

**“Global Development Alliance”
Consolidated Progress Report
(April – June 2007)**

Throughout the reported period, the Program dedicated a significant share of its efforts to administering the GDA program. This resulted in the signing and launching of seven grants for the implementation, by the Panamanian private sector, of an equal number of anticorruption projects, as detailed below.

No.	Project	Executing Unit/Co-sponsors
1	Transparency and good governance adopted by MSMEs (Micro, Small and Medium Enterprises) contributes to reducing poverty by providing confidence in the credit access process in Panama.	Panamanian Credit Bureau (APC)
2	Implementing a Citizens Awareness Campaign to Tackle Corruption / Seeking Culture Involvement with Ethical Values for the New Generation	Foundation for Education on TV, Channel 5 (FETV-Canal 5)
3	Media Campaign: Educating in Values against Corruption	Panamanian Association of Business Executives (APEDE)
4	Teaching Values by Means of Information Technologies	Computer Clubhouse/Mariano Rivera Foundation
5	Certificate Course on Fraud Auditing and Internal Controls in the Public Sector	University of the Certified Public Accountant (UNESCPA)/Anticorruption Council
6	Promoting Public Awareness of Corruption and Environmental Offenses	Digital Design, Inc., National Broadcasting Corporation-Channel 2 (TVN Canal 2) and the Environmental Protection Agency (ANAM)
7	Institutional and Human Resources Development at the National Tax Directorate	ADEN – Universidad Alta Dirección and the National Tax Directorate

The Program allocated \$534,966 to fund the above initiatives through November 2007, that is, roughly 90% of the available GDA budget. GDA partners on their part will commit \$1.4 million in cash and in-kind contributions for their execution.

The next section provides further details on the nature, objectives, activities and results in connection with the initial execution of these activities. Furthermore, it also describes the Program’s ongoing efforts to identify additional grantees and the major challenges in the implementation of these tasks.

Current alliances

• *Asociación Panameña de Crédito (APC – Panamanian Credit Bureau)*

Project
Transparency and good governance adopted by MSMEs (Micro, Small and Medium Enterprises) contributes to reducing poverty by providing confidence to the credit access process in Panama.
Objective
The purpose of the alliance is to implement, within a timeframe of approximately twelve months, two major activities: 1) Design and offer a training program to micro, small and medium-sized business-owners with the purpose of: <ul style="list-style-type: none">• Instilling transparency and good governance practices among MSMEs, so they meet the requirements of financial institutions and provide reliable information to decision-makers.• Developing capabilities for MSMEs to meet the challenges of a global economy. 2) Establish a customized MSMEs credit program through the development of a centralized database of non traditional information (e.g. educational level, years in business, family history, etc.) and formal demographics data. These two programs will: <ul style="list-style-type: none">• Promote formality of MSMEs.• Promote active participation of the commercial banking industry.
Cost
Total Cost of the Project: \$306,100.00 Amount of Assistance Requested: \$100,000.00 Amount of Recipient's Contributions: \$206,100.00 Executed funds as of March 31: \$0.00 (see attached budget) Detail of the Recipient's Contributions: 85% cash and 15% in-kind (facilities) Executed funds as of June 30: \$N/A (see attached budget)
Activities & Results
APC conducted the following activities during the reported period: <ul style="list-style-type: none">• Completed pending details of their technical and cost proposals, particularly in regards to its training component on transparency and good governance practices for Micro, Small and Medium-sized Enterprises.• Oversaw the design of training materials by FUNDES, the entity selected last quarter to undertake this task.• Conducted, in conjunction with FUNDES, a pilot test of the six-hour course on transparency and good governance practices for Micro, Small and Medium-sized Enterprises. APC and the Program monitored this activity live through hidden cameras.

- Continued the development of selected components of database of customized MSMEs credit program.

Projections

- Complete training materials.
- Launch a media campaign on radio, print media and brochures to promote enrollment in the training course.
- Recruit and register participants for the course (the goal is to train up to 1,000 micro, small and medium-sized business owners and entrepreneurs).
- Launch training program to be offered in 35 sessions.
- Advance design of database of customized MSMEs credit program.

