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**QUARTERLY TECHNICAL PERFORMANCE REPORT NO. 12**

Period covering January 1, 2008 – March 31, 2008  
(2<sup>nd</sup> Quarter of FY 2008)

**Transparency, Anti-Corruption and Accountability Program**  
Task Order Number DFD-I-03-03-00139-00

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## **GUATEMALA**

In compliance with Contract DFD-I-00-03-00139-00 and Task Order No. DFD-I-03-03-00139-00 (Central America and Mexico (CAM) Transparency, Anticorruption and Accountability Program), Casals & Associates, Inc. (C&A) presents this quarterly report, which covers the period from January 1 through March 31, 2008.

### **I. KEY ACTIVITIES**

The incoming Colom administration, which took office in January 2008, presented a significant opportunity for sustaining and advancing the progress achieved under the previous government, especially taking into account the Vice President's stated commitment to support an anticorruption agenda. During this quarter, the Program focused a significant share of its efforts in five major activities: 1) working with the new administration on the development of their 2008 Transparency Action Plan; 2) supporting the initial operations of the Executive Secretariat of the Executive's Anticorruption Commission; 3) launching a coordinated strategy to promote the adoption of a Freedom of Information Act; 4) identifying potential partners in the private sector for the joint execution of anticorruption projects; and 5) putting together the program of a training course on investigative journalism and computer-assisted journalism techniques.

### **IR 2: GREATER TRANSPARENCY AND ACCOUNTABILITY OF GOVERNMENTS**

#### **SUB IR 2.1: MORE TRANSPARENT SYSTEMS FOR MANAGEMENT OF PUBLIC RESOURCES BY THE NATIONAL GOVERNMENT**

##### **LLR 2.1.1: NATIONAL ANTICORRUPTION/TRANSPARENCY STRATEGY COMPLETED AND IMPLEMENTED**

#### **INDICATORS:**

- Existence of a National Transparency Plan (yes/no)
- Number of subject areas in the National Transparency Plan derived from the IACC
- Percentage of implementation tasks from the Transparency Plan completed by the GOG
- Access to Information Index score in the Executive Branch. (0.0-1.0, where 1.0 represents total access to information)

#### **MAIN RESULTS ACHIEVED:**

***Supporting the Vice President's Office in developing the anticorruption policies of the incoming administration.*** At the request of Vice President Espada, the Program concentrated its efforts this quarter towards designing and launching the anticorruption policies of the new administration. Several working meetings were held with representatives from the Vice President's Office and other entities (*Accion Ciudadana* and the UNDP) to develop a Transparency Action Plan to be implemented in 2008. One of the initial tasks under the plan was the creation of an Anticorruption Commission with

jurisdiction over the Executive Branch. A governmental decree, dated March 3, 2008, officially established this Commission. Although the Commission's bureaucratic structure may hold up some of its operations, the Vicepresident's Office embraced some of the key recommendations issued by the Program, such as focusing its work on preventive and coordinating measures.

The Program also promoted initial contacts between the Vice President's Office and the members of the Donor's Transparency Table, which resulted in additional commitments by the donor community and multilateral organizations to fund select activities of the Executive's Transparency Action Plan.

Furthermore, to assist in launching the operations of the new Anticorruption Commission, which lacked any public funds in the early part of 2008, the Program provided basic computer and printing equipment to its Executive Secretariat.



Working meeting of the Executive Secretariat of the Anticorruption Commission

***Promoting civil society involvement in the design and implementation of the new government's anticorruption agenda.*** In January, the Program signed a new grant agreement with *Acción Ciudadana* to conduct the following activities:

- 1) Provide continued support to the Vice President's team responsible for launching the new GOG anticorruption strategy, and drafting a proposal for the creation of an entity within the Executive Branch that will design, coordinate and execute anticorruption policies and activities;
- 2) Work under the Program's direction in promoting the adoption of a Freedom of Information Act (FOIA); and
- 3) Revise the methodology used to compile the 2007 Access to Information Index and carry out the measurement in 2008 of compliance with Access to Information Standards in the public sector in Guatemala.

In doing so, the Program expects to reach the following results:

- 1) A functional and sustainable entity responsible for the design, coordination and implementation of anticorruption policies and activities.

- 2) A FOIA law that complies with internationally recognized standards and is applicable to all the branches of government.
- 3) A listing of all the public entities that are open to outside scrutiny as well as those that have been “red-flagged” (i.e., agencies that have been unable to, or have shown resistance to efforts to, facilitate access to government records).

Throughout this quarter, *Acción Ciudadana* worked closely with the Vice President’s Office in preparing and revamping the government’s Transparency Action Plan, identifying priorities and entities responsible for the execution of each of its task. As stated above, one of the immediate goals under the Plan was the establishment of an Anticorruption Commission. As detailed below, *Acción Ciudadana* played an important role in executing a strategy to promote the adoption of a FOIA law in Guatemala.

***Conducting a coordinated strategy to promote the adoption of a Freedom of Information Act in Guatemala.*** In February, the Program drafted an assessment of the prevailing political context influencing the potential approval of a FOIA law, which identified strengths, weaknesses, opportunities and threats. This served as the basis for the development of a strategy aimed at inducing the adoption of this type of legislation, launched jointly by C&A’s Program and *Acción Ciudadana*.

In connection with this task, the Program prepared the first draft of a FOIA through Ernesto Villanueva, one of the foremost experts in this field in Latin America. It also drafted an agenda of meetings with key public opinion leaders in government, media and civil society to promote its eventual approval and gather proposals to incorporate into a FOIA bill.

***Coordinating the efforts of the international donor community to support the implementation of the Transparency Action Plan.*** The Program continued providing coordination and logistical support to USAID and other members of the Donors’ Transparency Table in connection with the discussion of potential areas of intervention under the Executive’s Transparency Action Plan. In addition to assisting in the organization of three working meetings of the Table, the Program developed reference materials for its members’ review, such as a compilation of each of their anticorruption projects and a self-evaluation on the work carried out by this group in 2007.

