooperate under LAC/TI's MERCOSUR-NAFTA Compatibility Program to expedite adoption by the GOA of selected NAFTA trade and investment (and environmental management) policies and practices.

Program Output No. 2: "U.S. and Argentine Businesses Made Aware of Trade and Investment Opportunities."

This statement was changed slightly from its previous wording of "US/Argentine business opportunities identified", to clarify the result which AID/Argentina is seeking in order to support the strategic objective. A.I.D.'s Trade and Investment Promotion Office was opened in Buenos Aires in September 1992. While it will serve as a base for provision of regulatory assistance to GOA agencies by USG agencies, its primary function will be to expose medium-size Argentine and U.S. firms to business opportunities. Its core program will be the PRE Trade and Investment Services (TIS) Program. The existence of the Office will also make it possible to take advantage of selected LAC and central bureau programs to expand contact between Argentine and U.S. firms. Trade and investment opportunities relating to use of U.S. environmental technologies will be a particular focus of interest.

2. Strategic Objective Performance

At AID/Argentina's request, in July AOJ Advisor, William Davis, carried out a preliminary survey of business, judicial and legal community leaders in Buenos Aires to

identify which legal and judicial impediments to business were considered most important to address. (Mr. Davis had done a similar report for the IDB in Uruguay as part of preparations for its Investment Sector Loan.) The resultant report was provided to the IDB, the World Bank, representatives of the influential Argentine Fundacion para la Modernizacion del Estado (composed of leading Argentine business executives who assisted the Menem Government to restructure the central government bureaucracy), and selected GOA officials. The U.S. Embassy is using the report to encourage action by these institutions to begin to address issues affecting "judicial security" for business in Argentina.

A.I.D.-sponsored regulatory assistance was initiated with the signing of an agreement with the Comision Nacional de Valores to provide advice and assistance from the S.E.C.. The CNV and S.E.C. had signed a cooperative agreement in November 1991, but funding available to the S.E.C. was not sufficient to design and implement an ongoing program of cooperation. This first areas of assistance arranged by the S.E.C. are for regulation of over-the-counter trading (from NASDAC) and of the commodity futures market (from the CFTC).

The Argentine Congress is currently considering passage of patent law reforms which the USG considers important. The D.O.C. Patents and Trademarks Office (PTO) has agreed informally with LAC/TI to negotiate an AID/Argentina-funded PASA with the GOA Industrial Property Office in FY1993.

The GOA is currently making efforts to exert leadership among the MERCOSUR countries to help ensure political commitments to negotiate a series of trade and investment policy harmonization agreements are respected. GOA Ministry of Economy Officials responsible for MERCOSUR policies have expressed interest in the proposed MERCOSUR-NAFTA Compatibility Program and might be convinced to take the lead within the MERCOSUR to develop the idea in time for the May 1993 "Four-plus-One" T.I.C. meeting.

The A.I.D. Trade and Investment Promotion Office opened in September. PRE, IESC and AID/Argentina are in the process of introducing the TIS Program in Argentina's three major provincial markets: Rosario (Santa Fe Province), Cordoba, and Mendoza. It is anticipated that additional business development programs can be implemented with the three business associations in those provinces with which A.I.D. is cooperating to implement the TIS Program.

3. Monitoring and Evaluation Status and Plans

This part of the AID/Argentina program has just begun. Program objectives and specific indicators have been selected, and plans have been made for collecting data. Targets for indicators will be set during FY93 as specific program components are developed further.

III. PORTFOLIO ANALYSIS: STATUS OF PORTFOLIO

A. New Initiatives

The programming strategy for the use of funds budgeted for the Argentine program to achieve its two strategic objectives was approved at the POD/Action Plan review in June 1992. For Strategic Objective No. 1, AID/Argentina has increased funding for the AOJ program and will continue to support a very few, selected Argentine NGOs both within that program and to promote civic participation. For Strategic Objective No. 2, AID/Argentina will: a) seek to involve other organizations (Argentine NGOs, IFIs and selected GOA offices) in LRJ reforms; b) sponsor cooperative relationships between selected USG and GOA regulatory agencies; and c) take advantage of regional and central bureau programs to promote business among Argentine and U.S. firms. Accordingly, No New Activity Descriptions are presented in this Action Plan.

