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**Quarterly Performance Report
April – June 2003 (3rd Quarter FY03)
Americas' Accountability/Anti-Corruption Project**

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I. Improved Donor Coordination

Donor Consultative Group

The theme of the quarterly meeting of the DCG, hosted by the United States Agency for International Development at its Washington, DC office, May 19, 2003, was the Agency's Anti-Corruption Action Plan for the Western Hemisphere. Presentations were made by Adolfo Franco, USAID Assistant Administrator for Latin America and the Caribbean, Steven Schrage, Deputy Assistant Secretary (Crime Programs), Bureau of International Narcotics and Law Enforcement Affairs, U.S. State Department and Linda Jewell, Director of Policy Planning, Bureau of Western Hemisphere Affairs (WHA), U.S. State Department.

Mr. Franco sees the US-Central America Free Trade Agreement (CAFTA) as an engine for economic growth, a prerequisite for internal and external economic investment in signatory countries that ultimately could affect jobs expansion and improvement in quality-of-life standards. He noted these worthy goals only would be achieved, however, if good-governance and anti-corruption challenges are successfully overcome. Democratization, in some instances, is not returning the dividends populations have a right to expect and, as a result, there is a lack of confidence in democratic processes. He noted this lack of confidence is especially evident where government policies and practices do not promote equality and equity for those governed. Investment in training and other forms of technical assistance must be supported by international donors to shore up democratic gains to date and expand them in the future.

Mr. Schrage said there are a number of forces driving the thrust for reducing corruption and expanding trade mechanisms that will benefit populations of the countries involved. He noted President Bush's direct interest in stabilizing the region in the interest of national security for all countries in the region. He observed that government leaders of Western Hemisphere countries are providing the kind of leadership for reforms that is lacking in other regions of the world and that this leadership will begin to yield results. He also noted that various agencies of the U.S. Government (USG), as never before, are working together to focus and coordinate support and assistance to specific, reform-minded governments in order to accelerate and maximize results and ensure sustainability.

Ms. Jewell explained the objective of the hemispheric action plan is to: "Reduce the incidence of corruption—endemic in many Western Hemisphere countries—that creates vulnerabilities and threats to U.S. national interests by fueling transnational crime and terrorism, undermining institutionalization of economic development and democracy, destabilizing political institutions and systems, and robbing individuals and businesses of both billions of dollars and their security."

She noted that under the plan, the USG will undertake to:

1. Unite Governments Under Common Commitments (Multilateral Efforts)

2. Help Governments Meet or Exceed Those Commitments (Bilateral Efforts), and
3. Mobilize Popular Will and Private Sector Action (Public Diplomacy)
4. Lead by Example (Mutual Efforts)

Anti-Corruption Forum

The project continued its co-sponsorship of the Washington, D.C.-area Anti-Corruption Forum designed to maintain a focus, among the international community, on the scourge corruption continues to be. On May 21, Dr. Ramon Daubón, who chairs the Washington-based Civil Society Task Force, discussed his methodology for engaging stakeholders in constructive dialogue, in order to develop shared support for reforms, in environments characterized by mutual distrust between government officials and civil society. He presented his experience in the Dominican Republic, funded by AAA, of developing a continuing "Round Table on the Culture of Transparency" to develop mutually supported agendas for reform.

On June 18, David M. Luna, Director for Anticorruption and Governance Issues in the Bureau for International Narcotics and Law Enforcement Affairs at the US Department of State, discussed the results of the Final Declaration of the Third Global Forum on Fighting Corruption and Safeguarding Integrity and current global challenges in the fight against corruption.

Newsletters

During the quarter, Issue 33 of the English-language newsletter *Accountability/Anti-Corruption* was posted on the ResponDanet website and distributed to subscribers via e-mail. It presented excerpts from the Seoul, Third Global Forum on Fighting Corruption and Safeguarding Integrity and reported on Mexico's new Freedom of Information Act (FOIA), the Africa Economic Summit and the new internal integrity program of the United Nations.

ResponDanet

In Chapter 3 of UNDP's *2002 Global Human Development Report*, "Deepening Democracy by Tackling Democratic Deficits," ResponDanet was singled out as the pioneering model for use of the Internet to advance government transparency and accountability.