• *Fundación para la Educación en la Televisión – FETV Canal 5*

Project

Implementing a Citizens Awareness Campaign to Tackle Corruption / Seeking Culture Involvement with Ethical Values for the New Generation

Objective

The purpose of this Alliance is to implement, within a timeframe of twelve months, two major activities and related sub-tasks:

- **First component:** Producing and disseminating public service announcements on the pervasive effects of corruption in daily life, which would be broadcast nationwide on primetime.
- **Second component:** Offering workshops and material on ethical and moral values to middle and high-school students from the provinces of Panama and Colon.

Cost

Total Cost of the Project:	\$215,066.00
Amount of Assistance Requested:	\$106,966.00
Amount of Recipient's Contributions:	\$108,100.00
Other Participating Donors:	n/a *
Detail of the Recipient's Contribution:	100% in-kind ** (air-time, facilities and instructors)
Executed funds as of June 30:	\$40,749.88 see attached budget)

- The other donors' contributions have not been reported yet.

** As detailed in the MOU signed between USAID and the Recipient, cash requirements were waived due to the exceptional circumstances of the project (the counterpart will offer significant in-kind contributions, such as free air time on prime time TV that exceed, when measured, the one-to-one leverage ratio of in-kind and/or financial resources).

Activities & Results

FETV conducted the following activities during the reported period:

First component:

- Drafted the scripts and story boards for six TV public service announcements aimed at changing the viewers' attitudes towards corrupt behavior in every-day situations (e.g. in school, a government office,

electoral campaigns, small businesses, department stores and politicians' donations). The Program and USAID participated actively in discussing and defining the spots' contents.

- Launched a three-week casting process
- Produced and pre-edited six spots with the participation of 72 actors and bystanders (extras) in 10 different locations. A crew of seven members from FETV invested a combined total of approximately 634 hours in this task.

Second component:

- Organized encounters with professors and students from eight middle-schools in Panama City and nine in Colon to present the project and involve them in its execution.
- Produced materials for the workshops with a focus on anticorruption values and citizens' participation.
- Offered workshops on "Identity and Values" in Colón (57 students) and Panama City (53 students).
- Offered workshops on "The National Environment" with the attendance of 69 students in Colón and 51 in Panama City. The attendance in Colon for this workshop and the first one above surpassed the project's expectations.

Projected Activities

- Discuss the preliminary versions of the spots with USAID and the Program and incorporate the suggested changes.
- Complete a finalized version of the announcements.
- Launch the television spots, which will be broadcast continuously for four months.
- Explore the possibility of disseminating the spots through other TV networks.
- Prepare and distribute additional material (brochures and CDs) on the campaign.
- Offer additional workshops on "Citizen Participation and Mass Media" for mid-level students in Colon and Panama City.



Workshop organized by FETV in Panama City

3) Asociación Panameña de Ejecutivos de Empresa (APEDE)