The Action Plan guidance requested comments on the effect of A.I.D.'s budget pressures on the proposed program for Argentina. Argentina is a very important country to the advancement of U.S. interests in the Hemisphere. Bilateral relations between our two countries are better than at any time in recent memory. The opportunities to advance U.S. interests in strengthening Argentina's democracy, promoting EAI objectives and increasing commercial relations with Argentina are clear. As a result of the last POD/AP exercise, A.I.D. resources are being strictly focused on activities to meet these objectives. Nevertheless, A.I.D. funds currently budgeted for Argentina (\$1,575,000) are less than those planned for any other LAC country except Uruguay (a country one-tenth its size). The use of A.I.D. funds for Argentina is economized by such means as refusing to pay for various types of support the GOA should itself finance, supporting local NGOs, relying on Argentine rather than foreign technical assistance, and taking advantage of PASAs under which only travel and per diem costs of USG officials are financed. Despite these measures, and given rising dollar costs in Argentina (the cost of living is higher than in any U.S. city and most European capitals), the current level of A.I.D. funding available for Argentina is not sufficient to

take minimal advantage of opportunities to promote U.S. interests. Accordingly, the proposed funding levels for FY94 and FY95 increase about 10% per year, and AID/Argentina would argue that even higher levels would provide more marginal benefit to the U.S. if budgeted for Argentina than for most other LAC countries.

The programming strategy proposed by AID/Argentina and approved by the Bureau at the last POD/AP review has the benefit of avoiding the development of large "stand-alone" projects and keeping "mortgages" to an absolute minimum, but at the same time necessitates that new funds be made available each fiscal yet to initiate new activities with existing or new counterparts. The strategic objectives for the Argentina program can only be achieved if the Bureau treats the total funds approved for each strategic objective in FY93, FY94 and FY95 as fixed commitments in the same way it treats mortgages of larger projects in other country programs. Absent a firm commitment to actually fund the program for Argentina at the levels approved at the next Action Plan review, the program will not be viable.

FY93 funds are very tightly budgeted. Within the AOJ Program, FLL and AID/Argentina expect that in the near future the CEJURA and MOJ mediation program components will provide the impetus for further AOJ reform in Argentina. It is anticipated that FLL will make more small sub-grants to NGOs interested in promoting "demand" for justice reforms among citizens. A.I.D. and USIS have also agreed to expand programming significantly under a PASA soon to be signed. Lastly, AID/Argentina will try to coordinate closely with the World Bank as it plans assistance to the justice sector to help ensure it is well programmed.

Within the Accountability Program, an evaluation of the effectiveness of reforms being made by the new Auditoria General with A.I.D. T.A. will be made by the end of 1993 to determine whether political conditions warrant extension of the activity. Additional funds are also tentatively budgeted in FY93 and FY94 for more de-bureaucratization work, but they will only be used if it is clear the GOA will implement the reforms proposed.

Lastly, to expand civic participation activities, funds are budgeted to cooperate with one additional Argentine civic group among the many worthy candidates.

To pursue Strategic Objective No. 2, AID/Argentina plans to continue discussions with the IDB and the Fundacion para la Modernizacion del Estado -- and to begin discussions with other groups using the Davis report -- to encourage their work

on LRJ issues. We will encourage efforts by the GOA to take the lead in developing the MERCOSUR-NAFTA Compatibility Program. A survey of Argentine regulatory needs and USG capabilities will be done in 1993 to identify areas in which more bilateral regulatory cooperation can be pursued. An agreement with PTO will be signed as soon as possible.

The TIS program will be operational by April/May 1993. During the course of the year, AID/Argentina plans to promote activities to promote U.S.-Argentine business development under a number of other regional and central bureau programs (see tables).

Finally, AID/Argentina will work with the Nature Conservancy, or another appropriate NGO or consulting company, to help the GOA establish the EAI Environmental/Child Survival Trust Fund.

B. Status of Portfolio

Table 3 shows the time-lines for all existing AID/Argentina activities. Detailed implementation reports are included in the Annual Portfolio Review (see annex).

