

**INDEFINITE QUANTITY CONTRACT AEP-I-00-00-00010-00**

**Quarterly Performance Monitoring Report No. 14  
Period Covering October 1, 2003 to December 31, 2003**

**Submitted to:**

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## I. General Summary

This quarterly report for October – December 2003, is presented by Casals and Associates, Inc., (C&A), in compliance with Contract No. AEP-I-00-00-00010-00.

### Programmatic Trends

Survey workshops continue to be a main focus for Task Order No. 800, Nigeria. Publications and training programs are strongly evident in Task Order No. 803, Project Atlatl in Mexico. Project Atlatl co-sponsored the publication of a booklet on freedom of information, through the use of cartoons this publication intends to create awareness among children on the importance of freedom of information as a means to foster government and accountability.

Task Order No.1, AAA is continuing to talk with potential prospects for securing sustainability of ResponDanet beyond the conclusion of the Task Order. Task Order No. 800, Nigeria and Task Order No. 803, Project Atlatl, are finalizing remaining products and administrative matters as part of close-out procedures.

### Unresolved Issues/Constraints

During much of this quarter, electoral politics monopolized Guatemala's society attention, thus interfering with an exact definition of technical assistance to be provided under Task Order No. 812. Uncertainty surrounding a discredited National Commission, the final outcome of the presidential elections, and the future of key government officials demanded caution until after the holiday season had passed and electoral results regarding Guatemala's next president became known by the end of December.

## II. Progress/Status of New and Ongoing Awards

The ongoing Task Orders in this reporting period are as follows; Task Orders 805 and 809 are completed as indicated on previous reports.

<b>Task Order No/Country/Project Title</b>	<b>Start Date</b>	<b>Estimated End Date</b>
01 AAA-America's Accountability/Anti-Corruption Project	09-29-00	10-01-04
800 Nigeria: Governance/Corruption Survey and IEC Activities	09-18-00	2-15-04
802 Colombia: Strengthening Transparency and Accountability through Improved Government Controls and Increased Citizen Oversight	11-3-00	03-31-04
803 Mexico: Project ATLATL: Accountability, Audit Anti-Corruption Mexico (AAA Mex) Project	06-13-01	01-31-04
805 Dominican Republic: Transparency and Good Governance Program	08-13-01	Completed
809 Honduras: Government of Honduras Reconstruction Accountability and Transparency Activities	04-01-01	Completed
812 Guatemala: Technical Assistance for Anti-Corruption Activities	10-29-03	10-29-04

IQC Contract Start Date 12-14-99/End date 12-12-04.

**Task Order No. 01  
Transparency and Accountability  
America's Accountability and Anti-corruption Project (AAA)**

**ResponDanet**

The number of hits on ResponDanet was about the same this quarter as last, comfortably over one million. Compared to the same quarter last year, the increase was 33%. Cumulative hits since April 1998, when ResponDanet was inaugurated, and December 2003 is 12,303,843.

AAA is continuing to talk to potential prospects for securing sustainability of ResponDanet beyond the conclusion of the Task Order. These include universities, NGOs and international donor organizations.

Main Website and Sub Sites	Hits Previous Four Project Fiscal Year Quarters					Current Quarter Oct-Dec FY 2004
	FY 2003	FY 2003	FY 2003	FY 2003	Total for Four Previous Quarters	
	1 <sup>st</sup> Quarter	2 <sup>nd</sup> Quarter	3 <sup>rd</sup> Quarter	4 <sup>th</sup> Quarter		
	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep		
PSI Net	831,014	1,046,339	1,241,578	1,095,156	4,214,087	1,087,330
AAA Flash-Sp.	26,934	27,159	23,992	45,262	123,347	54,902
AAA Flash-Eng	53,055	57,074	50,629	66,012	226,770	78,695
ACSF	13,234	6,002	13,363	10,981	43,580	11,293
ACWB	969	1,020	1,157	932	4,078	1,039
Visitor Survey	3,458	2,714	2,720	2,200	11,092	2,905
<b>TOTAL</b>	926,986	1,147,489	1,333,712	1,220,546	4,628,733	1,236,164
Avg. Hits/Month	308,995	382,496	444,571	406,849	385,727	412,055

**Support to Missions**

AAA is providing modest funding to the USAID Anti-Corruption Initiative in Guatemala, which started in September 2003 and is being managed by Casals & Associates, Inc (C&A). C&A will work with the national anti-corruption entity and civil society to encourage greater commitment to transparency and anti-corruption initiatives and to seek consensus on a focused agenda. The national election process slowed the start of the program but the election of Oscar Berger in the December second round held promise to offer receptivity for greater USAID involvement in fighting corruption. There is good potential in Guatemala for replicating AAA's TAM on CSO monitoring of country's compliance with the Inter-American Convention Against Corruption.

