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**PHASE II (RFMIP II)**  
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**TECHNICAL SERVICES FOR REGIONAL FINANCIAL MANAGEMENT**  
**IMPROVEMENT PROJECT**  
**Contract # LAG-0800-Q-00-3005-00**  
**PROJECT IMPLEMENTATION PLAN**

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# INTRODUCTION

Strategic Role of U.S. Assistance in the Americas, the U.S. Agency for International Development, states that:

*"...the chief challenge to political stability and economic prosperity in Latin America and the Caribbean during the nineties will be for elected governments to tangibly demonstrate that they can meet popular demands for improved standards of living. The transitions of the 1980s provided the space for democracy to take hold. Elected governments replaced authoritarian ones. Civilian leaders replaced military ones. Nonetheless, there is broad recognition that these new Latin American democracies are still incomplete and fragile. To support the commitment to the evolution of democratic practices and values that can be consolidated and sustained, USAID will support "good governance" to make government institutions more transparent, accountable, effective, decentralized and accessible to citizens. USAID will provide technical assistance to countries that wish to improve their financial management systems. It will work with a network of NGOs to stimulate further discussion of transparency, accountability and anti-corruption measures."*

The Latin American and Caribbean (LAC) Regional Financial Management Improvement Project Phase II (RFMIP II) was designed to provide the support and assistance for this effort through the promotion of the Integrated Financial Management Systems (IFMS) concept and support for appropriate financial management and good governance initiatives by democratically elected governments, indigenous communities, and non-governmental organizations (NGOs).

RFMIP II will focus on:

**Increasing the coordination of resources by the donors engaged in financial management activities in Latin America.** Since the World Bank (WB) and the Inter-American Development Bank (IDB), in particular, offer lending programs to provide the large-scale resources necessary for infrastructure investment and public sector restructuring, the role of RFMIP II will be to act as the Executive Secretariat for the international donors involved in financial management improvement activities in LAC countries in order to coordinate resources, avoid duplication of effort, and advance the shared objective of sustainable development.

**Supporting efficient and effective financial management practices in order to provide the services demanded by the citizens.** RFMIP II will provide short-term technical assistance to governments seeking to reform fiscal policy, and to modernize, specifically in the areas of financial management and greater accountability to the public. The RFMIP II recognizes that reform and modernization are long-term commitments, and

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not within the scope of the current effort. However, short-term interventions can assist in the process of bringing about the longer-term goals.

**Increasing the level of consciousness by the citizenry of the importance of the government's accountability and transparency and indications of interest and commitment** to coherent strategies for good governance activities. The RFMIP II will support various types of endeavors which will encourage governments to be more transparent, accountable, effective, decentralized, and accessible to citizens.

In view of the restructuring instructions received from USAID on February 15, 1994, the RFMIP II has been organized into four components:

- Strengthening the Donor Working Group;
- Promotion of the IFMS Concept;
- Development of Good Governance (Anti-Corruption) Programs; and
- Providing Responsible Project Management.<sup>1</sup>

The Administrator's Statement of Principles on Participatory Development, issued December 30, 1993 encourages all USAID programs and projects to realize that "*for our scarce funds to contribute meaningfully to the goal of sustainable development, the development approaches themselves must be sustainable.*" Thus, the RFMIP II's approach is to:

- Work with the other international donors in coordinating efforts which will be sustainable while being cost effective and meeting the priorities of each donor organization and the host country;
- Develop and maintain direct channels of communication with the groups directly involved in supporting accountability and transparency;
- Support the initiatives of democratically elected institutions, professional groups and civic groups in good governance programs; and

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<sup>1</sup> Since this document focuses on the RFMIP II Team's plan for achieving the objectives of the RFMIP II and related activities, discussion of the project management and contract administration component may be found in the restructuring proposal submitted to USAID on April 6, 1994 and the Semi-Annual Substantive Report.

- Measure project activities in terms of the sustainability of the effort and the impact on the indigenous end-users such as government employees, universities, training centers, and professional groups to ensure that sustainable development occurs after the RFMIP II ends.

Section C.4.(a)(3)(A) of USAID Contract No. LAG-0800-C-3004-00 requires the submission of a five-year Project Implementation Plan within four months of the effective date of the contract. As mandated by the restructuring letter, this Project Implementation Plan (PIP) has been reduced to a three and one-half year period. Because of the time lapse between Phases I and II, Casals & Associates, Inc. (C&A) requested and was granted an extension for submission of the Project Implementation Plan. As explained in the January 14, 1994 letter, the gap between the completion of Phase I and awarding of Phase II necessitated an update of field status and of the Donor Working Group members' priorities in the LAC region. A series of activities have been carried out during the past six months which have not only contributed to a reassessment of the situation, but have resulted in positive achievements towards attaining the objectives of the RFMIP II.