C. Central and Regional Projects

<u>LAC Regional Activity</u>	<u>Category</u>
. MERCOSUR-NAFTA Compatibility	Supports S.O.; will help manage
. LACTECH Agro-processing Seminar	Supports S.O.; will help manage
<u>Central Bureau Activity</u>	
. PRE TIS	Supports S.O.; will help manage
. NRECA	Supports S.O.; no management help required
. Hemorrhagic Fever Vaccine	Does not support S.O.; no management help required
. R&D/EI Activities	Supports S.O.; will help manage

Table 3: USAID/ARGENTINA PORTFOLIO -- ACTIVITY TIMELINE

ACTIVITY TITLE	FY92				FY93				FY94				FY95				FY96				FY97			
	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
Administration of Justice	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Poder Ciudadano	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Trib. C./Civ. Serv./MOJ	-	-	-	-	-	-	-	-	-	-	-	x	-	-	-	-	-	-	-	-	-	-	-	x
Conciencia	-	-	-	x	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	x
Other Civic Group	-	-	-	-	-	-	-	x	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	x
SEC/Com.Nac.de Valores	-	-	-	x	-	-	-	-	x	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
P. T. O./Ind.Prop. Office	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	x
MERCOSUR/NAFTA (LACTI)*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Trade & Invest. Program	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TIS Program (PRE)*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
R&D/EI Activities*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
PRE Franchise Guar.*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
NRECA*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Peace Corps	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
EAI Environment Trust Fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Farmer to Farmer*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Hemorrhagic Fever*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL ACTIVITIES (number) (at end of FY 4th Quarter)				8/ 2*				10 7*																

* Regional or Central Bureau

- | | |
|-----------------------------------|--|
| . Farmer-to-Farmer | Does not support S.O.; no management help required |
| . PRE Franchise Guarantee Program | Supports S.O.; will help manage |
| . (Agribusiness Coop Pgms) | Supports S.O.; would help manage |
| . (PRE Capital Project) | Supports S.O.; no help would be required |

IV. ENVIRONMENT

Preliminary work on a tropical forest and biodiversity analysis for Argentina was carried out by the Regional Environmental Advisor for South America in preparation for the 1992 POD/Action Plan. The REA has agreed to return in April 1993 to perform the legislatively mandated analyses. These analyses will then be incorporated into the Action Plan. AID/Argentina plans to assist in establishing an EAI Environmental/Child Survival Trust Fund in Argentina.

V. RESOURCE REQUIREMENTS

AID/Argentina's response to budget restrictions took effect last year with the decision to focus its portfolio to two areas of importance to U.S. foreign policy interests in Argentina and the LAC Region. As described in Section III, other than for AOJ Program, AID/Argentina seeks to maintain flexibility to support a very limited number of new activities each year within the two strategic objectives, rather than create long-term, free-standing projects. AID/Argentina's expectation is that the total amounts approved for each strategic objective will be treated by the Bureau in the same way as authorized LOP budgets for multi-year projects. Table 4 shows the FY93-FY95 program budget proposal with a modest increase in funding from \$1,575,000 in FY93 to \$1,925,000 in FY95.

In order to implement approved A.I.D. programs in Uruguay and Argentina, both OE and program funding is required to finance administrative support costs, and ongoing collaboration from the LAC Bureau and USAID/Bolivia is needed. Currently authorized staff levels for both Montevideo and Buenos Aires (see Annex) are anticipated to be adequate during the Action Plan period. In addition, technical support will continue to be needed from the LAC Bureau on an ongoing basis, principally from LAC/TI and LAC/DI -- for access to specialized expertise,

TABLE 4a
USAID/ARGENTINA
SUMMARY PROGRAM FUNDING TABLE
Dollar Program (\$000)

<i>Funding Category</i>	FY93	FY94	FY95	SO#
LAC Bureau				
<i>ITT</i>	525	700	675	
Tribunal de Cuentas/Civil Service Secretariat/Ministry of Justice	110	100	---	1
PTO PASA	50	50	---	2
Other LRJ programs	---	180	250	2
Trade and Investment programs	300	350	400	2
Peace Corps	15	20	25	other
EAI Environmental Fund	50	---	---	other
<i>AOJ</i>	500	500	550	
Administration of Justice	500	500	550 ¹	2
<i>Human Rights Initiatives</i>	450	450	600	
Poder Ciudadano	150	150	50	1
Conciencia	150	150	---	1
Other Civic Group	150	150	---	1
<i>PD&S</i>	100	100	100	
Total AID/Argentina	1,575	1,750	1,925	
<i>Bureau-funded</i>				
MERCOSUR/NAFTA Compatibility	250	250	---	2
Total LAC Bureau	1,825	2,000	1,925	
Other Bureau-funded				
TIS	100	100	100	2
NRECA	60	---	---	2
Farmer to Farmer	50	50	---	other
R&D/EI Activities	50	50	50	2