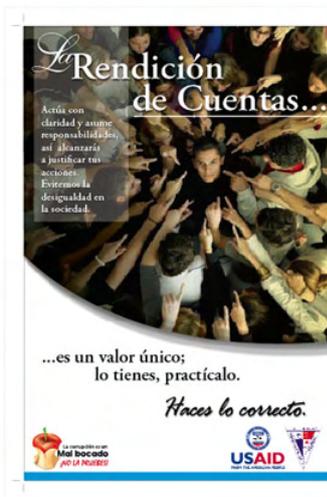
Project	
Educating in Values against Corruption	
Objective	
The purpose of the alliance is to design and launch, within a timeframe of five to six months, a media campaign aimed at promoting the values of honesty, accountability, transparency, integrity and rectitude across society.	
Cost	
Total Cost of the Project:	\$ 200,000.00
Amount of Assistance Requested:	\$ 100,000.00
Amount of Recipient's Contributions:	\$ 3,665.00
Other Participating Donors:	\$ 96,335.00 *
Detail of the Recipient's Contribution:	100% in-kind ** (air-time and space in other media)
Executed funds as of June 30:	\$52,845.00 (see attached budget)
* Other donors include a media company (CM America), newspapers, radio stations, and TV networks, among others.	
** As detailed in the MOU signed between USAID and the Recipient, cash requirements were waived due to the exceptional circumstances of the project (the counterpart will offer significant in-kind contributions, such as free air time on prime time TV that exceed, when measured, the one-to-one leverage ratio of in-kind and/or financial resources).	
Activities & Results	
APEDE conducted the following activities during the reported period:	
<ul style="list-style-type: none"> Completed all the materials (TV and radio spots, newspaper ads, street advertising, etc.) of a public awareness campaign to promote transparency, accountability, and ethics in Panama. Launched the campaign at an event with 138 guests from the private sector, government entities, civil society organizations and a strong media presence. Several media outlets followed the event and reported on its nature and objectives. These included newspapers (Capital Financiero, El Siglo and La Estrella) news magazines from national TV networks (FTVE, Telemetro, RPC Canal 4 and TVN Canal 2) and commercial radio stations (Circuito X y la Exitosa). Broadcast spots in major television channels. On average, paid ads were viewed 1.3 times per person 18 and older in Panama. Following is a breakdown of the spots' penetration: TVN Canal 2 (647,033 viewers), TV MAX (240,178 viewers), Telemetro Canal 13 (370,413 viewers) y RCM Canal 33 (93,172 viewers) for a total reach in June of 1,350,796. Reached a nationwide presence through participating radio stations: <u>Nationwide stations:</u> RPC Radio; La Exitosa; W radio; Fabulosa Estereo; Omega Estereo; Wao; Radio Mix; Estereo 89 Digital; Circuito X Bahía; Antena 8 and Metropolitan station; <u>Metropolitan music:</u> las Playas: FM Corazón; YXY; Radio Mil; Lo Nuestro; Hossana Radio; <u>Local stations:</u> Radio Mensabé; Radio Veraguas; 91.5 Provincias centrales; Radio reforma. <u>Stations from the province of Colon:</u> Caribe Estereo; CPR Radio; Marbella Estereo; <u>Other stations:</u> Emisoras Chiriquí and Bocas del Toro: Radio Chiriquí; Ondas Chiricanas; Estereo Planea.. Disseminated the campaign through newspaper ads in La Prensa (with a 	

publication of 40,000 copies on Fridays), La Crítica Libre (a tabloid directed mainly at low-income readers, 63,000 copies), El Siglo (35,000 copies) and La Estrella de Panamá (25,000 copies).

- Placed street advertising in 30 strategic locations throughout Panama City (the space for five of them was donated by the vendor). Based on their location and the number of local residents, they potentially reached 94% of the population between 18 and 65 years of age.
- Arranged interviews for APEDE, USAID and the Program's representatives with several radio networks (e.g. Lo Nuestro, W Radio, Circuito Bahía, WAO, Antena 8, RPC Radio and La Exitosa) to spread the message of the campaign.
- Produced and disseminated public service announcements with local celebrities (Blanca Herrera, Rolando Sterling and Guillermo Ferrufino).
- Showed the campaign's spot in the largest movie theaters in Panama at Multiplaza Mall. The spot was shown just before the trailers during the release of a major Hollywood blockbuster (Pirates of the Caribbean III)

Projections

- Continue implementing the public awareness campaign through selected means to maximize its penetration and impact.



Public Awareness Campaign Posters

4) Computer Clubhouses (Fe y Alegría & Asociación de Mercedarios Religiosos)

Project

Teaching Values by Means of Information Technologies

Objective

The purpose of the alliance is to implement, within a timeframe of approximately eight months, the following activities:

- Edit and disseminate educational pamphlets and compact discs on ethical values designed by teenagers.

- Empower the creative capabilities of teenagers by encouraging them to produce educational material about conflict management and ethical values from their perspective and reality.
- Promote the practice of ethical values among teenagers.
- Instruct teenagers to tutor their peers on the subject topics through workshops.

Amount

Total Cost of the Project:	\$95,000.00
Amount of Assistance Requested:	\$43,000.00
Amount of Recipient's Contributions:	\$12,000.00
Other Participating Donors:	\$40,000.00 *
Detail of the Recipient's Contributions:	78% cash and 22% in-kind (facilities)
Executed funds as of June 30:	\$23,021.68 (see attached budget)

* The other donor is the Mariano Rivera Foundation.

Activities & Results

The two grantees under this project (the Computer Clubhouses from *Fe y Alegría* and the Asociación de Mercedarios Religiosos *de Fátima*) conducted the following activities during the reported period:

- Signed an MOU for the execution of this initiative with USAID at an event with close to 100 students, guests and TV news reporters.
- Purchased the equipment (e.g. video recording and digital cameras) to be used for the design of print and electronic material on conflict management and anticorruption.
- Trained its staff on the use of this equipment.
- Printed initial brochures detailing the objectives and scope of the project.
- Signed participants up for the above activities among registered users at both Computer Clubhouses.