## PROJECT STRATEGY

In view of the revised time limitation of the RFMIP II, the RFMIP II Team held a series of meetings during the first six months to design a strategy for the project which would still enable RFMIP II to achieve its most important objectives. Several basic assumptions were identified. These included:

- RFMIP II is a **regional** project. Its role is to gather information, develop projects which could be applied and assist countries throughout the region and provide a central source of expertise in the area of financial management, accountability, and good governance for LAC countries.
- RFMIP II has been structured to provide **decentralized implementation** by locating two Regional Accountability Officers (RAO) within the region and centralized coordination from the office of the RFMIP II Team. The RAO's role is to work with the USAID Missions, host governments, indigenous professional and civic groups in a collaborative spirit.
- The RFMIP II Team will serve as the **Executive Secretariat** for the Donor Consultative Group on Improving Financial Management in Latin America and the Caribbean (the original title of the group, according to the USAID Contract and LAC RFMIP I was the *Donor Working Group*. The members voted to change the name and therefore the term Donor Consultative Group on Improving Financial Management in Latin America and the Caribbean (DCG) will be used throughout this report).

- Because of the RFMIP II's regional nature, many of the activities that it will support will be generated by the end-users and a greater degree of flexibility has been included in the design of the strategy.

With these assumptions in mind, and considering the requirements of the USAID contract, the project strategy was developed.

RFMIP II will endeavor to support democratic institutions to become more transparent, accountable, effective, decentralized and accessible to citizens. This will be accomplished through four major components:

- Institutionalization of the DCG;
- Promotion of the IFMS Concept;
- Development of Good Governance Programs; and
- Providing Responsible Project Management.

The DCG is composed of all of the major international donors involved in development in Latin America and the Caribbean. By serving as the Executive Secretariat, the RFMIP II will be the coordinating agent for information, resource distribution, and technical expertise. An important part of this role will be the development of an on-line data base system of information, accessible by donors, universities, professional groups, and government employees, in the areas of financial management projects, technical consultants, education programs, publications, non-governmental and professional organizations and public administration laws, codes, and good governance programs.

The Promotion of the IFMS Concept component of the strategy is the broadest because of the long-term and resource commitments needed to achieve sustainable results in the area of modernization of the state. Therefore, in terms of a three year commitment, the project strategy is to divide this component into seven major categories and as activities are proposed to the RFMIP II, ensure that they fall within one of the seven categories. Furthermore, any activity supported by the project will have to meet two criteria: a) does the activity contribute to the sustainable development of integrated financial management and good governance; and b) what are the meaningful measures of the results?

The seven major categories are:

- Site Assessments
- Financial Management Assessments
- Technical Assistance

- Educational Programs
- Meetings and Conferences
- Legal Models
- Newsletter

Good governance is an important issue in the consolidation and sustaining of democratic practices and values. Thus the RFMIP II will be collaborating with Poder Ciudadano of Argentina and Florida International University in the development of good governance strategies, programs, activities, and other instruments that will support this effort. As in the financial management area, this component has been divided into several categories and requests for assistance and support will be analyzed to ensure that they fall within one of the categories:

- Strategy Development
- Codes of Ethics
- Assistance to Governments
- Assistance to NGOs
- Training, Communications, Publications

In summary, the RFMIP II's strategy will be to support democratic institutions in becoming more transparent, accountable, effective, decentralized, and accessible to citizens, through collaboration with international donor agencies, and by promoting the IFMS concept and providing support in the area of good governance.

## PROJECT IMPLEMENTATION

The following section describes, by component, the activities carried out to date, the conclusions drawn, the proposed schedule of project activities and the measurable results for monitoring performance.

### Strengthening the DCG

#### *Activities during FY 1994*

One of the first activities carried out by the RFMIP II Team was an analysis of the goals, purpose and coordination of the Donor Working Group. During FY 1994, four Planning

Group meetings and three general meetings were held. The participants from the various multilateral and bilateral institutions expressed interest in strengthening the structure and operation of the Donor Working Group as a useful way of coordinating activities and sharing information. A Concept Paper on Strengthening the Donor Working Group was drafted and approved. The members voted to change the name of the group and from March 14, 1994 the group is to be referred to as the Donor Consultative Group on Improving Government Financial Management in Latin America and the Caribbean (DCG). Participating organizations include: Canadian International Development Agency, German Foundation for International Development, German Technical Assistance Agency, IDB, International Monetary Fund, Japanese Agency for International Cooperation, Organization of American States, The WB, United Nations (PF/DDSMS), United Nations Development Programme, USAID, U.S. General Accounting Office, U.S. Information Agency and the U.S. Office of Management and Budget.

