

Peru: Apoyo Creativo para la Transición
Contract Number AOT 1-0098-0020-00, Task Order Number 2

CREATIVE ASSOCIATES INTERNATIONAL, INC. (CAII)
Office of Transition Initiatives (OTI) SWIFT/Peru

Bi-Annual Performance Report
February 1 - July 31, 2001

**Apoyo Creativo para la Transición
Bi-Annual Performance Report
February 1 - July 31, 2001**

I. Technical Report

OTI's Apoyo Creativo para la Transición (ACT) project successfully completed its first six months in July, 2001. Its activities and achievements for this time period are described below.

A. Project Description

The Office of Transition Initiatives (OTI) and CREATIVE ASSOCIATES INTERNATIONAL, INC. (CAII) began implementation of the two-year Apoyo Creativo para la Transición (ACT) project on February 1, 2001 to support OTI in providing flexible political transition assistance to Peru. This initiative comes in direct response to the political opening created by the discrediting and ultimate disintegration of the Fujimori government in November 2000.

The primary purpose of this OTI transition initiative is to take advantage of this sudden opening by supporting Peruvian leaders and civil society organizations in their efforts toward laying the groundwork for long-term democratic reform and restructuring. ACT focuses on project areas that complement present and proposed USAID activities in Peru, namely, enhancing civilian control and transparency of military/security affairs; decentralization and local governance; congressional reform; and technical assistance and funding for the Truth and Reconciliation Commission.

ACT provides in-kind grants to local groups and government agencies to address urgent and timely issues that show results in the short term. CAII's role in this process is to provide financial and administrative support and staffing to implement projects in the above-mentioned areas. CAII is assisted by a sub-contractor, Development Alternatives International, Inc. (DAI), which manages ACT's information technology systems and staffs selected ACT positions.

To support the in-kind grants component of this project, CAII staff researches local markets and interacts extensively with vendors and grantees to complete procurement process. The types of procurement may vary depending on the needs of the groups; it has generally taken the form of organizing events, such as seminars, working sessions, debates, and roundtable discussions; and funding development and production of educational materials in each of the programmatic areas.

ACT's activities correspond to the four program descriptions outlined by OTI in January of 2001, with one addition. In April of 2001 the team identified the problem of corruption as an area where OTI activities would be beneficial as well. The program descriptions below reflect that change.

B. Implementation of Grant Awards

Grants and Funding Awarded

February – July 2001

Issue Area	No. of Grants	Obligated Funds
Decentralization & Local Governance	14	\$270,382
Congressional Reform	7	\$203,541
Civilian-Military Relations	5	\$230,092
Truth Commission	5	\$246,506
Anti-Corruption	6	\$244,487
Total	37	\$1,195,008

1. Decentralization and Local Governance

One of the most serious obstacles to participatory democracy in Peru is the concentration of power and authority in the central government. Devolving power to the local and regional actors requires not only a transfer of resources, and the development of legal mechanisms for distributing and monitoring funds, but also the ability of local governments to manage their new powers responsibly and wisely. Through ACT, OTI assists in this process through a variety of activities such as helping to design and implement a pilot plan for disbursement of funds, providing training and technical assistance to local mayors, engaging community groups in decision-making processes, generating public interest and discussion through involvement of independent media, and assisting in the development of an appropriate legal framework for decentralization.

From February to July of 2001, ACT awarded 14 grants totaling \$270,382 in obligated funding for projects related to Decentralization and Local Governance. Following is an illustrative list of grantees and their projects:

Grantee	Project Funded
Instituto de Estudios Peruanos (IEP)	Survey and Workshops on Decentralization, Development and Democracy
Macro-Región Sur (MRS)	Workshops to Revise Local Governing Laws for southern Peru
RED – Peru	Regional and National Meetings to Share Experiences for Decentralization
Centro de Investigación, Capacitación, Asesoría y Promoción (CICAP)	Identifying Local Mechanisms for Decentralization in Lambayeque
Ministerio de la Presidencia	Workshops/Forum/Booklet on Decentralization-Ministry of the Presidency
Escuela Mayor de Gestión Municipal (EMGM)	Training on Decentralization and Development for Journalists
Municipalidad Provincial de Ilo	Workshops for Participative Budgeting in Ilo
Asociación de Municipalidades del Marañón (AMMA)	Meeting of Mayors and Other Local Leaders: Experiences in Local Government
Asociación para el Desarrollo Local	Youth Meeting with Congressional

Grantee	Project Funded
(ASODEL)	Representatives in Cajamarca
Mesa de Concertación por el Desarrollo del Departamento	Decentralization Forum, Workshop and Fair in Ica

Illustrative Grant Descriptions

Among the projects listed above were grants to facilitate decentralization in Lambayeque and revise local governing laws for the region of southern Peru.