Projections

- A "Values Workshop" will begin next quarter for up to 100 registered teenagers.
- Assist teenagers in designing and producing pamphlets, compact discs and other material on ethical values to be distributed among their peers.

5) Universidad Especializada del Contador Público

Project
Certificate Course on Fraud Auditing and Internal Controls in the Public Sector
Objective
The purpose of the Alliance is to co-fund the participation of up to 20 government officials at a five-month certificate course aimed at strengthening their capacity to identify, investigate and prosecute fraud and corruption.
Amount
Total Cost of the Project: \$30,000.00

Amount of Assistance Requested:	\$15,000.00
Amount of Recipient's Contributions:	\$15,000.00
Detail of the Recipient's Contributions:	28% cash and 72% in-kind
Executed funds as of June 30:	\$13,455.00 (see attached budget)

Activities & Results

UNESCPA conducted the following activities during the reported period:

- Put together a GDA proposal, with support from the Program, to offer the subject four-month training program on Fraud Auditing.
- Selected, in coordination with the Program and the National Anticorruption Council, 20 scholarship recipients. These included GOP officials from the Program's main local counterparts and other relevant agencies (specifically, the Attorney General's Office, the National Tax Directorate and the Financial Intelligence Unit) and others selected by the Anticorruption Council from entities such as the National Assembly, the Ombudsman's Office and the Ministry of Education. Furthermore, the Program compiled personal data from all 20 participants holding a scholarship to run the "name check" process on them. Overall, 77 GOP officials are attending this course.
- Launched the course in May 2007 at an event with the presence of the Executive Secretary of the National Anticorruption Council, Alma Montenegro de Fletcher, and the recently appointed Comptroller General, Carlos Vallarino.
- Offered the first two modules of this course (1. Formal Controls for the Prevention of Corruption and 2. Introduction to Fraud Auditing).
- Closely monitored course attendance and performance from all participants. 88% of participants report satisfactory and outstanding results based on their evaluations. The Program and the National Anticorruption Council, on their part, conducted independent assessments to measure satisfaction with course faculty, teaching materials and its overall organization. This enabled the Program to detect early on a few areas of improvement, such as the timely delivery of training material and administrative support to course participants.

Projections

- Further publicize the organization of this course by signing a Memorandum of Understanding with USAID.
- Continue offering the remaining five modules of the training program through October 2007 (3. The Role of a Fraud Examiner, 4. Financial Transactions and Fraud Synopsis, 5. Anti-Fraud Legal Framework, 6. Criminology and Ethics, and 7. The Use of Computer-Assisted Audit Techniques in Fraud Investigations).



Certificate Course on Fraud Auditing

6) Digital Design, Inc., TVN Canal 2 (National Broadcasting Corporation) and the Environmental Protection Agency (ANAM)

Project	
Promoting Public Awareness of Corruption and Environmental Offenses	
Objective	
The purpose of the alliance is to produce and disseminate, within a timeframe of eight months, 16 public service announcements and other promotional material on environmental offenses under (Law #5 of 2005) and the new Criminal Code. The spots will be broadcast nationwide on TVN. In doing so, the Alliance seeks to increase public awareness on the contents of the referred Act and promote citizen participation in reporting environmental corruption and offenses.	
Amount	
Total Cost of the Project:	\$229,700.00
Amount of Assistance Requested:	\$100,000.00
Amount of Recipient's Contributions:	\$129,700.00
Detail of the Recipient's Contributions:	100% in-kind ** (production and air-time)
Executed funds as of June 30:	\$3,000.00 (see attached budget)
** As detailed in the MOU signed between USAID and the Recipient, cash requirements were waived due to the exceptional circumstances of the project (the counterpart will offer significant in-kind contributions, such as free air time on prime time TV that exceed, when measured, the one-to-one leverage ratio of in kind and/or financial resources).	
Activities & Results	
Digital Design conducted the following activities during the reported period:	
<ul style="list-style-type: none"> • Prepared a technical and financial proposal, with the Program's technical assistance, to produce and disseminate 16 TV spots and other promotional material on environmental offenses and corruption. • Held several working meetings with ANAM, USAID and the Program to define the script and content of the spots. This was a lengthy process that 	

extended for over two months.