The goal of the DCG is to promote sustainable development and maximum effectiveness in the cooperation of and assistance provided by participating institutions in the field of government financial management and accountability in Latin America and the Caribbean, as a means to better manage government resources and prevent fraud and corruption that undermine the consolidation of democratic institutions. The DCG will include an official representative and an alternate. The official representative's duties will include: serving as the principal contact for the institution, promoting the activities of the DCG, and seeing that other interested individuals at the institution are invited to and informed of relevant activities. During the life of the RFMIP II, the RFMIP II Team will serve as the Executive Secretariat for the DCG. The activities of the DCG, at both the international and local levels, will include:

- Providing mechanisms for coordination among the participating institutions on current and future projects that each of them may develop either individually or jointly, and identifying common obstacles that affect the provision of international assistance.
- Representatives will share information concerning their institutional activities and projects carried out in the field of financial management and accountability.
- The DCG will constitute a forum for the exchange of opinions, information, experiences, and technological advances in the field of financial management and accountability.
- An on-line data base for financial management and accountability will be developed and made available for the use of all participating institutions and government agencies.
- Use of the Accountability newsletter as a means of communication and sharing of ideas throughout the region.

## *Conclusions*

The strong support for the role of the DCG as evidenced by the drafting and approval of the concept paper, the hosting of the general meetings and the strong interest in a common data base of information highlights the importance of partnership of donors with each other as well as with the host nations.

## *Proposed Schedule of Activities*

Primarily, the RFMIP II will act as the temporary Executive Secretariat during the life of the project, with the objective of establishing a permanent Executive Secretariat for the donor agencies. As Acting Executive Secretariat, the RFMIP II will: organize and coordinate meetings, events and other activities for the DCG; develop the on-line data base on financial management and accountability; facilitate communication among the participating institutions; and channel all communications through the official representative or designated alternate of each institution.

As part of this effort, the RFMIP II Team will also work toward holding DCG meetings outside of the Washington D.C. area; in particular, the March 1995 meeting is tentatively scheduled to be held in Managua, Nicaragua. This will provide the DCG with the opportunity to participate first hand in the efforts of the Nicaraguans in achieving public sector modernization and financial management reform and will allow the donors involved in the multi-agency effort to understand the priorities and values of the Nicaraguan Financial Management Reform Project that is being financed by the IDB, the WB and USAID.

The RFMIP II Team has developed the design for the data base on financial management and accountability and is in the process of entering data. First reports are estimated to be generated for the December meeting of the DCG. The on-line ANET (The International Accounting Network) is being analyzed to determine if this network could be useful to the donors and users by putting the RFMIP II data on-line.

Possible initiatives which are being considered for the DCG include:

- Initiate an analytical work on "a unified set of standards, methodologies and concepts employed in government financial management;"
- Try to realize the concept of joint missions by several donors;
- Create a network of contacts in financial management training institutions in host countries;
- Address the financial management needs of smaller states in the LAC region such as those in the Caribbean via a suitable means of assisting them;

- Initiate joint analytical work on the design and evaluation of financial improvement projects; and
- Identify those countries which are the target of several donors, and schedule meetings so that donors can coordinate their efforts in these countries.

### *Performance Indicators*

More important than the number of DCG meetings held will be the achievement of true "partnership" among donor agencies and between donors and host nations. Although three years is a very short time to measure results in such a long-term effort as improving financial management, measurement of coordination is possible.

Secondly, usage of the financial management and accountability data base can be monitored. Once the system goes on line, access to the system throughout LAC region will truly support the idea of sustainable development in this area. A recognized constraint has been the lack of communication and access to information in the region and the data base will address this issue.

## Promotion of the IFMS

### **Site Assessments**

#### *Activities during FY 1994*

Site Assessments will have been carried out in seven countries during the first year of the RFMIP II: Nicaragua, Guatemala, Brazil, Paraguay, and Peru. Site assessments in Panama and Argentina are scheduled for September 1994. The purpose of the visits are to:

- Explain the purpose and objectives of the RFMIP II;
- Carry out a preliminary evaluation of the level of government financial management and control in a specific country;
- Establish contacts with local representatives of the donor agencies and international organizations;
- Establish contacts with government officials involved in the financial management and control processes;
- Identify professional associations and NGOs involved in improving the financial management and control systems of the government; and

- Collect legal documents and regulations propagated in the area of government financial management and control.

These site assessments were critical for two reasons: a) to encourage participation in defining the role of the RFMIP II within the countries of the region; and b) to establish the relationships which will be critical for participatory development.

The basis for selecting the initial countries to be visited by the RAOs was an invitation by USAID Missions or the host government. Interviews and meetings were conducted with USAID Mission staff, government officials, various professional and NGOs, and educators.

### *Conclusions*

The initial site visits were extremely important and successful in initiating the second phase of the LAC RFMIP. Since the position of RAO is new, it provided the opportunity for the USAID Controllers, government officials, professional groups and NGOs to have one-on-one contact with a particular member of the RFMIP II Team. Return visits as well as follow-up correspondence will continue to cement these relationships. Furthermore, it provided the opportunity to identify available technical expertise within the region. The visits also provided updated, more comprehensive information which will be entered into the financial management and accountability data base.