***Approaching newly elected members of Congress to promote the adoption of legislative reforms linked to accountability and transparency practices.*** On January 11, the Program assisted COPRE (State Modernization Commission) in the organization of a seminar titled “Progress and Challenges in the State-Reform Process: A Long-Term Perspective.” The event showcased pending legislative reforms aimed at fostering transparency that were presented to an audience composed of 32 newly elected members of Congress and legislative advisors from nine political parties.

At COPRE’s request, the Program agreed to not only co-sponsor the organization of this event but also to finance the participation as a speaker of César Jáuregui, a former Mexican Senator and member of the Global Organization of Parliamentarians against

Corruption (GOPAC), who currently heads the State Modernization Commission within Mexico's ruling party. Mr. Jáuregui's presentation highlighted the linkages between state reform policies and transparency and anticorruption standards, with emphasis on the FOIA and a functional Civil Service Law.

Additionally, the Program distributed nine booklets containing basic information on the oversight and control tasks associated with the legislative function, published in conjunction with *Acción Ciudadana*.

This event represented an opportunity to promote the adoption of the FOIA to new members of Congress and to establish initial contacts with potential champions of an anticorruption crusade in the Legislative Branch.



Seminar on pending transparency reforms for the newly elected members of Congress and their advisors

***Exploring cooperation activities with the Congress and its Technical Assistance Unit (Unidad Permanente de Asesoría Técnica - UPAT).*** In February, the Program met with two members of Congress and representatives from its Technical Assistance Unit to discuss their interest in improving the oversight of public trust funds through our technical support. The execution of funds through this mechanism presents serious corruption risks, which some of the blocks in Congress were interested in addressing, particularly in light of the upcoming implementation of a conditional cash transfer program under the First Lady's Office, which would manage a significant budget without a clear control system in place.

The Program distributed at the meeting reference material developed under its past activities, which included the following items:

- 1) A review of the legal and administrative framework of trust funds in Guatemala.
- 2) A map of regulatory shortcomings.
- 3) Model legislation to control public trust funds.
- 4) A study conducted by Acción Ciudadana and DESC Foundation, titled *Discretionary Power and Corruption in Guatemala*, which offers recommendations to streamline and cleanse the management of trust funds.

To date, the Congress has not yet materialized a request for technical assistance in the subject matter.

***Strengthening the oversight role of Congress.*** The Congress' Secretariat of Political Affairs, an entity closely linked to the legislature's President, approached the Program to present a project for consideration. Their initiative entailed the creation of a Congressional Research Center and the organization of training modules for nearly 50 members of Congress and their advisors. Following an extensive analysis, the Program identified this as an opportunity to further advance the promotion of a FOIA law and establish key alliances with the Congress' President and his collaborators. Hence, the Program asked for a concrete request for support from Congress to implement one of their scheduled courses, specifically the one on "Parliamentary Control and Oversight."

At the time of preparation of this report, the Program had received the Congress' formal request for financial and technical assistance to fund the referred training course.

**PLANNED ACTIVITIES FOR NEXT QUARTER FOR THIS LLR:**

The Program will carry out the following activities the next quarter:

- Assist in organizing the periodical sessions of the Technical Committee of the Anticorruption Commission, composed of representatives from its Executive Secretariat, the UN Development Programme, USAID and the C&A Program.
- Hire a technical assistant to provide full-time technical support to the Executive Secretariat of the Anticorruption Commission through December 2008.
- Develop a communications strategy for the Anticorruption Commission to highlight the nature and scope of their authority.
- Execute one or two courses on "Administrative, Civil and Criminal Liabilities" and/or "Corruption Crimes," subject to the launching of the Anticorruption Commission's training program.
- Offer a course on "Parliamentary Control and Oversight" in response to the Congress' request for support and as means to promote the adoption of a FOIA law.
- Organize (April 8-10, 2008), in conjunction with *Acción Ciudadana*, a series of meetings with GOG officials and media representatives as part the ongoing efforts to promote the adoption of a FOIA law in Guatemala. These will include encounters with key member of Congress (from the Committee on Legislation and Constitutional Matters), the Ombudsman's Office and the heads of two local newspapers (*Prensa Libre* and *El Periódico*).
- Presenting for the Congress' consideration a draft FOIA, to be developed by an international specialist with vast experience in the design of this type of legislation in the Americas.

- Continue providing secretariat and logistical support to the Donors' Transparency Table.

***LLR 2.1.2: IMPLEMENTATION OF THE COMMITMENTS OF THE INTER-AMERICAN CONVENTION AGAINST CORRUPTION (IACC)***

**INDICATORS:**

- Number of activities in the National Transparency Plan derived from the IACC
- Percentage of activities of the National Transparency Plan implemented
- Percentage of recommendations of the IACC Committee of Experts addressed (under implementation) by the GOG
- Cumulative number of reports presented by GOG to the Committee of Experts in compliance with IACC

**MAIN RESULTS ACHIEVED:**

***Encouraging active civil society engagement in the IACC monitoring process.*** In October 2007, the Program entered into a subgrant agreement with *Acción Ciudadana* to assess Guatemala's compliance with selected provisions of the second round of review of the Inter-American Convention against Corruption (IACC). In becoming involved in this initiative, the Program sought to continue engaging civil society in a dialogue that furthers the execution of the Convention.

The resulting shadow report—delivered to the OAS in November 2007, but not made public until February 28, 2008—assesses the existence, adequacy and results of the legal framework and/or other measures of Guatemala's systems for government hiring and procurement of goods and services. It also includes an update on the observance of the recommendations issued by the Committee of Experts in the Convention's first review round, which covered codes of conduct, consultation mechanisms, citizen participation and international cooperation, among other items. Other civil society organizations, such as the Guatemalan Association of Budget Researchers and the Chamber of Construction, also collaborated in the development and presentation of this report.