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

ACSF continues to provide essential information and tools for more than 100 civil society organizations. ACSF has developed three specialized sub-lists: one for the Dominican Republic in general, another for the Cibao region in the Dominican Republic and a third for Guatemala. In addition to the general information disseminated through ACSF, the specialized listserves focus on national issues and provide a way for convening meetings and coordinating local activities.

## **Task Order No. 800 Nigeria—Governance/Corruption Survey and IEC Activities**

Once the Mission gave approval to conduct survey workshops, C&A drafted a scope of work (SOW) for a logistics contract and asked three companies to submit bids. Under the SOW, the firms were requested to provide technical and cost proposals to conduct twenty workshops across all of Nigeria's six geopolitical zones as well as in the Abuja NFT. As bids were being prepared, C&A also began to negotiate with the Zero Corruption Coalition (ZCC) a grant as the ZCC, together with the Independent Corrupt Practices and Related Offenses Commission (ICPC), were to co-host the workshop series, with support from the survey research institutions. The latter were to offer support in the geopolitical zones where they had conducted field work for the survey work.

As bids were prepared, the Workshop Steering Committee, presided by Adelodun Adebayo, C&A's Nigeria representative, and with participation from the ZCC, Transparency International/Nigeria, the Independent Policy Group (the leading think tank providing independent research support to the Executive), the ICPC, and the survey research consortium (Institute for Development Research, Zaria; NCEMA/NISER, Ibadan; Department of Economics, University of Port Harcourt; Institute for Development Studies, University of Nigeria, Enugu campus; and Centre for Development Studies, University of Jos), held several meetings in Abuja to define the nature and objectives of the workshops, identify localities where the workshops would be held, and compile a list of invitees. All these procedures were consistent with an approach dictating that the survey and the dissemination process, given their political sensitivity, are perceived exclusively as a Nigerian endeavor.

With the selection of Support Management Services (SMS), as the logistics firm and the concurrence of the Steering Committee, the workshop locations were finalized and a final list of invitees completed. The goal was to have at each workshop 25 participants to encourage a broad airing of the survey findings and generate policy initiatives. In anticipation of the workshops, invitation letters were circulated and as potential invitees confirmed participation they were provided with survey summary reports in advance of the workshops. The workshops were designed to last from four to six hours.

As planned, the twenty workshops were hosted within a three week period, between November 18<sup>th</sup> and December 12<sup>th</sup>. In the South East Zone they were held in Enugu and Owerri, while in the South South Zone they were convened in Port Harcourt and Calabar. Six workshops were hosted in the South West Zone, both in Lagos and Ibadan, Nigeria's most populated region and also the country's commercial and intellectual capital. Yola and Maiduguri were the workshop sites for the North East Zone while Sokoto and Jos were for the North West Zone. Two other workshops were held in Kaduna and Ilorin, with the final four in Abuja, all six within the North Central Zone.

As the reporting period came to a close, workshop summary reports were being drafted and will be posted on the project's website. These reports will serve as the basis for the final policy recommendations report that will be discussed with the Mission and the Nigerian stakeholders in early 2004, just before the task order ends.

C&A has negotiated with Nigerian Radio the terms of a contract to broadcast in English and Hausa the anti-corruption radio series Tightrope. The series will be broadcast as part of the ICPC's national education campaign and will complement efforts already conducted via television.

The Task Order's completion date was extended to February 15, 2004 to allow for remaining products and administrative matters to be finalized.

## Task Order No. 803

### Mexico—Project ATLATL: Accountability, Audit, Anti-Corruption Mexico (AAAMex)

#### Accomplishments

Sample project highlights for this quarter include:

- a) Broadcasting worldwide the three-day signing of the UN anti-corruption convention in Merida, Yucatán.
- b) Coordinating the installation of satellite receiving equipment (antennas and digital decoders) in four state Freedom of Information Commissions.
- c) Offering six government auditing courses –via satellite—in conjunction with the Secretariat of Public Functions (SFP) and the Association of State Audit Institutions (ASOFIS).
- d) Providing technical assistance to the State Audit Institutions of Chiapas and Tlaxcala.
- e) Assisting the Inter-Ministerial Transparency and Anti-Corruption Commission on the organization of an anticorruption seminar under the theme “Building and Honest and Transparent Government”.
- f) Holding two additional sessions of the Anti-Corruption Forum in conjunction with local partners.