### *Proposed Schedule of Activities*

Although twenty site visits have been proposed, the RAOs believe that many more will be carried out during the life of the project. As illustrated in the Projected Activity Schedule, twenty site assessments have been identified, however, the RFMIP II Team will continue to conduct these assessments as requests and funding permit.

### *Performance Indicators*

The value of the site visits will be measured based on the activities and requests for assistance which are the direct results of the visits. The initial requests for technical assistance and support generated from the preliminary site visits is already overwhelming. Two short-term technical assistance interventions are being provided to Nicaragua; a two week government auditing course is programmed for Guatemala in October, and a second site visit to Brazil has been requested, with a possible Financial Management Assessment in the design stage in collaboration with the WB. The RAO based in Lima is working with a Peruvian civic organization, Accion Ciudadana in the good governance area.

## **Financial Management Assessments**

### *Activities during FY 1994*

An initial site assessment of Peru was carried out by the RAO based in Lima. Because of the depth and comprehensiveness of his report, the RFMIP II Team took the opportunity to develop the report into a full Financial Management Assessment. This proved to be very cost effective. Other such opportunities will be explored during the life of the project.

### *Conclusions*

Financial Management Assessments provide the basis for designing any type of financial management improvement activities. The Financial Management Assessment ensures that all activities will conform to the integrated model, even if implemented in a phased fashion. Financial Management Assessment activities are also costly. Generally an assessment requires 5-6 experts for approximately six weeks. Because of the cost of carrying out Financial Management Assessments, the RFMIP II Team has decided that these assessments will only be undertaken when there is serious interest in funding a financial management improvement project in a particular country. Supplementary funding for financial management reform projects will have to come from the USAID Mission, other donors, or the country itself, as the RFMIP II does not include the financial resources for this type of activity. An exception was made in the case of Peru because the RAO was able to provide much of the information at a far more reasonable cost. This report will be provided to the USAID Mission and DCG, since interest has been expressed in assisting Peru to improve its financial management capability.

### *Proposed Schedule of Activities*

Five Financial Management Assessments are programmed for the RFMIP II. As mentioned earlier in the report, the WB has expressed interest in possible funding of a financial management improvement project in Brazil and therefore an assessment is tentatively scheduled for FY 1995. Others will depend on the interest level of the governments, the USAID Missions and other donors.

### *Performance Indicators*

In measuring the results generated by the Financial Management Assessments, experience has shown that financial management reform projects usually require more time to be fully coordinated than the three year life of the RFMIP II. Performance indicators for this component will have to be defined more in the sense of what interest has been expressed, and what activities or efforts are being planned or implemented in the area of financial management and accountability as a result of the financial management assessments.

## **Technical Assistance**

### *Activities during FY 1994*

Four short-term technical assistance interventions are being provided during the first year of the project. These include two short term consultants to Nicaragua, explanation of the SAFCO Law implications to Bolivian ministers and secretaries at the request of the President of Bolivia, and one week of technical review of the Panamanian Financial Management Improvement Project. Fourteen various requests for technical assistance have been received by the RFMIP II Team; many based on the initial site assessments or requests by USAID Missions to the USAID RFMIP II Officer. A tracking system has been developed by the RFMIP II Team in order to analyze the requests and ensure that the activities fall within the scope of the project.

### *Conclusions*

The requests for technical assistance will far exceed the financial capability of the RFMIP II to provide technical assistance. Because of the revised completion date and reduced level of effort, the RFMIP II Team has decided to limit technical assistance to relatively short-term interventions. As a regional project, RFMIP II will look for ways to provide technical assistance through use of USAID Missions, other donors, and other USAID projects. RFMIP II will also explore cost effective ways to bring together similar non-governmental and professional organizations within the region. All requests for technical assistance will be carefully analyzed to ensure that they meet the criteria and parameters of the RFMIP II approved PIP.

### *Proposed Schedule of Activities*

Technical assistance requests have come in from eight countries and several professional organizations to provide assistance in promoting the concepts of improved financial management. Some of the requests have been supported as described above, while others have been rejected or postponed. This type of activity will continue during the life of the project. Criteria for analysis has been developed and will be applied on an ongoing basis. A tracking system has been developed to ensure that all requests are considered. The tracking system is structured to ensure participatory relationships and communication between the RFMIP II Team and the solicitor during the analysis and the decision stages, whether the request is granted or denied.

### *Performance Indicators*

The modernization of the state, and in particular the reform of the financial management systems, is a long-term commitment. The role of RFMIP II in supporting a financial management reform effort is to provide assistance by coordinating donors, identifying technical expertise, and providing short-term interventions which support the longer-term

effort. Therefore, when providing short-term technical assistance, the most important indicators include the level of:

- participatory effort provided;
- further commitments expressed by the recipients to improve financial management, to make the government more accountable and transparent; and
- assistance provided to professional groups, NGOs, or education centers enhancing sustainable development.