Representatives from the Vice President's Office, the National Civil Service Office and the Ministry of Finance attended the presentation of this document. They formally received it and committed themselves to review it and observe its recommendations. The Committee of Experts will use this report and other documents in drafting their own recommendations in connection with the peer review mechanism for the Convention. The following is a list of the report's major findings and recommendations broken down by thematic areas.

### **Government hiring practices**

- The hiring of government officials through parallel processes (e.g. 029 temporary contracts) circumvents civil service standards and undermines the adoption of a merit-based system.
- The competitive recruiting process is not publicized efficiently and selection procedures are not transparent.
- The Civil Service Agency lacks the technical and financial resources, as well as the political support, to foster an independent civil service in the public sector.
- There is an urgent need to purge the current civil service system of any political meddling by revising its legal framework, completing an accurate database of government employees and their location and functions, widely disseminating recruitment processes, and adopting clear standards for assessing labor performance and awarding promotions, among other measures.

### **Public procurement of goods and services**

- There is a myriad of exceptions that enable the procurement process to be implemented outside the government's electronic procurement system ("*Guatecompras*").
- The control system exercised by the Office of the Comptroller General over the management of government contracts by civil society organizations is weak.
- Whereas the Ministry of Finance has disclosed information on Trust Funds managed by the central government, there is still no access to their cash flows or their procurement practices.
- *Guatecompras* needs revamping in order to allow the presentation of proposals on-line and activating modules for direct purchases and open contracts, two of the most common mechanisms in government procurement.
- The National Procurement Act should be revised by eliminating unjustified exceptions and streamlining government procurement practices.
- The National Registry of Suppliers needs to be cross-referenced to other databases (e.g., social security, commercial and civil registries, etc) in order to be able to verify the accuracy of the information provided by government contractors.



Presentation of Shadow Report on Guatemala's Compliance with the Inter-American Convention against Corruption



**PLANNED ACTIVITIES FOR NEXT QUARTER FOR THIS LLR:**

- Advise the new administration on the immediate steps that need to be taken to comply with the basic obligations under the IACC, such as appointing a new central authority (the previous one ceased to exist) and a specialist for the Convention's follow-up mechanism.

***LLR 2.1.3: IMPROVED NATIONAL GOVERNMENT BUDGET TRANSPARENCY, MANAGEMENT AND EXECUTION***

**INDICATORS:**

- Development of the Budget Transparency Index (Y/N)
- Total amount of financial resources (in quetzals) procured through the *Guatecompras* system
- Number of mechanisms for external oversight of public resources used that are supported by USG assistance (cumulative, "F" List Indicator)

**MAIN RESULTS ACHIEVED:**

The Program completed its direct activities on budget transparency in the previous quarter. Key recommendations arising from the 2007 Budget Transparency Index (e.g. adopting a FOIA) are being moved forward by the Program. See LLR. 2.1.1 above.

***LLR 2.1.5: INITIATIVES TO REDUCE PETTY CORRUPTION (BRIBE SOLICITATION) DEVELOPED AND IMPLEMENTED***

**INDICATOR:**

- Number of USG-supported anticorruption measures implemented that directly address petty corruption (cumulative, "F" List / Disaggregated)

**MAIN RESULTS ACHIEVED:**

The Program concentrated its activities this quarter on the implementation of activities under other LLRs.

**PLANNED ACTIVITIES FOR NEXT QUARTER FOR THIS LLR:**

- No direct activities are planned next quarter under this LLR.

***LLR 2.1.6: KEY OVERSIGHT AGENCIES STRENGTHENED***

**INDICATOR:**

- Change in access to Information Index Score in the Legislative Branch (0.0 – 1.0, where 1.0 represents perfect access to information)

**MAIN RESULTS ACHIEVED:*****Approaching the Corruption Investigations Unit of the Attorney General's Office.***

In February 2008, the Program held an initial meeting with the Corruption Investigations Unit of the Attorney General's Office (AGO). The Program requested this encounter to offer its technical support based on the AGO's own needs and priorities. By doing so, the Program seeks to build a relationship of trust with this entity, which could eventually lead to other activities aimed at improving its capacity to investigate and prosecute corruption effectively. The Program anticipates receiving a formal request for assistance by next quarter from the AGO.

**PLANNED ACTIVITIES FOR NEXT QUARTER FOR THIS LLR:**

- Launch one or two training courses on basic accounting principles, fraud auditing, asset recovery techniques and/or corruption investigations for the staff of the Corruption Investigations Unit of the AGO.
- Approach the Judicial Branch to identify potential areas of cooperation.

**SUB IR 2.3: MORE OPPORTUNITIES FOR CITIZEN PARTICIPATION IN AND OVERSIGHT OF NATIONAL GOVERNMENT DECISION-MAKING****LLR 2.3.1: STRONG CIVIL SOCIETY PARTICIPATION AND OVERSIGHT****INDICATORS:**

- Number of governance subject areas in which CSOs are actively involved in program support (cumulative)
- Number of people affiliated with non-governmental organizations (NGOs) receiving USG supported anticorruption training (cumulative, "F" List Indicator)
- Number of people reached by USG-assisted voter education ("F" List Indicator)

**MAIN RESULTS ACHIEVED:*****Stronger capacity of CSOs to link transparency issues with the electoral process.***

The Program continued to support the execution of *Acción Ciudadana's* project on electoral transparency by: 1) Releasing the final report of the index on access to information from political parties; 2) Presenting a final report on media expenditures through the second round of elections; 3) Disseminating an additional ranking of political party compliance with transparency regulations; and 4) Launching a public awareness campaign to promote the adoption of a FOIA bill.

All three reports detailed above were made public on March 3. Following is a summary of their major findings and conclusions:

**Index of Access to Information from Political Parties**

- *Acción Ciudadana* assessed access to information from political parties by requesting information on their: 1) internal operations, 2) the 2007 electoral process, and 3) financial resources.