"The Internet has also improved transparency and exposed corruption in government departments. Anticorruption Websites are proliferating in and out of government, inspired by efforts such as Latin America's ResponDanet (www.respondanet.com), which links professionals, government officials and citizens concerned about the proper use of public funds."

The number of visitors to ResponDanet continues to grow. The totals for the current quarter are the highest recorded to date and the second successive time that the number of hits on the site has surpassed one million in a quarter. Hits increased by 16% over the last quarter; compared to the same quarter last year, the increase was 60%. Cumulative number of hits since April 1998, when ResponDanet was inaugurated, through June 2003 is 9,847,133.

AAA is continuing to explore suitable partner(s) to secure sustainability of the website after project end.

Main Website and Sub Sites	Hits Previous 4 Project Quarters					Current Quarter Apr-Jun
	3 rd Quarter	4 th Quarter	1 st Quarter	2 nd Quarter	<i>Total for Previous 4 Quarters</i>	
	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar		
	FY 2002	FY 2002	FY 2003	FY 2003	FY 2003	
PSI Net	774,580	935,762	831,014	1,046,339	3,587,695	1,241,578
AAA Flash-Sp.	25,721	21,576	26,934	27,159	101,390	23,992
AAA Flash-Eng	38,332	20,165	53,055	57,074	168,626	50,629
ACSF	6,790	7,155	13,234	6,002	33,181	13,363
ACWB	845	570	969	1,020	3,404	1,157
Visitor Survey	4,054	2,422	3,458	2,714	12,648	2,720
TOTAL	850,322	987,650	926,986	1,147,489	3,912,447	1,333,712
Avg. Hits/Month	283,440	329,217	308,995	382,496	1,304,148	444,571

II. Improved Government Policies and Practices to Reduce Corruption

Disseminate Successful Practices and Lessons Learned

Program Director Patricio Maldonado participated in the first Latin American Summit on Local/Regional Development and Decentralization, June 9 - 12, 2003, in Arequipa, Peru. The conference was sponsored by *Centro de Estudios para el Desarrollo Regional (CEDER)* and the Municipality of Arequipa, with support from the Inter-American Foundation and the Economic Commission for Latin America and the Caribbean (**CEPAL**). Mr. Maldonado discussed with participants AAA's support for social auditing and other citizen participation programs at the municipal level in the Dominican Republic and Honduras and the Technical Assistance Module soon to be released on these efforts. The purpose was to promote and generate greater interest such programs as a means for advancing democratization through citizens exercising their rights and fulfilling their responsibilities in democratic-governance systems.

Mr. Maldonado and AAA anti-corruption specialist, Olga Nazario, and democracy and governance advisor, Gerardo Berthin, participated in the Ninth Inter-American Conference of Mayors and Local Authorities, on the subject of "The New Municipality: Coordination and Governance for the Citizen Welfare," held in Miami, June 24-26, 2003. The conference was sponsored by Florida International University and Miami-Dade County Government. Mr. Maldonado participated in and led panels on citizen involvement in municipal strategic planning, budget development and social auditing of municipal programs. Mr. Berthin met with Todd Sorensen, Democracy Office Director USAID/El Salvador and Glen Piercew-Oroz of the USAID/Honduras mission to discuss potential support for anti-corruption programming.

Anti-Corruption Cooperation

AAA supported Transparency International by underwriting shipping costs of Spanish-language Anti-Corruption Tool Kits to 13 USAID missions in the region: Dominican Republic, Honduras, Bolivia, Colombia, Ecuador, El Salvador, Guatemala, Jamaica, Mexico, Nicaragua, Panama, Paraguay and Peru.

World Bank Institute

Patricio Maldonado, Sylvia Rodriguez and Pilar Mendez, AAA-Project staff members, represented the project at the May 22nd, World Bank Institute meeting on, “Open and Participatory Government at the Local Level,” where they shared AAA lessons learned with senior officials from local governments in Honduras, Mexico, Tanzania and Uganda.

TAM—Bolivia and Chile IFMS Experiences

In mid May, Messers Maldonado and Berthin and AAA internal-control specialist, Lourdes Sanchez, traveled to Chile and Bolivia to interview the full range of stakeholders, in the public and private sectors, who were involved in or affected by the implementation of the SIGFE and SIGMA systems, respectively, in these countries. With information from the interviews, AAA completed a first draft of the Technical Assistance Module and submitted it to the Project Officer for final review and approval. During the course of the assessments, the AAA team met with Todd Sloan and F. Michael Willis, USAID/Bolivia, and Thomas D. Mitnacht, first secretary of the U.S. Embassy in Chile and Greg Wells, USAID/Chile democracy officer.