The basic indicator for technical assistance is improvement in the longer term effort to reform financial management and the government's accountability and transparency.

## **Educational Programs**

### *Activities during FY 1994*

The SIMAFAL (Spanish acronym for the IFMS for Latin America) Introductory Course for Government Officials was prepared under Phase I of RFMIP. The course was reviewed by the RFMIP II Team and reduced to a two day, or five module course. The course was given in Paraguay during the first year of the project. An inventory of all courses developed under LAC RFMIP I has also been conducted.

### *Conclusions*

During the site visits, interest in the SIMAFAL course was expressed by both government training centers and professional organizations. For this reason, the RFMIP II Team revised the course down to two days or five modules so that the course could be given in either government training centers or as continuing education for members of professional organizations concerned with financial management and control. The longer SIMAFAL course appears to need a more thorough review of its purpose and application.

### *Proposed Activities*

Two to four additional presentations of the shorter SIMAFAL course are programmed for the second year of the project. Although the RFMIP II Team is programmed to present these courses, the ultimate objective will be to produce a course which may be offered throughout the region by interested groups as part of seminars, training programs, citizen awareness and continuing professional development.

In the case of the SIMAFAL, a six month course for financial managers, the RFMIP II Team has proposed that this comprehensive course, the curriculum already developed in Panama and Bolivia, and the new Harvard University/Universidad Catolica de Bolivia Master's Degree in Government Financial Management and Control be reviewed, compared, analyzed and possibly combined by a technical expert in higher level education for preparation of a generic manual which could be used in universities and training centers throughout Latin America. Technical support in this area would be provided by Barry University, where faculty may provide on-going support to adopting institutions. The Project Director will be attending the Latin American Council of Business Schools (CLADEA) conference to speak with the deans of the various universities throughout Latin America about incorporating this course in their Schools of Public Administration.

Other courses in the areas of financial management and control and audit are being identified, reviewed, entered into the financial management data base and will be made available to educational centers throughout the region. Review will be made of the textbooks available under the USAID Spanish textbook program (RTAC II Project) which may also be integrated into the university system. The Bolivian experience with government fellowships to encourage students to enter public sector will be assessed and, if applicable, promoted throughout the region. The Panamanian experience with universities will also be studied for dissemination.

#### *Performance Indicators*

It will be nearly impossible to gauge the effect of including the integrated financial management system and control system in the university systems within the life of the RFMIP II. The long term effects of better education in this area will take 4-6 years, at the soonest. However, the investment in the development of human resources in this area is crucial for the success of sustainable improvement in the level of government financial managers and employees capability.

#### **Meetings and Conferences**

##### *Activities during FY 1994*

Speaker support is being provided to the VIII Annual New Developments in Government Financial Management Conference, the IX Annual Financial Management Conference on Strengthening the Linkages between Financial Management Disciplines and Systems in Government, and Chile's Anti-Corruption Commission. The first of the informal Key Financial Managers meeting was held in Miami following the New Developments Conference. Officials from Ecuador, Panama, Argentina, Colombia, Nicaragua, Paraguay, Honduras, Peru, El Salvador, Guatemala, Bolivia as well as USAID and the WB attended the one day meeting. Information was exchanged about financial management improvement activities in each of the countries.

## *Conclusions*

Conferences and seminars can be effective in reaching target audiences when limited resources are available. They provide a forum for exchange of ideas, promoting concepts, and imparting information.

Although the RFMIP (both Phases) has traditionally supported the New Developments in Government Financial Management Conference, several recommendations have been made to the organizers in order to improve the conference in the future, among which are:

- Study the possibility of having parallel sessions that would bring together countries with similar levels of development, take into account geographic regions or countries with the same language.
- Have one or two central themes and for each of these, secondary speeches on specific aspects of the themes.
- Formation of working groups or panels for discussion on the primary themes, and presentation at the end of group conclusions.
- Ensure that enough time is scheduled for questions and discussion.
- Each theme should have a moderator with experience in the field.
- Provide a final report on the conference.

## *Proposed Activities*

Sub-regional Key Financial Managers Meetings in Central America and the Andean Region will be held in FY 1995 and FY 1997 and informal meetings will be held in 1996.

Other limited conference support will be provided; mainly in the area of speakers to conferences which promote the integrated financial management system and accountability.

## **Legal Models**

### *Activities during FY 1994*

Copies of Public Financial Administration Laws have been collected from Bolivia and Argentina.

### *Conclusions*

Several countries in the LAC region recognize the importance of the appropriate legal framework to ensure that legislation in the area of public administration, and in particular financial management, is up-to-date, consistent, and harmonized. Obsolete, conflicting and contradictory laws result in a serious constraint for public sector reform and an impediment for modernization of the state.

### *Proposed Activities*

The RFMIP II will collect all vigilant and draft legislation for financial management, analyze the factors necessary for ensuring an integrated financial management and control system and have a technical expert develop a generic model which may be provided to those countries with legal framework projects in the area of financial management and control. A technical expert in this area has been identified and this activity should be completed during the first half of FY 1995.