- Requests were subdivided by two sources: 1) Institutional requests, and 2) Individual requests. The exercise was carried out in two phases to measure responses during the electoral process, and afterwards.
- Only three political parties (GANA, BIEN and EG) achieved an average performance. Of the 21 participating parties, 18 fell below par. Two of the largest political parties (UNE, and PP) failed to meet basic standards on access to information.
- Responses to information requests decreased significantly after the first round of elections.

### **Monitoring Political Party Campaign Expenses in the Media**

- The final report on political party expenditures in mass media during the election process demonstrated that more than US\$87 million was spent by 15 political parties. This positions Guatemala's electoral process as one of the most expensive in the region. For instance, the cost of each vote in Guatemala is US\$3.33, which contrasts sharply with Chile, where each vote costs US\$.014.
- Five political parties (*Partido Patriota*, *Unidad Nacional de la Esperanza*, *Gran Alianza Nacional*, *Partido de Avanzada Nacional*, and *Alianza Nueva Nación*) exceeded their spending limit of Q42 million.
- In compliance with Order No. 19-2007, 14 political parties disclosed their sources of campaign financing to the Supreme Electoral Tribunal.
- Budget reports, on both income and expenditures, from at least five political parties are incorrect and need to be verified.
- The lack of punitive actions taken in case of noncompliance and/or false reporting leaves political parties free to break the law.

### **Index to Rank Political Parties According to their Compliance with Transparency Regulations during the Electoral Process**

- This exercise assessed the quality of internal controls and oversight mechanisms of political parties (e.g. quality of their accounting records and disclosure of private sources of financial contributions) and ranked them based on their results.
- Overall, *Acción Ciudadana* prepared and released four editions of this index. Following their publication, some of the political parties worked deliberately in strengthening their internal controls and hence improved their overall ranking (UCN, PAN and URNG).
- Only three political parties entirely complied with transparency regulations on political party financing. Both UNE and *Partido Patriota* were among them.

Furthermore, *Acción Ciudadana* launched a public awareness campaign aimed at further linking transparency considerations into the electoral process, which reached more than one million citizens. The campaign was based on the design and dissemination of radio spots and printed ads that featured the relevance of a transparency agenda in the new government and invited the public to support the enactment of a FOIA law. These messages ran in two stages, in November 2007 and early January 2008. This, along with a series of appearances on talk shows, prompted the publication of news and/or opinion articles on this issue in several sources.

In January, two radio spots were disseminated through five radio stations (Emisoras Unidas 89.7, Yo si Sideral 90.1, Fabuestereo 88.1, Radio Cadena Sonora 96.9, Radio Punto 90.5).

The Program's grantee also developed "*informateyvota.com*", which disseminated electoral and political party information. As of March 1, 2007, "*informateyvota.com*" had received more than 11,300 visits.

***Assessment of the impact, strengths and weaknesses of the Program's Social Audit Competitive Fund (FCAS).*** In August 2007, the Program submitted to USAID a Close-out Report on the Social Audit Competitive Fund (FCAS), which included a summary of products, obstacles and lessons learned from each of the six projects executed under this initiative. The report generated a series of questions and comments on each of the grant's impact.

To complete this information, the Program carried out an exercise aimed at complementing the Fund's assessment and providing recommendations for the future implementation of this type of mechanism, which will be incorporated into the FCAS's final report.

**PLANNED ACTIVITIES FOR NEXT QUARTER FOR THIS LLR:**

- Gather information from each of the FCAS's implementing parties, counterparts and intended beneficiaries to finalize the assessment of its impact, strengths and weaknesses.

**LLR 2.3.2: CLEAR LEADERSHIP ROLE ON ETHICAL STANDARDS FOR THE PRIVATE SECTOR**

**INDICATORS:**

- Number of activities carried out by private firms, which invest funds on a 1:1 leveraging basis for anticorruption activities supported by USG (cumulative)
- Number of private sector firms that endorse the PTAC electoral communications campaign

**MAIN RESULTS ACHIEVED:**

***Approaching private sector organizations to motivate their involvement in funding anticorruption projects.*** Private sector participation in the execution of anticorruption projects is customarily apathetic. The scarcity of anticorruption initiatives driven and funded by the private sector, a key player in the sociopolitical environment, is the end result of that lethargy. To reverse this situation, the Program conducted an extensive research to identify likely partners in the implementation of anticorruption initiatives co-funded by the private sector. The Program's initial steps under this LLR led to working meetings with entities such as ASIES, CIEN, Cementos Progreso (the largest producers of cement in Guatemala) and Fundación Castillo Córdova (from the Castillo Brothers Corporation, one of the largest industrial groups in Guatemala).

The two latter organizations have developed a far-reaching corporate social responsibility practice with numerous projects in health, education, environment and nutrition at the community level. By holding these meetings, the Program has identified a number of linkages of these corporations' projects with the Program's strategic objectives.

**OBSTACLES/ISSUES FOR RESOLUTION:**

- The search for potential partners in the private sector is time consuming and does not always bring about the expected results. Corporations are not at ease with funding democracy and good governance projects, which are not as appealing and tangible as activities in other sectors (e.g. health, nutrition, environment and education). To increase its chances for success, the Program will need to base its proposed projects on initiatives already sponsored by the private sector that could incorporate an accountability or transparency component.

**PLANNED ACTIVITIES FOR NEXT QUARTER FOR THIS LLR:**

- Design joint anticorruption projects to be presented for discussion with select private sector organizations with the purpose of securing financial support for their implementation.

**LLR 2.3.3: CAPACITY OF THE MEDIA TO REPORT ON TRANSPARENCY AND CORRUPTION ISSUES INCREASED**

**INDICATORS:**

- Number of journalists, media students, and citizen journalists trained with USG support (cumulative)
- Number of articles/media productions developed as a result of training activities, including *Mi Periódico* articles (cumulative)

**MAIN RESULTS ACHIEVED:**

***Promoting active citizen participation to report corruption.*** On February 15, the implementation of *Mi Periódico*'s project ended, which had been an effort carried out in collaboration with the newspaper *El Periódico* since July 2006. Its main objective was to promote citizen participation in denouncing corruption or other abuses through an open space in the printed media.