¹ Of this amount, \$312,000 may be re-programmed for other DI uses, depending on the success of the AOJ program.

Funding Category	FY93	FY94	FY95	SO#
Total Non-LAC Bureau	260	200	150	
PROGRAM TOTAL	2,085	2,200	2,075	

necessary coordination with other USG agencies, and to ensure consistency between what is done by A.I.D. in Uruguay and Argentina with programs elsewhere in the LAC Region. Without this collaboration, the thinly staffed A.I.D. Representative's Office cannot implement the activities proposed in the Action Plan.

In addition to this technical support and collaboration, the A.I.D. Representative's Office needs operational support from USAID/Bolivia from the offices of the Controller, Contracts Officer, RLA and EXO. Lastly, in order to comply with Agency program planning and documentation practices, the A.I.D. Representative's Office needs program officer and project development officer support on a regular basis. To date, this has been provided by the Bureau (OE funded) or via contractors (program funded). Such support could also be provided from La Paz as part of the Bureau's plan to centralize field backstopping of MDC programs. No matter how these three types of support (technical, operational, and program planning/documentation) are provided, adequate OE and PD&S funding is required to finance them. Adequate levels have been requested in the program and OE funding levels proposed* and must be provided if the planned programs are to be implemented.

VI. AID/ARGENTINA ISSUES

A. Both Programs

1. Budget Security

A.I.D. funding is tight, but in order to plan adequately for activities to meet approved strategic objectives, better assurance is needed that approved fiscal year funding levels for MDC programs will be provided. Will the Agency decide to request specific levels for MDC programs in future Congressional Presentations? Will the Bureau agree to treat the approved funding levels for each strategic objective for FY93, 94 and 95 as fixed commitments (subject to availability of future FY funding) just like authorized project totals?.

* Program funding for certain FSN staff and program planning support, and OE funds for FSN staff and backstopping from Washington and La Paz.

2. MERCOSUR/NAFTA Compatibility Program

What steps need to be taken to be able to begin implementing this Program after the May 1993 T.I.C. meeting?

3. MDC Program Systems Audits

An issue regarding procedures for implementing MDC programs has surfaced as a result of recent IG audits. The IG has recommended extensive written procedures (local orders) be developed for MDC programs, along the lines of those used by A.I.D. Missions. While recognizing the differences among MDC programs, it would be helpful if the LAC Bureau developed a policy concerning how formal and extensive program management procedures for MDCs need to be. Such a policy could ensure consistency in procedures among LAC MDC programs.

4. Environmental Analyses

To meet legislative requirements, and to serve as a guide for activities to be supported by the EAI Environmental/Child Survival Trust Fund, tropical forest and biodiversity analyses need to be completed for Argentina and Uruguay. The Regional Environmental Advisor has stated that he needs assistance to complete these assessments. Can LAC/DR/E assist with this work?

B. Argentina Program

1. Additional Funds

The Action Plan guidance asked A.I.D. Representatives to "straight-line" FY93 program funding levels into FY94 and FY95, whereas Missions were told they could consider requesting increased funding. The marginal benefit of a small increase in funding for the A.I.D. program in Argentina in terms of U.S. foreign policy interests and LAC Bureau program objectives for the Hemisphere is high. Will the Bureau consider approving modest increases in the Argentine program in FY94 and FY95 in lieu of programming future resources made available to the Bureau (even if levels are reduced) on the basis of historical precedents established when conditions and opportunities within the Hemisphere were different?