### *Performance Indicators*

This activity will be measured in terms of the requests for the generic model. The current time frame of the project will be too short to measure adoption of the generic model, however, successful experiences in this area will be highlighted and disseminated through the newsletter and other publications in order to promote the importance of legal frameworks which ensure government accountability and transparency.

### **Accountability Newsletter**

#### *Activities during FY 1994*

Three newsletters will be published by the end of FY 1994.

### *Conclusions*

The Accountability newsletter is an important source of information about financial management and good governance activities in both North and South America. It also serves as a forum for exchange of ideas and information. It is an efficient way to reach many people in a consistent manner.

### *Projected Activities*

The newsletter will continue to be published quarterly with further development in the areas of editorial content, circulation and reader submissions.

## *Performance Indicators*

Accountability provides one mechanism for promoting greater receptivity to the concepts of government accountability and transparency. As the readership grows, the newsletter will serve as a regional forum for the exchange of views by people throughout the region.

## Development of Good Governance Programs

### **Strategy Design**

#### *Activities during FY 1994*

The RFMIP II Team met with Poder Ciudadano, an Argentine civic organization, and Florida International University (FIU) in February, 1994. RFMIP II asked Poder to prepare a sub-contract proposal to design the Good Governance Strategy for the project. This activity was temporarily suspended based on the February 15, 1994 partial termination letter. Alternative methods of developing the strategy are being explored.

#### *Conclusions*

From successive generations of being unaccountable to their citizens, LAC governments are often ineffective, corrupt, remote, over-centralized, self-justifying, and opaque. Public sector management of resources lacks accountability. RFMIP II will work with a network of governments, NGOs, and professional groups to stimulate further discussion of transparency, accountability, and anti-corruption.

#### *Proposed Activities*

Over the last several years, Poder Ciudadano, an Argentine civic organization, has proven that anti-corruption programs are an integral part of making government more accountable and educating the citizens on their rights and responsibilities. In order to use this experience, RFMIP II will work with Poder Ciudadano and FIU to continue to develop programs and activities for application throughout Latin America. For example, Poder Ciudadano will be developing an anti-corruption program in Ecuador during the month of October. This program will be used as the basis for developing other country specific programs during the life of the project. During the same time period that Poder will be in Ecuador, the Rio Group Corruption Meeting will be held and RFMIP II will be supporting several speakers at the meeting.

#### *Performance Indicators*

Although the development of the strategy can be labeled a performance indicator, the actual measurement of the activities carried out in developing the strategy is a more meaningful indication of the value of the activity. The strategy will be developed over the

life of the project, with various programs, surveys, and seminars used, tested and adopted for each application.

## **Code of Ethics**

### *Activities during FY 1994*

The only Code of Ethics identified during the period has been that which was published in Panama in 1991. The RAOs will be collecting materials in this area during their site visits and technical assistance missions.

### *Conclusion*

Codes of Ethics or Ethical Guidelines can play an important role in supporting accountability and transparency in the actions of the government and the people who make up the government. Because of the fiduciary responsibility of every government employee, it is important that this concept be promoted by democratic institutions.

### *Proposed Activities*

Codes of Ethics and Ethical Guidelines will be identified from countries within the Latin American and Caribbean regions as well as from other areas. A model code or standards will be prepared by the RFMIP II Team and will be made available throughout the region.

### *Performance Indicators*

The compilation of ethical standards and guidelines will serve as the basic performance indicator. But more importantly, yet less measurable, will be the promotion of the concept of individual accountability for the management of taxpayers funds for the good of society and to enable the people to hold responsible those that do not meet the self defined development priorities.

## **Assistance to Governments and NGOs in the Governance Area**

### *Activities during FY 1994*

RFMIP II has received several requests for assistance in this area from both governments and NGOs. It was decided to use the Ecuador/Poder Ciudadano intervention to begin to develop the programs and strategies to be used for technical assistance in this area. As mentioned earlier in this report, speaker support was provided to Chile's Anti-Corruption Commission.

## *Conclusions*

See Strategy Design above.

## *Proposed Activities*

Technical assistance requests have been received to both provide speakers and to develop anti-corruption programs. Some of the requests have been supported as described above, while others have been rejected or postponed. This type of activity will continue during the life of the project. Criteria for analysis has been developed and will be applied on an on-going basis. A tracking system has been developed to ensure that all requests are considered and to strengthen the participatory relationships with the recipients.

The most important criteria for technical assistance are the level of:

- participatory effort provided;
- further commitment expressed by the recipients to improve good governance to make the government more accountable and transparent; and
- assistance provided to professional groups, NGOs, or education centers enhancing sustainable development.

The basic indicator for technical assistance is an improvement in good governance and decreased fraud and corruption.