Some of the main achievements reached during the life of this project were the following:

- Its website received an average of 12,000 visits per month.
- During the first year of the project, 66 identified and documented complaints/accusations regarding public and private sectors were published.
- For both election rounds, *El Periódico* offered an open space in which citizens could place their complaints on anomalies observed during election day. Some of those complaints were published in a special edition handout that was distributed among

citizens. *El Periódico* received around 350 complaints on events observed during the electoral process.

- 140 citizens received a training course on writing techniques and investigation methods. As a result, *Mi Periódico* content was enriched with citizen investigations and professional journalistic pieces. During the second phase, *Mi Periódico* received 75 contributions on transparency topics.
- In the second year of implementation, the project received 15 complaints and/or specific notes on corruption cases. Local authorities from the Judiciary and Executive branches offered to investigate these complaints.
- A series of weekly columns on the importance of passing a FOIA law in Guatemala were also published. Other media sources followed this example and published columns and reports on this subject.
- *Mi Periódico* became a consolidated media source among citizens, who sent their opinions and complaints in unexpected numbers, hence breaking a traditional culture of fear against denouncing corruption.

***Developing a training course on “Investigative Journalism and Computer Assisted Journalism Techniques.”*** In conjunction with international specialists, the Program developed the contents of a training course on “Investigative Journalism and Computer-Assisted Journalism Techniques” scheduled to take place in June. By executing this activity, the Program seeks to provide on-site and on-line technical assistance to members of the press (radio, TV and newspapers) in the development of pieces of investigative journalism, a key tool to disclose fraud, scandal or political corruption.

Giannina Segnini, head of the Investigative Unit of newspaper *La Nación* in Costa Rica, and Ricardo Uceda, director of *Instituto Prensa y Sociedad* (IPYS), based in Peru, will serve as the modules’ instructors. Both of them are highly regarded specialists in their field and have been the recipients of international awards because of their investigations to disclose corruption in their respective countries.

The Program held meetings with two local universities to identify potential co-organizers of these courses. At the time of preparation of this report, the Program selected *Universidad Francisco Marroquín* as its local counterpart in light of its confirmed interest in this activity, ample contacts with different media outlets and first-rate training facilities.

#### **PLANNED ACTIVITIES FOR NEXT QUARTER FOR THIS LLR:**

- Prepare training materials and offer three training modules on “Investigative Journalism and Computer Assisted Journalism Techniques” for approximately 15 to 20 members of the press and other participants (e.g. university professors and students from Journalism School).

## **SUB IR 2.4: ACCOUNTABILITY OF ELECTED AND APPOINTED OFFICIALS APPROVED**

### **LLR 2.4.1: POLITICAL PARTY AND ELECTED LEADERS' ACCOUNTABILITY IMPROVED**

#### **INDICATORS:**

- Number of political parties that comply with publicly disclosing their sources of campaign financing during the electoral period
- Number of laws or amendments to ensure credible elections drafted using USG assistance ("F" Indicator)

#### **MAIN RESULTS ACHIEVED:**

See activities described under LLR 2.3.1 for details on the Program's work aimed at enhancing political party and candidates' accountability in the electoral process.

### **LLR 2.4.2: IMPROVED GOVERNMENT ETHICS AND DISCLOSURE OF ASSETS OF PUBLIC OFFICIALS AND CANDIDATES FOR PUBLIC OFFICE**

#### **CURRENT INDICATOR:**

- Number of asset disclosure reports verified of key public sector officials (both appointed and elected)

#### **PROPOSED INDICATOR:**

- Number of government officials receiving USG-supported anticorruption training ("F" list indicator / desegregation, cumulative)

#### **MAIN RESULTS ACHIEVED:**

As scheduled, the Program focused its efforts this quarter on implementing other LLRs under its Work Plan for FY2008.

#### **PLANNED ACTIVITIES FOR NEXT QUARTER FOR THIS LLR:**

- Subject to the approval of a comprehensive training program, offer courses on "Administrative, Civil and Criminal Liabilities of Government Officials," "Fraud Indicators" and/or "Freedom of Information."
- Through *Acción Ciudadana's* grant, draft a series of recommendations aimed at improving the formats used by GOG agencies to present their accountability reports.

## LIST OF IN-COUNTRY TRAINING EVENTS

Element	GJD 2.4 - Anticorruption Reforms		
Indicator Title	Number of Government Officials receiving USG-supported anticorruption training		
Definition	People must be from government. Training refers to all training or educational events, whether short-term or long-term, in country or abroad.		
Name of Training Program	Offered By / Directed To	Start-End Dates / Estimated Cost	No. of Participants (Male & Female)
Seminar on "Key Legislative Reforms to Promote Transparency"	COPRE	January 11, 2008	20
	Newly elected Members of Congress and their advisors	\$5227.19	12

### II. ADMINISTRATIVE UPDATE:

One copy of the previous quarter's performance report was submitted to USAID's Development Experience Clearinghouse.



## PANAMA

In compliance with Contract DFD-I-00-03-00139-00 and Task Order No. DFD-I-03-03-00139-00 (Central America and Mexico (CAM) Transparency, Anticorruption and Accountability Program), Casals & Associates, Inc. (C&A) presents this quarterly report, which covers the period January 1 through March 31, 2008.

### I. KEY ACTIVITIES

Based on the activities described below (executed under the leadership of the C&A Program) and the implementation of initiatives by other parties, progress under a functional anticorruption strategy may be quantified as follows through the end of this quarter:

Component of the Strategy	Progress to Date
1) Adjustments to the Regulatory Framework / Public Policy	16.98%
2) Institutional Strengthening	7.15%
3) Citizens' Participatory Mechanisms	14.58%
<b>Total</b>	<b>38.72%</b>

The following sections detail the extent of the Program's interventions to move forward on each of the strategy's components.