- Selected film locations, launched the casting process and other pre-production activities.

Projections

- Shoot the 16 TV spots and present them for the review and comments of ANAM, USAID and the Program. The Program will oversee and coordinate the timely execution of these tasks.
- Launch a public awareness campaign in conjunction with TVN Canal 2.
- Produce printed material to be released simultaneously with the media campaign.



Signing of MOU with Digital Design, TVN and ANAM

7) ADEN - Universidad Alta Dirección and the National Tax Directorate

Project	
Institutional and Human Resources Development at the National Tax Directorate	
Objective	
The purpose of the Alliance is to implement, within a timeframe of 5 months, a training program on Teamwork, Institutional Changes and Accountability Considerations in benefit of the National Tax Directorate (hereinafter, DGI). The Program is broken down into four sub-Programs to be offered from July to November 2007. These cover the following subjects: 1) Facing Personal and Institutional Changes; 2) Teamwork and Managerial Skills; 3) Training of Trainers, and; 4) Tax Payer Services. Each of them will include a number of components on transparency, accountability and access to information. Overall, ADEN expects to train more than 500 government officials in the above subjects. This is intended to smooth the institutional changes currently taking place at the National Tax Directorate.	
Amount	
Total Cost of the Project:	\$432,000.00
Amount of Assistance Requested:	\$70,000.00

Amount of Recipient's Contributions:	\$362,000.00
Detail of the Recipient's Contributions:	78% cash and 22% in-kind (facilities)
Executed funds as of June 30:	\$38,320.00 (see attached budget)
Activities & Results	
ADEN conducted the following activities during the reported period:	
<ul style="list-style-type: none"> • Worked with the Program in revamping a GDA proposal to expose the staff of the National Tax Directorate to accountability practices and prepare them for the upcoming institutional changes. • Offered two modules (Personal Changes Processes and Personal Leadership and Self Motivation) from the first training program above and another module (Empowerment and Delegation) from the third training sub-program. More than 500 GOP officials from the National Tax Directorate, that is, the entire staff, have already taken one or more of these courses. 	
Projections	
<ul style="list-style-type: none"> • Further publicize the organization of these courses by signing a Memorandum of Understanding with USAID. • Organize additional modules from the four training subprograms above (e.g. Effective Communications, Effective Leadership, Learning Management, etc.) 	

Forthcoming Alliances

In the short run, the Program will explore the possibility of funding or extending our support to the following initiatives:

Candidate	Scope of the project
National Board of Journalists (<i>Colegio Nacional de Periodistas</i>)	Enhancing the educational profile of journalists by instructing them on key issues related to their work, such as ethics and access to public information. The Program has already met with other potential sponsors in the private sector. Although a formal offer is pending, as a result of these efforts Cable & Wireless has committed funds in the amount of \$16,000 to launch this project next quarter.
Association of Panamanian Judges (ASPAMAJ)	Creating public awareness of the need to adopt a jury and oral trials system to expedite and make more transparent the administration of criminal justice.
Association of Business Executives (APEDE)	Expand the ongoing project ("Educating in Values against Corruption") targeting children through public service announcements and other public awareness material.

ADEN/National Tax Directorate	Increase the level of funding to the ongoing project (“Institutional and Human Resources Development at the National Tax Directorate”).
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Challenges

The Program faced the challenges detailed below in connection with the administration of the GDA mechanism:

- Allocating the remaining GDA funds (approximately \$55,000). Despite intense efforts to encourage private sector participation, the Program received only a handful of new proposals. Most of them did not show a clear thematic relation with the objectives of the Program (that was the case of a proposal presented by HOPE Foundation to promote anti-corruption values through theatre) or their stated objectives appeared unrealistic on account of the short implementation period and the unfavorable context where activities were to take place (e.g. a project submitted by the National Competitiveness Center to reduce the judicial caseload in the first judicial district and conduct other activities with the Judicial Branch).
- Continuous line item modifications to the budget of APC’s training provider (FUNDES) significantly delayed the launching of activities under the second component of this project. At the time of preparation of this report, these hurdles had been overcome.