#### Compliance with Project Objectives

As shown in the table below, the activities that Project ATLATL conducted this quarter complied with the following tasks under the statement of work of Contract AEP-I00-00010-00 – 803.

Activity	Task(s) under Contract OUT-AEP-I00-00010-00 (803)	Accomplished Goals
Website updates and distribution via e-mail of newspaper articles on anti-corruption in Mexico.	<b>Task 1.e.</b> Flexibility and Responsiveness	<ul style="list-style-type: none"><li>• Provided up to date information on the fight against corruption and best practices on this subject in Mexico.</li><li>• Maximized the use of Internet technologies for the dissemination of best anti-corruption practices.</li></ul>
Anti-Corruption Forum, Conferences & Speeches	<b>Task 1.b.</b> Civil Society Participation Mechanisms	<ul style="list-style-type: none"><li>• Disseminated best practices and latest developments in the fight against corruption.</li><li>• Encouraged civil society participation in transparency and good governance activities.</li></ul>
Broadcast of UN Anti-corruption Convention	<b>Task 1.e.</b> Flexibility and Responsiveness	<ul style="list-style-type: none"><li>• Assisted in the worldwide dissemination of anti-corruption initiatives.</li></ul>
Small Grants Program	<b>Task 2.</b> Support to Civil Society in Tandem with GOM efforts	<ul style="list-style-type: none"><li>• Encouraged the development of civil society participation mechanisms to fight corruption.</li></ul>
Technical assistance to state audit institutions	<b>Task 1.</b> Provision of Technical Assistance to GOM entities addressing Anti-Corruption	<ul style="list-style-type: none"><li>• Conducted needs assessments.</li><li>• Provided expertise to state audit institutions in the areas</li></ul>

Activity	Task(s) under Contract OUT-AEP-100-00010-00 (803)	Accomplished Goals
	<b>Task 1a.</b> Improved Audit Capacity.	of Government Auditing Standards and Public Works Auditing.
	<b>Task 1.</b> Provision of Technical Assistance to GOM entities addressing Anti-Corruption	<ul style="list-style-type: none"> <li>Offered up to date information on measures to reduce corruption risks on procurement processes.</li> </ul>
Support to Institutional Development of State Freedom of Information Commissions	<b>Task 1.c.</b> Freedom of Information Law	<ul style="list-style-type: none"> <li>Initiated process to expose government officials from state freedom of information commissions to best practices in this field.</li> </ul>
Publications	<b>Task 1.e.</b> Flexibility and Responsiveness	<ul style="list-style-type: none"> <li>Disseminated best practices and latest developments in the fight against corruption.</li> </ul>
Course via Satellite	<b>Task 1.</b> Provision of Technical Assistance to GOM entities addressing Anti-Corruption  <b>Task 1a.</b> Improved Audit Capacity.  <b>Task 1.e.</b> Flexibility and Responsiveness	<ul style="list-style-type: none"> <li>Use of the latest technologies to maximize the impact of Project activities.</li> <li>Provided specialized training to a large number of auditors (located throughout the country) at a minimal cost and in a short lapse.</li> </ul>

### Other Project Activities

Other project activities throughout this quarter included the following:

- Sponsored the participation of Armando Jasso, SEGOB’s senior anti-corruption advisor and one of our closest partners, at an international ethics seminar organized by the Inter-American Development Bank. The event, titled “La Agenda Ética Pendiente de América Latina” took place on December 18-19, 2003 in Montevideo, Uruguay.
- Continued the technical review of the translation into Spanish of GAO’s new Yellow Book of Government Auditing Standards. Project ATLATL will use these standards in our training work with the Mexican State Auditors and Comptrollers General and will also make them available to Federal auditors.
- Financed a presentation by Hernan Murdock, a specialist on the development of whistleblower programs, at a special event held on November 5 at the Ministry of the Public Function in parallel to the UN Innovation Conference.
- Participated at a course on Quality Auditing offered by Bureau Veritas Quality International as means to replicate it for state audit institutions and state comptrollerships.

### Looking Ahead

Project Atlatl anticipates implementing the following activities during the month of January:

- Hold an additional session of our monthly Anti-corruption Forum, featuring Arturo del Castillo, a Mexican anti-corruption specialist from CIDE.
- Meet with members of the Virtual University of the Tec de Monterrey to explore joint distance learning activities under a second phase of this project.