## *Performance Indicators*

The measurement of the value of these activities will be in the participation by ordinary citizens--government employees, members of professional groups, university students or civic action groups--in these events and interventions.

## **Training, Communications and Publications**

### *Activities during 1994*

During FY 1994, a series of four to six (American Republics Network) ARNET programs have been proposed to provide a forum in which corruption issues of critical concern to the English speaking Caribbean countries will be discussed in order to raise awareness and promote action. The target audience would be NGO leaders and journalists interested in combatting corruption. Government officials and Chief Executive officers from the private sector will also be invited. According to the proposal, the U.S. Information Agency

(USIA) will provide production and transmission requirements and the RFMIP II will provide the speakers, honorarium and travel in accordance with USAID regulations. Financial support was also provided to fund the Institute of Public Administration Visitors Program.

### *Conclusions*

The ARNET series will be the first RFMIP II experiment in developing an interactive television program in partnership with USIA.

### *Proposed Activities*

Based on the experience of the production, further regional communication events will be planned. The use of both print and electronic media products will be rigorously explored. The acquisition and distribution of selected publications will help to raise awareness among citizens regarding the effects of corruption on democratic institutions and promote the concepts of good governance.

### *Performance Indicators*

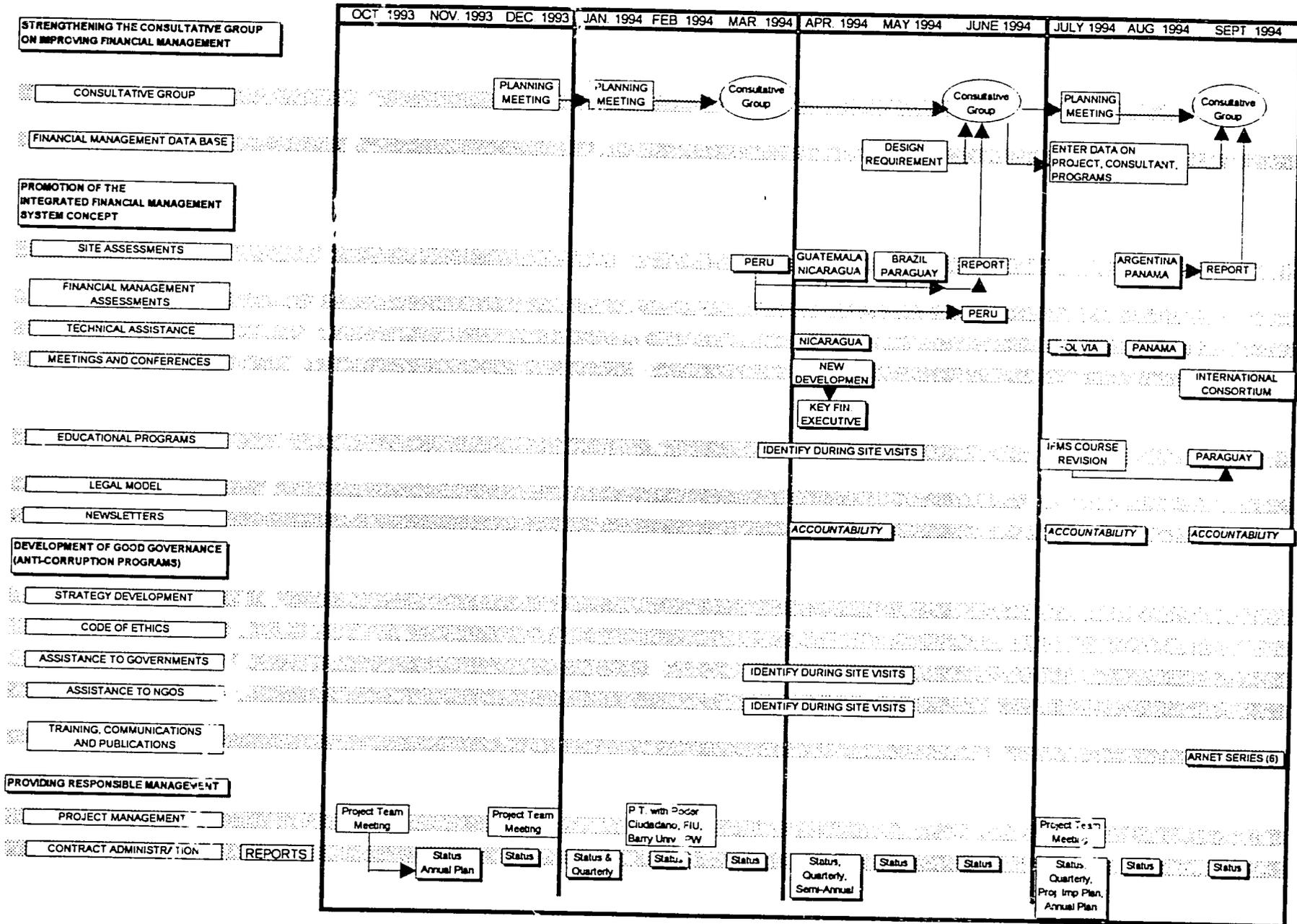
The measurement of the value of the various training and communication activities will be in the participation and interest expressed for these events and interventions.