#### **SUB IR 2.1: MORE TRANSPARENT SYSTEMS FOR MANAGEMENT OF PUBLIC RESOURCES BY THE NATIONAL GOVERNMENT**

##### **LLR 2.1.1: NATIONAL ANTICORRUPTION/TRANSPARENCY STRATEGY COMPLETED AND IMPLEMENTED**

#### **INDICATOR:**

- % implementation of National Anticorruption Strategy

#### **MAIN RESULTS ACHIEVED:**

**Support to government entities and Civil Society Organizations in the evaluation, improvement and uphold of regulations that facilitate the investigation of corruption cases in the Criminal Procedure Code, during the Legislative Assembly's first debate about this Code.** The Program discussed the Unified Text of the Criminal Procedure Code (CPC) for anticorruption public prosecutors as well as the drafting of a document that analyzes the recommendations to include parameters and mechanisms to fight corruption and abide to international anticorruption conventions. The Program participated in five discussion sessions in the Legislative Assembly's first debate, to ensure the inclusion in the CPC of effective tools to fight corruption.

Proposals were presented including:

- Regulations regarding conflict of interests
- Regulations relevant to allowing the use of plea bargaining mechanisms
- Regulations relevant to the efficient administration of criminal proceedings for organized crime
- Regulations regarding assets recovery
- Regulations relevant to criminal kidnapping in organized crime felonies
- Regulations protecting witnesses and whistleblowers
- Regulations relevant to the abolishment of Law 59 which prohibits the investigation of unjustified enrichment



The Legislative Assembly began the first debate about the Criminal Procedure Code. The Prosecutor General Office was represented by the Chief and her team

**Impact of the Program's activities within the Judicial Branch: Anticorruption Plan (AP).** The AP includes 11 components (Executive Body, Ethical Regulations and Conduct, Internal Auditing, Judicial Auditing, Access to Information, Citizen Participation, Public Recruitment, Judicial Career, Patrimonial Declarations, Accusations and the Protection of Accusers and Simplification of Processes). The current chairman of the Supreme Court of Justice has demonstrated willingness to approve the Anticorruption Plan. This willingness is evident in the adoption of some of the Program's recommendations.

- Since last year, one of the Program's recommendations for the AP has been put into practice: Access to information via the Internet. As a result, the Judicial Branch has increased its score by eight points in the annual international measurement conducted by the CEJA (Centro de Estudios de Justicia de las Americas).
- The Judicial Branch began to implement two of the Program's recommendations for the AP regarding the Executive Body, and Ethical Regulations and Conduct.

**Impact of the Program's activities with the Solicitor General's Office (*Procuraduría de la Administración*).** During the first quarter of the year, the Program held over a dozen meetings with colleagues and different key players regarding Local Law, with the goal of defining the adequate strategy to initiate the "Access to the Administrative Justice with Quality, Efficiency and Transparency" project. Multiple versions of the technical project were designed before obtaining approval from the Solicitor General's Office. Even though the initial proposal was sent by C&A in January 2007, the Solicitor General's Office was unwilling to execute the project at that time. Nevertheless, before closing date of this report, the Solicitor General's Office committed to begin the project implementation in April (with the Program's technical reservations), and to begin the process of defining regulations for the Local Law.

**Impact of the Program's activities with the Prosecutor General's Office.** Currently, the Program is not working with the Prosecutor General's Office, but our past work continues generating important results with the Anticorruption Office. The results are detailed as follows:

- The interdisciplinary work teams from the Corporate Anticorruption Public Prosecutor's Office have adopted the new investigation system, developed by the C&A program, based on analysis and group discussions.
- The Program's recommendation has been applied to the way that information is handled in the registry, making the work more effective and less repetitive.
- The IT department designed and adopted a program for handling files, that includes electronic templates created by the consultant Guillermo Jorge as a basis to extract information on processes and to measure "Management vs. Results." It has already been installed for three investigators, three prosecutors, three secretaries and four assistants. This marked the beginning of the electronic process of "Management vs. Results" published by the Program at the end of 2007.

**PLANNED ACTIVITIES FOR NEXT QUARTER FOR THIS LLR:**

- Technical revision of the Unified Text of the first debate (before discussions sessions for the second debate of the Legislative Assembly begin) to ensure that the proposed changes are included.
- Draft a document containing new recommendations for the second debate.
- Participate in the discussion sessions of the second debate of the Legislative Assembly.
- The Supreme Court of Justice has agreed to approve three components of the Anticorruption Plan for immediate execution (Executive Body; Ethical Regulations and Conduct, and Internal Auditing) during a five-month period, followed by the overall approval of the Anticorruption Plan.
- The Program will request technical and financial support for the execution of these components.

**LLR 2.1.2: IMPLEMENTATION OF THE COMMITMENTS OF THE INTER-AMERICAN CONVENTION AGAINST CORRUPTION (IACC)**

**INDICATOR:**

- % implementation of Committee of Experts' recommendations regarding IACC commitments

While the Program did not conduct activities *per se* under this LLR this quarter, all the tasks described throughout this report abide by the standards set forth by both international anticorruption conventions signed and ratified by Panama (IACC and UNCAC).

**LLR 2.1.3: IMPROVED NATIONAL GOVERNMENT BUDGET TRANSPARENCY, MANAGEMENT AND EXECUTION**

In accordance with the Mission's priorities—ratified by a revised scope of work—the Program concentrated its activities under other LLRs.

**LLR 2.1.4: SYSTEMIC GOVERNMENT DEFICIENCIES IDENTIFIED AND ADDRESSED IN KEY LINE MINISTRIES**

**INDICATOR:**

- Number of measures undertaken to advance the implementation of the civil service system

In accordance with the Mission's priorities—ratified by a revised scope of work—the Program concentrated its activities under other LLRs.

**LLR 2.1.5: INITIATIVES TO REDUCE PETTY CORRUPTION (BRIBE SOLICITATION) DEVELOPED AND IMPLEMENTED**

In accordance with the Mission's priorities—ratified by a revised scope of work—the Program concentrated its activities this quarter in other LLRs.