- Offer a course by satellite on Computer Auditing to staff from State Audit Institutions and State Comptroller's Offices.
- Continue to coordinate the development of a book on Freedom of Information in Mexico.
- Assist in the preparation and co-sponsor the publication of the Code of Ethics and Auditing Standards from the State Audit Institution of Chiapas.
- Assist in the preparation and co-sponsor the publication of the Strategic Plan of the State Audit Institution of Nayarit.
- Co-sponsor along with LIMAC the publication of the presentations made at the Fifth National Freedom of Information Congress held in Guanajuato.
- Distribute International Government Auditing Standards and COSO's Internal Controls Framework among State Comptrollerships and State Audit Institutions.
- Finalize the technical review of GAO's new Yellow Book of Government Auditing Standards.
- Edit a two or three hour program on the main features of the UN Anti-corruption event in Mérida.
- Conduct close-out procedures.

### **Task Order No. 812**

#### **Guatemala—Technical Assistance for Anti-Corruption Activities**

The technical Assistance for Anti-Corruption Activities Initiative TO being managed by C&A supports national efforts to enhance transparency and accountability and deter corruption in Guatemala. It seeks to build consensus around an anti-corruption policy and action agenda to contribute to a national strategic effort. It also seeks to strengthen the Contraloría General de Cuentas (CGC) and its capacity to effectively combat corruption.

The project formally began with a visit to Guatemala by Sergio Diaz-Briquets, the non-resident COP, shortly after the contract for the TO was signed. The purpose of this visit was to discuss and fine tune with the Mission the TO's objectives and to establish initial contacts with potential implementing partners and other interested parties in Guatemala City. This was followed by a visit of Sergio Diaz-Briquets and Olga Nazario from November 16 to the 26, to further discuss implementation plans with CSOs, the National Commission for Transparency and Against Corruption (National Commission), the CGC, and others. Mr. Alfonso Chan, the consultant assigned to Guatemala by C&A to provide technical support to the CGC arrived on November 18<sup>th</sup>, remaining in country through December 20. The November visits were followed by a December 2003 mission led by Ms. Nazario who on this occasion was accompanied by Mr. Roberto de Michele, a consultant on legal anti-corruption issues, with particular expertise on anti-corruption commissions and implementation of the Inter-American Convention against Corruption (IACC). A part-time, permanent C&A representative in Guatemala was also identified during the course of these trips.

During much of this quarter, electoral politics monopolized Guatemala's society attention, thus interfering with the precise definition of the technical assistance to be provided. The defeat of former military dictator General E. Rios Mont relieved civil society organizations concerned with election outcomes, but left them exhausted, and made it difficult for them to concentrate on anti-corruption initiatives. The uncertainty over a discredited National Commission, the final outcome of the presidential elections and the future of key government officials (e.g., Comptroller General, Anti-Corruption Attorney General) demanded caution until after the holiday season had passed and electoral results regarding Guatemala's next president became known by the end of December. By January, both the executive and legislative branches of government will be in place and attention of key stakeholders can focus more clearly on anti-corruption policy.

Despite the adverse climate, C&A made significant inroads in moving forward the technical assistance for anti-corruption activities. Numerous contacts have been established with key CSOs, an international consultant has been working at the CGC, several key reports have been presented, a local coordinator, Carol Zardetto, has been contracted, and an office will be established at Gemini Building, Torre Norte starting January 15, 2003. In addition, a number of specific activities have been identified that address the Mission's key strategic objectives. These are being formalized with the finalization of the TO's Work Plan, still under discussion with the Mission.

Specific activities proposed in support of building a consensus around an anti-corruption policy and action agenda SO include, among others:

- Raising awareness and knowledge regarding the IACC;
- Provision of training to the National Commission;
- Training select CSOs in IACC monitoring and reporting;
- Providing ethics training to several business chambers and organizations;
- Policy facilitation for members of the Guatemalan Congress;
- Conducting a stakeholders analysis of current initiatives and resources for anti-corruption consensus building;
- Conducting an analytical study with recommendations for re-structuring the National Commission;
- Conducting an overview report of social auditing initiatives in the country;
- Developing a public discussion space to air anti-corruption issues and tools;
- Establishing and managing an anti-corruption electronic list serve; and
- Efforts to increase the number of CSOs focusing on anti-corruption activities.