ANNEX 1

AID/ARGENTINA
ANNUAL PORTFOLIO REVIEW

(December 1992)

I. Summary LAC Financial Table

II. Individual Projects

1. Administration of Justice Project
2. Accountability Project
3. Civic Participation
4. Hemorrhagic Fever Vaccine Project

ARGENTINA ANNUAL PORTFOLIO REPORT (as of 9/30/92)

Activity Title and Project Number	Implement. Agency	Oblig. Instr.	FY Initial Obligation FY Final Obligation Estimated Completion Date	Planned Life of Project	Cumulative Obligation to Date	Counterpart Contribution	Accrued Expenditures Cumulative	Pipeline
- Regional Administration of Justice 598-0642.21 (ESF)	Fundación La Ley	GRANT	89 93 12/93	2,159,000	921,000	**	638,680	282,320
- Public Administration Accountability Project 598-0616.21 (ITT)	UNDP	GRANT	91 93 12/93	664,000*	453,588	60,000	156,000	297,588
- Private Initiative For Corruption Control 598-0616.21 (ITT)	Poder Ciudadano	GRANT	91 93 12/93	600,000	250,000	**	150,000	100,000
- Civic Participation 598-0616.21 (ITT)	Conciencia	GRANT	92 93 07/94	450,000	150,000	**	26,000	124,000
- Comisión Nacional de Valores/SEC 598-0616.21 (ITT)	CNV	GRANT	92 93 12/93	75,000	75,000	50,800	0	75,000
- Trade and Investment Promotion	-	Direct Contracts	92 N/A	N/A	82,967	N/A	0	82,967

* An increase of \$ 164,000 included which is to be decided in FY 93.

** In kind, but not included in Grant Agreement

1. ADMINISTRATION OF JUSTICE

A. ACTIVITY TITLE/No.: Argentina Administration of Justice/
598-0642.21

Estimated Completion Date: September, 1995

Grant Administrator: Fundación La Ley

Implementing Agencies: Supreme Court of the Nation, Ministry of Justice, Supreme Court of the Province of Buenos Aires and FORES

B. ACTIVITY PURPOSE: To improve court administration, train judicial sector officials, help widen access to justice, and increase public understanding of the justice system. The project aims to increase the independence and the efficiency of the justice system and to widen access to justice in Argentina by individuals and businesses.

C. PROJECT STATUS

Major Outputs Expected:

- Improvements implemented in court administration at national and provincial levels.
- Training of the judicial personnel and training related outputs: curricula design, faculty development, preparation of handbooks and course plans.
- Pilot program for mediation/legal aid in neighborhood centers and other pilot efforts on new methods of dispute resolution.
- Reform of Offices of Public Defenders and assistance to other institutions responsible for legal aid.
- Exchange of information and experiences in administration of justice topics among Argentina's provincial courts and some research activities.
- Improvement of public awareness and judicial sector knowledge of justice-related issues.

Overall Assessment of Activity

Budgeted:	Committed:	Expended:
\$2,159,000	\$921,000	\$638,680

A very good start has been made in implementing judicial reform over the last three years, with relatively modest project inputs from A.I.D. and USIS. These accomplishments include the following:

Supreme Court of the Nation (SCN)

An International Symposium of Judicial Schools was organized and took place in Buenos Aires at the end of 1991. The main participants were directors of judicial schools from the U.S., Canada, France, Spain, Japan, and six Latin American countries. All the activities were video-taped for use in future seminars to be held in LAC countries. This represented the first time ever that judicial schools of such importance met to discuss policies, organizational issues, relation with their judicial systems, training methodologies, and the like. Following this, Brazil organized another International Symposium of Judicial Schools with an analogous scope and organization, that took place in Porto Alegre in December, 1992. The Vice-President of the SC of Argentina, Cavagna Martínez, gave a speech at the event, emphasizing the importance of judicial schools in the performance and reform of the justice system, and describing the A.I.D. program in Argentina for the creation of the school. By the end of 1992, a final report on Judicial Schools and a proposed organization for the Argentine School was delivered to all Justices and is awaiting a decision related to the formal creation of a training institution for justice system personnel. Pending this decision, and at the express request of the President of the Court, A.I.D. financed the initial months of the Supreme Court's program to train judges in Argentina's new oral procedure for criminal cases, which came into effect last October. Intensive and participative courses were designed and delivered to 37 Judges and 10 prosecutors. Additionally, some pilot courses have been designed.