In Lambayeque, ACT funded the Center for Research, Training, Advising & Promotion (CICAP; Centro de Investigación, Capacitación, Asesoría y Promoción) to carry out activities to identify local mechanisms for decentralization. CICAP was already working in the region implementing a related project entitled “Institutionality with Vision for Development” which brought together local leaders and institutions to discuss planning and management of local development. CICAP used ACT funding to build on these activities. The organization held a series of workshops to develop ideas and support for decentralization. Participants at sixteen local and regional meetings proposed mechanisms that could democratize decision-making processes in local government. CICAP channeled the ideas from these meetings into six pamphlets that it developed and distributed on topics such as democracy and local mechanisms for decentralization. A subsequent seminar was held to discuss the proposals put forth in the workshops, and CICAP prepared a final report describing its activities and conclusions.

Under a different grant, ACT provided funding to the Macro Region Sur (MRS), a social movement founded in 1998 and dedicated to promoting accountability and coordination in local government. MRS’s purpose is to develop a regional structure based on a newly organized civil society, to ultimately forge a legal framework that will help local governments operate effectively. With ACT funding, MRS organized a total of 15 dialogues between mayors and local leaders at the district and provincial levels to discuss and propose amendments to the Municipal Act of 1984 (the act that specifies how local governments function). These regional dialogues will take place from June to December of 2001 in Apurímac, Arequipa, Cuzco, Madre de Dios, Moquegua, Puno, and Tacna.

2. Congressional Reform

The creation of multiple districts for the new Congress offers an opportunity to strengthen the legislative branch, which was significantly weakened under the Fujimori government. OTI grants provide technical assistance to newly elected Members of Congress to improve their responsiveness to constituent concerns, their understanding of congressional oversight responsibilities, and their understanding of democratic values and processes. Particular attention is being given to current decentralization initiatives, budget analysis, and military oversight as decisions made by the Congress greatly impact ACT’s other program areas. A key goal is to establish greater interaction between newly elected representatives and the public, through such events as town hall meetings, radio call-in shows, and constituent visits.

From February to July of 2001, ACT awarded seven grants totaling \$203,541 in obligated funding for projects related to Congressional Reform. These included:

Grantee	Project Funded
Macro-Región Sur (MRS)	Summit of Elected Congressmen from the Southern Region of Peru
Comisión Andina de Juristas (CAJ)	Congress and the Public: Problems and Alternatives
Instituto Peruano de Educación en Derechos Humanos y la Paz	Educational Game and Instructional Materials: Getting to Know Congress
Servicios para el Desarrollo EQUIDAD (SDE)	Public Awareness on Role and Duties of Legislative Power
Centro de Promoción de la Mujer Micaela Bastidas (CPMMB)	Fair/Panel Meeting/Radio Spots: Dissemination of Congress – La Libertad
National Democratic Institute (NDI)	Three-Day Training for New Members of Congress
Asociación para el Desarrollo Local (ASODEL)	Youth meeting with Congressional representatives from Cajamarca

Illustrative Grant Descriptions

In Cajamarca, ACT funded the Association for Local Development (ASODEL; Asociación para el Desarrollo Local) to convene a meeting between youth and newly elected government representatives to discuss issues such as education, health, politics, and the environment. ASODEL, an organization local to Cajamarca, works with youth groups promoting leadership skills, good citizenship, and human rights education, as well as supervising a youth parliament. The ACT-funded activity created a youth agenda to promote coherent proposals for development in Cajamarca.

ACT also funded the Andean Commission of Attorneys (CAJ; Comisión Andina de Juristas), which works to strengthen democratic institutions, in this case the Congress. CAJ conducted an evaluation of the Congress to identify ways to improve political representation, looking into institutional, political, and administrative issues as well as its relationship with the general public. CAJ disseminated its findings among civil society and state institutions for review, then incorporated comments into a final document outlining policy proposals for congressional strengthening.