**LLR 2.1.6: KEY OVERSIGHT AGENCIES STRENGTHENED**

**INDICATOR:**

- Number of recommendations issued by the Program to key oversight agencies that are accepted and launched

In accordance with the Mission's priorities—ratified by a revised scope of work—the Program concentrated its activities this quarter in other LLRs.

## **SUB IR 2.2: INCREASED DEVOLUTION OF RESPONSIBILITIES AND RESOURCES TO THE LOCAL LEVEL RESULTING IN GREATER RESPONSIVENESS BY LOCAL GOVERNMENTS TO CITIZENS NEEDS**

In accordance with the Mission's priorities—ratified by a revised scope of work—the Program is concentrating its activities under SUB IRs 2.1 and 2.3.

## **SUB IR 2.3: MORE OPPORTUNITIES FOR CITIZEN PARTICIPATION IN AND OVERSIGHT OF NATIONAL GOVERNMENT DECISION-MAKING**

### **LLR 2.3.1: STRONG CIVIL SOCIETY PARTICIPATION AND OVERSIGHT**

#### **INDICATOR:**

- Number of social audits conducted of government programs and performance.

#### **MAIN RESULTS ACHIEVED:**

**Advancing the Program's small grants component:** *Alianza Ciudadana Pro Justicia (Alianza)*, the Program's main counterpart in civil society, carried out the implementation of its fourth grant ("Access to Administrative Justice with Quality, Efficiency and Transparency"). The following is a list of major highlights in connection with the implementation of this project.

#### **Guarantee citizen participation in the reform process of the Administrative Justice System:**

- The Technical Committee's first meeting was held with experts of the Administrative Justice System.
- Various segments of Panamanian society were encouraged to participate to pave the way for a reform of the local judicial system.
- There have been various contributions as well as increased consensus regarding the legal texts that propose a reform of the Administrative Justice System.
- *Alianza's* website contains information on the most recent studies, progress and activities taking place concerning the reform of the Administrative Justice System of the police.
- *Alianza* disclosed the main deficiencies of the Administrative Justice System.
- Civil Society Organizations agreed on guidelines to achieve a truly effective, efficient and transparent Local Law.
- Civil Society Organizations are ready to initiate public awareness programs and consultation workshops for citizens about the Administrative Justice System.
- A draft document was concluded, which describes the structure of the Administrative Justice System, its functions, the rights of citizens and the right to access justice.
- *Alianza* agreed on the methodology to begin the debate on the reform of the inter-institutional table (with representatives of the Judicial Branch, Solicitor General's Office, *Alianza* and USAID's Program)
- *Alianza* continues to strengthen the capacity of Civil Society Organizations to conduct a social audit of the new administrative justice model.

- *Alianza* drafted the terms of reference document for social audit consultancies.
- *Alianza* determined the focus of the methodological plan for training social auditors.

**Strengthen the Management Capability and Auto-sustainability of *Alianza Ciudadana Pro Justicia*:**

- Two newspaper articles were published regarding the selection of professionals for fundraising.
- *Alianza* identified specialists that will develop and execute the activities of self-management, and the design of the sustainability mechanism for *Alianza* in a short-, medium- and long-term plan of action.



**Other activities related to judicial reform:**

Regarding the Government Agreement:

- *Alianza* presented to the President of Panama a summary of the principal recommendations from the Justice Reform Commission (*Pacto de Estado por la Justicia*) and underpinned by the National Agreement for Development (Concertación Nacional del Desarrollo).
- *Alianza* reasserted the need for a change in Criminal Policy.

Follow up with the Criminal Procedure reform:

- Presentation of the opinions of: *Alianza Ciudadana Pro Justicia*, the Judicial Branch the Public Ministry, Anticorruption Prosecutor's Office, National Advisory against Corruption, Women's Organization, and the National Union of Female Lawyers and Indigenous Lawyers of Panama.

Disclosure of the opinion of *Alianza* regarding the Criminal Procedure Code:

- A national consultant was hired to create a comparison table of the Unified Text and the analytical table, which was presented to the Government and Justice Sub-Commission.
- *Alianza* presented its observations.

Citizen Supervision Against Corruption:

- *Alianza* presented to the Supreme Court of Justice a list of recommendations to define the actions against corruption in the Judicial Branch.
- *Alianza* updated the information on its website about high profile corruption cases.
- *Alianza* updated the information on its website relating to the Criminal Procedure Code.

**Citizen Audits.** During this first quarter, *Alianza* carried out five social audits:

1. Citizen Audit based on the obligations fulfilled in the Government Agreement for Justice. (January 2008)

Conclusions:

- The majority of Government Agreement obligations have not been fulfilled.
- Meetings have been delayed for more than five months.
- There is no internal institutional mechanism to follow up on obligations made by each of the members.

Result:

- The reactivation of meetings at the upper level to follow up on obligations of the Government Agreement.
2. Citizen Audit conducted concerning imprisoned persons under the responsibility of police administrative authorities in the Tinajitas Detention Center. (March 17, 2008)
  3. Citizen Audit conducted concerning imprisoned persons under police administrative authorities in the Women's Rehabilitation Center. (March 18, 2008)
  4. Citizen Audit conducted concerning imprisoned persons under police administrative authorities in the Women's Rehabilitation Detention Center La Chorrera. (March 19, 2008)
  5. Citizen Audit conducted concerning imprisoned persons under police administrative authorities in the Public Jail of Penonomé. (March 27, 2008)

**Conclusions of the audits done in the four jails:**

1. There are crimes for which one should not be sentenced to serve jail time, such as theft and battery.
2. None of the imprisonments to which *Alianza* had access to in the detention centers have been confirmed or revised by the mayor. This constitutes a breach

of Law 112 (December 30, 1974) which states that the mayor or the Appeals Commission should review all imprisonments over 60 days and confirm, modify or revoke them.