An Office of Statistics was created, and the first Director -- also a graduate of a Court Administration Course financed under the Project -- was appointed.

A diagnostic study has been completed of administrative problems of the justice system at the federal level, providing the National Supreme Court with the basis for evaluating its own needs in administration, financial management, organization, human resources and data processing.

As a direct aftermath of the court administration component of this program an agreement was signed among the University of Buenos Aires (UBA), the National Institute for Public Administration (INAP), and the Supreme Court of the Nation to design and deliver courses for a Masters in Judicial Administration, beginning in 1993. We understand this is the first Latin American University to create a long-term (18-months, full-time) course on the subject. There is a proposal to have UBA sign an agreement with University of Southern California to support the program, and both Universities have expressed a willingness to reach such an accord.

In August, 1991, the Argentine National Supreme Court also organized and hosted the First Conference of Supreme Courts of

the MERCOSUR Countries. This meeting of chief justices and high officials of six countries (including Chile and Bolivia), was the first step in the creation of a MERCOSUR court to resolve commerce problems among the four MERCOSUR countries. The proposal to create a supra-national court has since been taken up by MERCOSUR negotiators and the second Conference took place in Bolivia in 1992. In that meeting the Chief Justice of Paraguay announced that as a consequence of the First Conference the Supreme Court of that country promoted and obtained a 6% of the budget being allocated for the judiciary.

Problems internal to the Supreme Court of the Nation are retarding its making decisions needed regarding the official establishment of a judicial training and research institution and the selection of administrative reforms to implement.

Supreme Court of the Province of Buenos Aires

At the provincial level, court administration accomplishments include: development of a pilot project to automate court receivers' offices; creation of an office of information to improve access to the Justice system; organization of two congresses of presidents of provincial appellate courts to discuss and promote reform; and planning of a multi-activity effort for judicial administration/decentralization within the Province, which the Project is helping implement. Also the mediation and the legal aid components of the program were expanded to work with the Province of Buenos Aires. Improvements in access to justice in this province will affect one third of the country's population.

Ministry of Justice

Under the legal aid/mediation component, the Ministry of Justice created four pilot centers for legal aid and mediation in different neighborhoods of Buenos Aires, which have survived through four justice ministers. As alternative methods of dispute resolutions were totally new in Argentina, an intensive program of courses for young lawyers working in the centers was delivered. The main modules were legal conflict prevention policies, mediation promotion, alternative arbitration systems, legal aid systems, and community-level legal knowledge. In the near future, the costs of the neighborhood centers are going to be assumed by the GOA, which has agreed to expand the program at the federal level and work with provincial courts to develop centers at the provincial level. The Ministry also developed and delivered a thorough set of other seminars on alternative methods of dispute resolution that eventually became a formal course to train and register mediators. In a joint effort with USIS, three American experts were responsible for the curricula design and actual delivery of the courses to the first corps of mediators.

By the end of 1992, the Ministry of Justice drafted, and the Executive issued, a decree to legalize and regulate the use of

mediation as a dispute settlement mechanism. It is expected that the Argentine Congress will issue a law in 1994 based on the decree.

As a result of the enthusiastic reception to mediation in Argentina, it is expected that mediation will now be introduced into the formal court system.

The mediation program grew out of a cooperative effort between the MOJ and Fundacion Libra under the AOJ project. As a consequence of the activities, Fundacion Libra has been strengthened, issued the first LIBRA bulletin, collaborated in training programs delivered by Dr. Ury from Harvard Law School in Argentina, and is now providing technical assistance to the Uruguayan Supreme Court.

Fundacion La Ley

During the last quarter of 1992, FLL contacted all 23 provincial supreme courts in an effort to gain their agreement to create a National Center for Provincial Courts (CEJURA) to take advantage of enthusiasm which exists at the provincial level to exchange experiences with AOJ reforms. Twenty-one courts have agreed to cooperate to date, and the first meeting of CEJURA will be held by April 1993. FLL will also begin publishing a bulletin for circulation among provincial courts, universities and foundations on AOJ reforms in Argentina. Given the lack of initiative for AOJ reform by the National Supreme Court, it is expected that the CEJURA component of the AOJ Program will become a primary impetus for further AOJ progress in Argentina.