2. Civilian-Military Relations

If there is to be an end to the military domination of politics in Peru, civilian leaders, whether in the defense establishment, the legislature, the media, or civil society, must become better versed in security affairs and more engaged in military oversight responsibilities. Peru is almost devoid of civilian groups with the expertise to advise Congress on defense budgeting or internal reform of the military. Furthermore, the Congress lacks the requisite structure to adequately monitor military policy and spending.

ACT grants seek to rectify this imbalance through activities such as helping to establish and providing training for Congressional oversight committees; sponsoring public forums on security needs and defense budgeting; encouraging the development of civil society organizations concerned with military issues; and sponsoring dialogues between civilian defense officials and their military counterparts.

From February to July of 2001, ACT awarded five grants totaling \$230,092 in obligated funding for projects related to Civilian-Military Relations. These included:

Grantee	Project Funded
Instituto de Estudios Políticos y Estratégicos (IDEPE)	Dialogue Between Civil Society and Military
Centro Peruano de Estudios Internacionales (CEPEI)	Civilian Oversight of Defense and Security Issues
Instituto Prensa y Sociedad (IPYS)	Diagnostic Document and Roundtables: Media and Army
Asociación Pro Derechos Humanos (APRODEH)	Publishing/Feedback: Text Regarding the Armed Forces and Democracy
Defensoría del Pueblo – representación en Ayacucho	Role of the Military and Self-Defense Committees in Ayacucho

Illustrative Grant Descriptions

Among the projects listed above were grants to explore civilian oversight of defense and security issues and to create dialogue between civil society and the military.

ACT funded activities by the Peruvian Institute for International Studies (CEPAI; Centro Peruano de Estudios Internacionales) to create a greater degree of civilian oversight of defense and security issues, by developing a proposal for a democratic approach to security and submitting it to the Congressional Defense Committee, related governmental officials, and political parties. To develop this proposal, CEPAI held three workshops for specialists to debate legal and political issues. Five luncheons followed the workshops to hone the discussion, which was then vetted through the public using focus groups and national and electronic surveys.

ACT also supported greater dialogue between civil society and the military through funding for the Institute of Political and Strategic Studies (IDEPE; Instituto de Estudios Políticos y Estratégicos). IDEPE conducted nine closed regional meetings between

representatives of civil society and military officers and disseminated information on security and national defense among members of civil society.

3. Truth Commission

The Truth and Reconciliation Commission (TRC) was established to clarify events and assign responsibility related to terrorist activity and human rights violations between May, 1980 and November, 2000, to which terrorist groups and government officials are held accountable. The TRC will promote initiatives to consolidate peace among all Peruvian citizens. The TRC will conduct its work over a 19-month period, which includes a four-month preparatory period.

From February to July of 2001, ACT awarded five grants totaling \$246,506 in obligated funding for projects related to the TRC. These included:

Grantee	Project Funded
Equipo Peruano de Antropología Forense (EPAF)	Training of Public Officials: Forensic Science/Investigation of HR Violations
Servicios Educativos Rurales (SER)	Workshop about Truth Commission
Defensoría del Pueblo – representación en Ayacucho	Forum on Truth Commission, Human Rights, Amnesty Law in Ayacucho
Servicios Educativos Rurales (SER)	Information Campaign about Truth Commission
Seminario Interdisciplinario de Estudios (SIDEA)	Public Debate on Anti-Corruption and Democracy in Peru

Illustrative Grant Descriptions

Among the projects listed above were grants to promote human rights and a culture of peace in Huamanga and to train public officials on forensic investigation procedures.

The Ombudsman's office (Defensoría del Pueblo) in Ayacucho was established in 1996 to defend and protect human rights and supervise the work of various government offices. ACT provided the Defensoría funding to hold a conference in Huamanga, one of the areas hardest hit by political violence, which served to raise the community's awareness of human rights issues. Participants included the local citizens and authorities, the media, and representatives of various grassroots movements and public institutions. Together they explored:

- The Amnesty Law and its implications;
- The Truth and Reconciliation Commission and compensation to victims of political violence;
- The Role of Ombudsman's office following findings of common graves; and
- The Stance taken in topics of discussion by national and local media.