TAM—Internal Control Framework for Latin America

The draft internal-control framework for Latin America, based on the COSO model, has been sent to officials of the Latin American Federation of Internal Auditors (FLAI) for review by internal working committees. After committee review, FLAI will submit the revised framework for formal adoption to its membership at the organization’s regional meeting October 29-31, 2003, in La Paz.

TAM—Citizen Participation and Oversight

Following the international workshop on “Strengthening Transparency through Citizen Participation Mechanisms at the Municipal Level,” held in February, in Tela, Honduras, AAA began development of a TAM related to successful practices for engaging citizens in social auditing, municipal budget development and implementation and service-delivery oversight. A draft of the TAM has been sent to the USAID/Honduras Mission for review and comment.

TAM—Control Self Assessment

A draft of the TAM exploring experiences and lessons learned with control self assessment in the municipality of San Salvador and national-government units in Mexico and Colombia has been sent to the USAID/El Salvador Mission for review and comment.

Transparency Leadership Training

During the quarter, final arrangements were made for “Transparency Leadership for Community Leaders” training, in the Cibao region of the Dominican Republic. Leadership training on how to make local governments transparent and accountable emerged as a primary need for community leaders during workshops on “Citizen Participation in Local Government,” sponsored by AAA in Santiago de los Caballeros, DR in 2002.

AAA will support four workshops, between September and December 2003, for 45 community leaders and five local officials from five different communities in the Cibao. These 50 leaders will then train approximately 450 citizens in their communities. As part of the training, AAA will invite a member of the *Veeduría al Plan de Desarrollo de Medellín*, Colombia, to share Medellín's experience oversight of local-government development planning.

III. Support USAID Missions' Anti-Corruption Strategies

AAA has been supporting USAID Missions in expanding anti-corruption programs under their domain. In May, Program Director Maldonado made two trips to Ecuador, at the request of the USAID/Ecuador Mission Director, to meet with D&G staff on strengthening the Mission's crosscutting anti-corruption efforts. In June, Mr. Maldonado and Mr. Berthin traveled to Guatemala where they met with USAID D&G officers and the Guatemalan Anti-Corruption Commission to discuss conduct of a corruption victimization survey to be funded by the World Bank Institute and development of a public awareness campaign to be executed by the Commission.

Also, at the request of USAID/Guatemala, Messers Maldonado and Berthin met with Francesca Recanatini, of the World Bank Institute, to discuss the design and conduct of a corruption-victimization survey in that country.

III. Strengthen Civil Society's Oversight Role in Reducing Corruption

Anti-Corrupción sin Fronteras [Anti-Corruption Without Borders (ACSF)]

Anti-Corrupción sin Fronteras [Anti-Corruption Without Borders—(ACSF)] continues to facilitate communication and information sharing among the growing number of Latin American CSOs committed to fighting corruption. ACSF systematically distributes material and bulletins published by the CSOs themselves, serving as a link among them. These publications include Colombia's *Entretodos* bulletin, one of the organizations that forms the Medellín's *Veeduría al Plan de Desarrollo*. Also, ACSF distributes the monthly report of *Transparencia de Colombia*, the Bogotá TI Chapter bulletin, the weekly compilation of news on corruption of USAID's Atlatl Transparency Project in Mexico, El Salvador's *Probidad* Reports and Ecuador's *Comisión Cívica Contra la Corrupción* bulletins, among others.

ACSF has served as one of the primary communications conduits for the International Budget Project (IBP) and has been instrumental in helping CSO members throughout the region obtain fellowships and participate in budget seminars. In fact, one of those trained by IBP in Mexico will serve as a facilitator for the AAA-Project workshop, in Santiago de los Caballeros, which will provide leadership training for community leaders on government transparency.

Continuing to cooperate with the OAS, ACSF announced the June 2003 OAS General Assembly meeting, in Santiago de Chile, to which CSOs were invited. Several CSOs that learned about the Assembly through ACSF attended.

In the next quarter, ACSF will facilitate members' participation in a virtual forum on political party financing throughout Latin America. The forum will take place during the month of August and will discuss how different countries are trying to reform political-party financing laws to make this activity more transparent.