Also, a research study on court delay is being completed, following AOJ Advisor William Davis' recommendations on his preliminary study on legal and judicial impediments to business in Argentina.

FORES

FORES proposed and obtained the Minister of Justice's approval to create a Commission of Public Defenders to restructure the public defense system. An educational program was developed and delivered for the training of public defenders and other officials within the Ministry's and several Provinces' public defenders' offices. A guide on institutions that provide legal aid has been created to encourage improved coordination of activities.

Current Opportunities for the USG/A.I.D.

In addition to the specific accomplishments of the pilot activities which have been started, the Project has begun to

have an impact on the judicial sector itself. It has been successful in exposing Argentine judicial officials to a variety of different measures which can be taken to improve court administration that they now believe they can implement in their own country. AOJ is much more of an issue now within the sector, whereas it was not really discussed previously. Genuine interest has also been sparked at the provincial level to undertake AOJ activities. Two years ago, judicial sector leaders at both the federal and provincial level had no clear ideas on how to pursue judicial reforms. USG endorsement of reform and assistance in identifying and promoting discussion of modalities among various institutions has been very useful to judicial sector leaders in overcoming their colleagues' skepticism and reluctance to change.

Activity Performance

The primary problem with the AOJ program continues to be lack of leadership from the politically divided members of the National Supreme Court. A plan for creation of a national judicial school was presented to the justices of the Supreme Court of the Nation in October which should be used to make necessary decisions in early 1993 regarding its establishment. The Supreme Court still has not made necessary decisions regarding administrative reform.

2. ACCOUNTABILITY PROJECT

A. ACTIVITY TITLE/No.: Argentina Accountability Project/ 598-0616.21

Estimated Completion Date: July, 1994

Grant Administrators: U.N.D.P. and Poder Ciudadano

Implementing Agencies: Ministry of Justice, Civil Service Secretariat, Tribunal de Cuentas and Poder Ciudadano

B. ACTIVITY PURPOSE: The project purpose is to increase public awareness of the economic costs of corruption and what citizens can do about it, and to identify measures the GOA can take to reduce opportunities for corruption.

C. PROJECT STATUS

Major Outputs Expected:

- Civic groups exposed to the economic costs of corruption and ways to combat it.
- Governmental procedures which can facilitate corruption identified and removed, i.e. to outline the main sectors where administrative corruption in the government exists and propose new measures to prevent it.
- Technical assistance provided to the Tribunal de Cuentas for its transformation into a modern and active Auditoría General.

Brief Overall Assessment of Activity

Budgeted:	Committed:	Expended:
\$1,264,000	\$703,600	\$306,000

The private initiative component has been very successful. Although it will take a long time to reduce the incidence of corruption in Argentina, during the last six months very significant progress has been made in raising the level of public discussion of the topic. Much of the credit both for increasing the attention of the general public to the effects of corruption in Argentina and for making various interest groups more knowledgeable about what they can do to combat it goes to Poder Ciudadano. Evidence of Poder Ciudadano's efforts are highly visible in Argentine media. For example, in just the last three months (Sept.-Nov. 1992), Poder representatives appeared in 550 minutes of television and 300 minutes of radio programs. Sixty articles were published in which Poder work was cited, and Poder staff had 200 interviews with journalists and opinion-makers.

Poder Ciudadano has also continued sponsoring and participating in seminars for various sectors of society and workshops for high school and university students. While Poder Ciudadano was once the only organization working on the problem of corruption in Argentina, due to its efforts there are now eight groups addressing the issue, including a major business group which has publicly raised the issue of "judicial security" for business, the University of Buenos Aires and major foundations.

A recent Gallup's poll with which Poder Ciudadano cooperated showed corruption is the number one concern of the Argentine public -- ahead of economic issues such as jobs and inflation.

AID/Argentina efforts to complement Poder Ciudadano's work with efforts within the public sector have had some success. Technical assistance is now being provided to the Tribunal de Cuentas to transform it into an Auditoria General in conformance with Argentina's next public financial control legislation. Also, a plan to de-bureaucratize the Immigration Office was prepared by the Civil Service Secretariat/MOJ, and the research work on a second office has started. Due to the program, joint activities between public and private institutions are starting: University of Buenos Aires students who participated in the Poder Ciudadano accountability courses are helping as research assistants in the second office to be studied. The international expert helping the Tribunal de Cuentas has given advice to Poder Ciudadano.