ACT also helped strengthen Peruvian capacity to investigate human rights violations by providing funding to the Peruvian Forensic Anthropology Team (EPAF; Equipo Peruano de Antropología Forense), a non-profit civic association that researches and provides information on the forensic anthropology. EPAF has worked with the United Nations

International Courts for Rwanda and Yugoslavia. For this grant, EPAF held four regional fora to train personnel from the Attorney General's and Ombudsman's offices in forensic investigation procedures. EPAF included four additional sessions in the project to raise public awareness of the importance of forensic investigations and how they work.

4. Anti-Corruption

Peru's recent political changes can be traced to the public disclosure of thousands of "Vladi-videos," videotaped exchanges between Vladimiro Montesinos and vast numbers of political operators, which visibly demonstrated the extent of corruption in political and business practices in Peru. Businesses state that a great deal of their resources go towards bribes to win contracts for government projects. In response to this high-profile, widespread problem, OTI has provided funding to anti-corruption initiatives in addition to its four major program areas defined earlier. Anti-corruption grants went to organizations working on projects to fight corruption at the national, regional, and local levels.

From February to July of 2001, ACT awarded six grants totaling \$244,487 in obligated funding for projects related to the fight against corruption. An illustrative list of grantees and projects follows:

Grantee	Project Funded
Tramas	Video using "Vladi-videos" to Inform Public about Corruption in Peru
Centro de Formación Apoyo y Desarrollo Etico Cultural Cristiano (CEFADECC)	Theatrical Production on Anti-Corruption for Students in Piura/Tumbes
Red Interquorum (IQ) Arequipa	Forum and Workshop to Develop Government Watch Group in Arequipa
Red Interquorum (IQ) Chiclayo	Forum and Workshop to Develop Government Watch Group in Chiclayo
Iniciativa Nacional Anticorrupción (INA) PROETICA	First National Conference on Anti-Corruption
Servicios Educativos Rurales (SER)	Anti-Corruption Fairs
Servicios Educativos Rurales (SER)	Anti-Corruption Information Campaign
Cámara de Comercio de Lima	Anti-Corruption: Forum and Video Conference in Fourteen Universities
Ministerio de Justicia (MINJUS)	Publication of Anti-Corruption National Diagnostic

Illustrative Grant Descriptions

Among the projects listed above were grants to conduct an anti-corruption forum in 14 Peruvian universities and carry out a number of anti-corruption fairs.

The Lima Chamber of Commerce (Cámara de Comercio de Lima) received funding to hold the first Decentralized Anti-Corruption Forum in coordination with the National Assembly of Deans. The forum was held in Lima and broadcast simultaneously by video conference to 14 universities located in Lima, Chiclayo, Trujillo, Chimbote, Huancayo, Iquitos, Arequipa, Tarapoto, Tacna, Cuzco, Puno, and Huanuco. It was also aired on

cable TV. Students and private sector representatives around Peru were invited to attend the viewings and participate in the regional discussions. The Chamber's objective was to engage students and business in developing citizen monitoring groups in their localities. Active participation by these key sectors should increase public scrutiny of governmental activities and reduce corruption.

ACT also funded Rural Educational Services (SER; Servicios Educativos Rurales) to conduct anti-corruption fairs in Ayacucho. Because political officials have generally been free to act without any public accountability, SER conducted educational fairs to let citizens know that they have a right to information about governmental matters. The fairs also shared information about what the transitional government was doing to address corruption. Music, street theater, and posters pulled passers-by into this two-day fair in the public plaza, teaching lessons about corruption and the need for transparent financial management, while captivating the locals' attention and curiosity.

B. Project Operations

1. Operational Set-up

In accordance with its own operating practices and as required under the Support Which Implements Fast Transitions (SWIFT) IQC, CAII set up operations in Peru shortly after the contract award. CAII received the letter to proceed from OTI on January 30, 2001. Based on consultation with OTI, it was determined that Management Associate and SWIFT Peru Project Director Sandra Shuster should arrive in Lima on February 6, the day after the arrival of Holly Flood, OTI's field representative for Peru. Within a week, a bank account was opened; office space identified; and program, procurement, finance and administrative support staff hired. On February 12, CAII moved into the office and furniture and computer equipment were installed that same week. Ronald Seligman, CAII's initial COP, was in country February 18. The first political transition grant (PTG) was approved on February 27.