In terms of the increasing the CGC's capacity to combat corruption SO, C&A has proposed and is implementing the following activities:

- Assisting with the development of manuals and procedures to conduct audits and select private audit firms;
- Assisting with the establishment of an independent unit within the CGC to select and provide oversight over private audit firms;
- Support the CGC in its training program;
- Support the CGC training unit develop a comprehensive training plan;
- Support the CGC conduct and release results of audits of two Central Government entities, two municipalities, and one Consejo de Desarrollo;
- Assist with the development and implementation of an Audit Management and Resolution System; and,
- Contribute to the improvement of the CGC's web site.

### **Contacts with civil society organizations and legislators**

As a first step toward consensus building, C&A's representatives have visited key civil society stakeholders to introduce themselves and explain the objectives of the current anti-corruption initiative. C&A representatives held meetings with Acción Ciudadana, CIEN, Cámara de Comercio (these three forming the *Coalición por la Transparencia*), Grupo de Apoyo Mutuo, AsiEs, CalDH, Barómetro, ICCPG, Fundación Myrna Mack, and IDES. These meetings also served to obtain the organizations' perspectives regarding the National Commission, expectations on anti-corruption policy and initiatives in the country, and discuss their willingness to become involved in transparency issues.

C&A learned that content and opportunity for civil society participation offered by the Inter-American Convention Against Corruption (IACC) are not well known among stakeholders. Once aware of its significance, interest is high in taking advantage of the Convention. The IACC is a key tool for working both with the public sector and civil society in implementing and monitoring an international agreement

to which the Guatemalan government committed itself by signing and ratifying the Convention. The IACC itself serves as a well-defined anti-corruption policy agenda. The IACC is also a key tool in getting Congress to review national anti-corruption legislation and adapt it to international requirements.

On December 11, 2003, Casals held the first of a series of forums/public meetings on the IACC and the mechanisms for civil society participation. With the assistance of GAM<sup>1</sup> and civil society, a select group of national legislators listened to international consultant and IACC expert, Roberto de Michele, outline the specific items on which the Organization of American States (OAS) Group of Experts will evaluate Guatemala in 2005. Participants expressed interest in learning more and getting involved.

### **Technical Assistance to the Comptrollers General Office**

From November 19 through December 20, 2003, international consultant Alfonso Chan provided technical assistance to the CGC. A report forwarded to USAID Mission on December 20, 2003, outlines the specific activities conducted. These included preliminary meetings with auditors in preparation for conducting audits in two key national entities, two municipalities, and one at Consejo de Desarrollo. These audits are to be performed according to international standards. Similarly, Mr. Chan began to assess the issues to be considered in developing and implementing an audit management and follow-up mechanism, as well as evaluating potential initiatives to strengthen the CGC, including training.

Since CGC auditors will not be available to work with Mr. Chan until late January 2004, as they will be occupied validating the transfer of municipal resources to newly elected majors, the consultant will not resume his technical assistance until the end of January 2004.

### **Report on the National Commission**

Technical assistance to the National Commission could not be provided during this reporting period as anticipated in the SOW. The uncertainty of the Commission's future in the midst of presidential elections could not warrant significant technical assistance. Still, there is a need to analyze the Commission's functions and structure. For that purpose, C&A's consultant Roberto de Michele met with the Commission's technical unit and reviewed several of documents related to the Commission. He completed a preliminary report on the Commission's functions and structure. On December 22, 2004, C&A forwarded this report to the USAID Mission.

### **Critical Studies**

During a meeting at USAID, Deputy Director Debby Kennedy-Iraheta asked Roberto de Michele for an analysis on the *Ley de Probidad y de Funcionarios Públicos* that could serve as basis for discussion with presidential candidates. Dr. de Michele's report was sent to the USAID Mission on December 22, 2004. Dr. de Michele also provided the Mission with the specific IACC requirements that Guatemala must meet for Group of Experts evaluation in 2005.

### **Creation of ListServe**

"Guate-transparencia" a listserv to provide communication among interested stakeholders became operational in December 2003. This will provide an opportunity to communicate and disseminate information on transparency among Guatemalans.

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<sup>1</sup> GAM took the initiative after there was no response from the Coalición for calling the meeting and Barómetro preferred to become involved after the elections.

**Administrative Matters**

C&A has maintained a fluid communication with USAID on defining and adapting the Work Plan to national changing circumstances. A local coordinator, Carol Zardetto, will provide continuity to the anti-corruption initiatives and work from a local office at Gemini Building.

**Activities Next Quarter**

In early January 2004, Ms. Nazario will travel to Guatemala to finalize the Work Plan, including timeliness, in consultation with the Mission and Ms Zardetto. Also, Mr. Chan will arrive in country in late January to continue providing technical support to the CGC.