Activity Performance

The major problems which need to be addressed are to evaluate the effectiveness of reforms being made by the new Auditoria General and to actually implement de-bureaucratization of the public offices studied. This will determine whether political conditions warrant the continuation of the public sector components of the Program.

3. CIVIC PARTICIPATION

A. ACTIVITY TITLE/No.: Argentina Civic Participation Project/
598-0616.21

Estimated Completion Date: August, 1995

Grant Administrator: Conciencia

Implementing Agency: Conciencia

B. ACTIVITY PURPOSE:

To apply participating methods and promote improvements in four main areas: municipal governments, schools and communities, political training for women, and international cooperation among NGO's promoting civic participation.

C. PROJECT STATUS

Major Outputs Expected:

- Citizens as well as local NGO's actively participating in the decision-making, problem solving and accountability processes at municipality level and on educational issues.
- Participatory projects implemented by integrated groups of people representing different sectors (schools, business sectors, governmental and non governmental organizations and other members of the community).
- Women in political or civic activities strengthened in their individual capabilities, in order to be able to improve their role in the consolidation of democracy in Argentina.
- NGO's that work for civic education/ participation established or reinforced.

Brief Overall Assessment of Activity

Budgeted:	Committed:	Expended:
\$450,000	\$150,000	\$26,000

A.I.D. support for Conciencia began in August 1992. For the municipal component of the project, Conciencia held the first of three seminars for citizens and NGOs. Three municipal-level groups were formed and are carrying out community-based projects. In the "school and community" component, two day-long workshops were held for 110 participants. A group of 40 individuals was formed and is carrying out two community projects. In its project for educating women for participation in the political

project for educating women for participation in the political process, Conciencia defined topics for the course it will offer, and began designing the course and selecting professors.

4. HEMORRHAGIC FEVER VACCINE PROJECT

A. ACTIVITY TITLE: Hemorrhagic Fever Vaccine Project

Estimated Completion Date: September 1994

Implementing Agency: GOA Ministry of Health and Social Welfare

Grant Administrator: PAHO

B. ACTIVITY PURPOSE: To test the efficiency of the Hemorrhagic Fever Vaccine.

C. PROJECT STATUS: Hemorrhagic fever, a disease found only in Argentina and Korea, has a mortality rate of about 3 percent if treated within the first week after infection. It affects mostly the rural areas of the provinces of Buenos Aires, Santa Fe, Córdoba and La Pampa. From January to December 1991, 22 deaths were reported amongst 731 confirmed cases.

The Candid I vaccine against hemorrhagic fever was developed over a 12-year period in the U.S. by the Argentine Dr. Julio Barrera Oro. It was tested on human volunteers in both the U.S. and Argentina and was found to be 97 percent effective. As part of a special U.S./Argentine cooperative effort under a grant to PAHO in August 1991, the U.S. provided Argentina with the first 50,000 doses of an eventual 200,000 of the vaccine. In November 1991, another 38,694 doses were sent. According to the Ministry of Health and Social Welfare, by the end of November of 1992, 90,723 people had been vaccinated in the rural areas of Buenos Aires, Córdoba and Santa Fe provinces.

Experts Francisco Pinheiro and Kelly McKey Jr. visited the vaccination centers and will produce a report in the near future. The information from the Ministry of Health and Social Welfare is that not a single problem has arisen during the implementation of this activity.

Argentina hopes to produce its own vaccine independently within the next five years.

AID/URUGUAY-ARGENTINA STAFF

	<u>URUGUAY</u>	<u>ARGENTINA</u>	<u>FUNDING</u>
A.I.D. Representative	1*	-	OE
Sr. Project Officer (TI)	1	-	OE
Sr. Project Officer (DI)	1*	-	OE
Project Officer (TI)	1	2	Program
RTAC Project Manager	1	2	Program
Sr. Accountant/Management Officer	1	-	OE
Accountant	1	-	OE
Executive Secretary	1	1	OE/Pgm
Secretary	1	-	OE
Clerk/Chauffeur	1	-	OE
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	10	3	

* Spends half time on Argentina