## PROJECT ACTIVITIES AND CRITICAL PATH

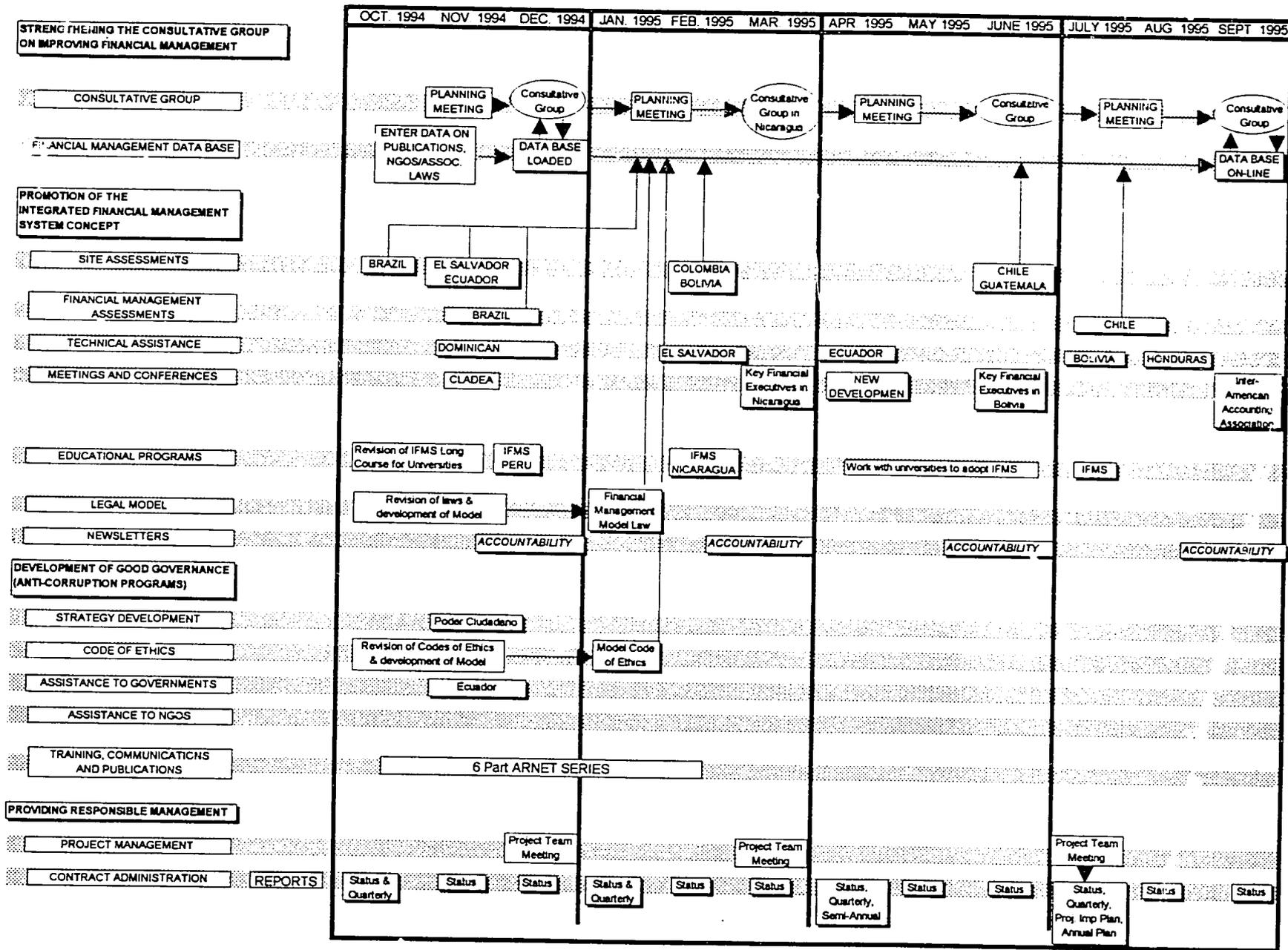
The following section of the report is a graphical representation of the RFMIP II Activities and Critical Path. Although this project does have certain events which must be accomplished prior to other events, i.e. site visits provided information for data base and financial management assessments, many of the activities are contingent on requests from the USAID Missions and/or governments. Therefore these are shown as discrete activities.

Additionally, as mentioned in the strategy section of the report, RFMIP II, as a regional project, serves the needs of the end-users in the field. Therefore, flexibility in responding to requests is absolutely essential in ensuring that the objectives are achieved. For this reason, not all activities may be identified at this time.

# LAC RFMIP II ACTIVITIES AND CRITICAL PATH



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