2. Strategic Planning Workshop

From April 19 to 21, 2001 CAII and OTI held a strategic planning workshop facilitated by Carol Jeffrey at the El Pueblo complex outside of Lima. The objectives of the meeting were to help the team:

- develop a sense of teamwork, and an understanding of each party's relationship to the others (whether OTI, CAII, DAI, or the USAID Mission in Peru);
- identify the challenges, opportunities, and threats in the targeted program areas along with some project ideas; and
- begin to determine activities, responsibilities, resources, and target dates for the program.

After three days, the team members understood their respective roles and collective mandate, called for increased coordination and communication between OTI and the Office of Democratic Initiatives at USAID/Peru, discussed the grant process from project ideas to implementing procedures, and pointed out the need to work on anti-corruption issues as well as the four originally outlined.

3. Financial Administration

ACT's financial management systems have successfully met the grant management challenges imposed by the contract. Despite the volume of funds passing through the project on a regular basis, the project was able to send monthly financial reports to Washington that were consistently accurate and on time. Using the "Telecrédito" banking system to make payments online instead of writing checks, the ACT finance department has also been able to make payments to myriad vendors, simplifying what could be an endless task, given that grants are given in-kind and that each large grant requires many separate payments to individual providers.

4. Project Administration

After the initial start-up period, CAII continued to work to establish and perfect the office systems that would allow efficient project implementation.

Information Technology

CAII's subcontractor, Development Alternatives, Inc. (DAI), was responsible for installing the computer network and software, including the grants database that DAI has used on other SWIFT initiatives. Cecile Hipos, from DAI/Philippines, came to Peru from February 23 to March 8 to install the initial database and train Victor Fernández, ACT's in-house systems manager. Marcelo Suárez, DAI staff from Bethesda, followed from March 3 to 13 to install the LAN network for the office. In mid-May, it was determined that the DAI database was not suited to the purposes of this project, and OTI's Karma Lively replaced it with a program that had fewer security features, was easier to manipulate, and included fields and text in English and Spanish.

Replacement of the Chief of Party

In early June, the decision was made to replace Ronald Seligman, ACT's Chief of Party, with a new leader with a greater focus on management and administration. After considering other candidates identified through an open recruiting process, CAII and OTI decided to name Sandra Shuster as the new Chief of Party. She had served as Interim Chief of Party during the months of June and July, and came on board officially on July 23. She immediately began a series of administrative, operational, and financial improvements that will be detailed in the August-January, 2001 bi-annual report.

5. Program Development

OTI "bull-pen" personnel visited the project on a number of occasions to help shape ACT's programmatic focus and methodologies.

Karma Lively

Karma Lively visited ACT the week of May 17 to review how the process for developing and implementing grant proposals was managed. She spent time with each project development officer and the systems manager to help everyone understand how to process proposals quickly and effectively, and identified the need for different database software. She also discussed the staff's program development experiences with them and addressed programming issues. Karma recommended that the project hire a program assistant/translator to translate program information into English and manage

the English-language database; ACT then hired Renzo Corazzo for that purpose. Other recommendations included clarifying the lines of reporting for Project Development Officers, organizing database and filing systems, and establishing grant targets.

Ray Jennings

In early July, Ray Jennings visited ACT to explore with Project Development Officers how they could develop grant projects with greater impact. After consulting with staff, and based on his understanding of OTI methodologies in other countries, Ray recommended that project staff review their strategy regularly, learn how to use the grants database as a tool for defining budgets and targets, amplify program impact through the use of coalitions and/or public education materials, focus on activities in grants and not institutional support, conduct outreach to expand the number and type of potential grantees, avoid overuse of workshops and seminars, create an archive of products and photographs, develop a common evaluation system, and factor grantee contributions into budget reporting.

Keri Eisenbeis

In mid-July OTI's **Keri Eisenbeis** spent a week working with the Project Development Officer for Civilian-Military Relations to develop the program strategy in this. The strategy centers on three axes: activities to engage civil society outside of Lima, ways to attract the attention of the media, and strengthening of Congress's Defense Commission and its initiatives for producing laws and carrying out monitoring activities.

II. Financial Report