3. Those that are serving jail time are not under the penitentiary system and therefore the mayor and director of the Penitentiary Center must oversee the fulfillment of the sentence and its benefits directly.
4. The conditional suspension of one-third of imprisonment time is beneficial for those who are serving time.
5. There is imprisonment for misdemeanors that do not merit jail time. For example: not having an ID, drinking alcohol in public, and public disturbances. *Alianza* found people serving sentences for more than 90 days for these misdemeanors.
6. The lack of state officials' knowledge about the application of the law is obvious; equal processing is done for misdemeanors and felonies.
7. The person that is subject to a felony charge is not provided free legal assistance or a defense attorney by the State.

Another situation brought to light is the 24-hour term established in the Administrative Code (Art. 885) to post bail. In reality it was observed that the arrested person is obliged to post bail immediately. Up until March, there were a total of 197 prisoners serving sentences between 30 and 365 days.

### **LLR 2.3.2: CLEAR LEADERSHIP ROLE ON ETHICAL STANDARDS FOR THE PRIVATE SECTOR**

#### **INDICATOR:**

- Number of anticorruption programs funded by the private sector

#### **Impact of the GDA Initiatives with the APC alliance.**

The alliance with APC provided training to business owners aimed at promoting transparency and good governance in business. Direct training will be provided to the Association of Fishermen Genesis of Puerto Caimito. This association contributed more than \$ 200,000 toward making it easier for fishermen to decrease debt, obtain refrigerated facilities, and procure basic office equipment and a car to sell products directly to consumers.

### **LLR 2.3.3: CAPACITY OF THE MEDIA TO REPORT ON TRANSPARENCY AND CORRUPTION ISSUES INCREASED**

In accordance with the Mission's priorities—ratified by a revised scope of work—the Program is concentrating its activities under other LLRs.



## **SUB IR 2.4: ACCOUNTABILITY OF ELECTED AND APPOINTED OFFICIALS IMPROVED**

In accordance with the Mission's priorities—ratified by a revised scope of work—the Program is concentrating its activities under SUB IRs 2.1 and 2.3.

### **LIST OF IN-COUNTRY TRAINING EVENTS**

<b>Training Program</b>	<b>Field of Study</b>	<b>Relationship to the Contract</b>	<b>Date</b>	<b>Estimated Cost</b>	<b>Female Participants</b>	<b>Male Participants</b>
First 2 hours work session on Administrative Justice ( <i>Alianza</i> )		LLR	2/12/2008		5	6
Second 2 hours work session on Administrative Justice ( <i>Alianza</i> )	Corruption Detection and Prosecution	LLR	03/04/2008		4	3
First Workshop "Citizen Consultation in Cocle" ( <i>Alianza</i> )	Corruption Detection and Prosecution	LLR	03/28/2008		33	27

## **II. ADMINISTRATIVE UPDATE**

One copy of the previous quarter's performance report was submitted to USAID's Development Experience Clearinghouse.

## EL SALVADOR

In compliance with both Contract DFD-I-00-03-00139-00 and Task Order No. DFD-I-03-03-00139-00 (Central America and Mexico (CAM) Transparency, Anticorruption and Accountability Program), Casals & Associates, Inc. (C&A) presents this quarterly report, which covers the period January 1 through March 31, 2008.

### I. KEY ACTIVITIES

#### **SUB IR 1.1: IMPROVED TRANSPARENCY AND EFFICIENCY OF JUDICIAL PROCESSES**

##### **LLR 1.1.1: PROMOTE TRANSPARENCY, EFFICIENCY AND UNDERSTANDING OF JUDICIAL PROCESSES**

##### **INDICATOR:**

- Number of activities promoting greater transparency in the justice sector

##### **MAIN RESULTS ACHIEVED:**

***Transparency and Judicial Indicators:*** To comply with the Program's Work Plan, the Program continued with the process of selecting a consulting company to design judicial transparency indicators. By the deadline of January 31, three companies submitted proposals (*Centro de Estudios de Justicia de las Américas*—Cristian Hernandez, Miguel Angel Penailillo, and the *Instituto Centro Americano de Gobernabilidad*—Dr. Jaime Ordonez). A review team, comprised the designated liaison of the CNJ and two representatives of the Program, carefully evaluated each proposal based on the firm's experience, technical approach and budget. The proposal presented by CEJA was consensually considered as the best and most suitable offer. The contracting process started and it is anticipated that this consultancy will contribute to the El Salvador government's compliance with the IACC, UNCAC and the MCC.

The President of the CNJ took a very personal interest in this activity and ensured full support to the institution by nominating Judge Nora Montoya as the new liaison for this project. Activities will begin on April 21 with the first visit to El Salvador of Mr. Cristian Hernandez from CEJA.

***Coordination with other areas of the Justice Sector:*** Upon submitting the draft of the new Criminal Procedural Code to the National Assembly on November 27, 2007, the TAG Program continued supporting the initiative through the Coordinating Commission of the Justice Sector (UTE). During this quarter, several meetings and roundtables were held with the UTE technical team to revise and incorporate, as appropriate, recommendations submitted by the National Assembly's Ad-hoc Commission for the study of the New Criminal Procedural Code Project. Recommendations also came from civil society, private sector entities and universities.

In February, the Program brought Dr. Hector Quiñones to El Salvador to debrief the Ad-hoc Commission on the advances made in updating the Code. He shared the

experience of Puerto Rico and led a discussion on the novelties of this legislative draft, accenting the importance of issues like the rules of evidence as a mechanism of transparency contained in the Code.

***Training Plan for the Anticorruption Unit of the Attorney General's Office (FGR):***

The Program had conducted a bidding process to find a consultant to carry out a “*New Crimes Training Plan*” for the Anticorruption Unit of the FGR. Mr. Hiram Morales Lugo was selected to take on this job. During the reporting period, Mr. Morales Lugo made his first trip to El Salvador and held a series of meetings and interviews with key executives and officials within the FGR and other institutions (FUSADES, FESPAD, UAM, PROBIDAD, etc). His objective was to do a needs assessment and obtain feedback that would be useful in designing a training plan for the FGR.

***Technical support to the Supreme Court of Justice (CSJ) for the Development of a Judicial Ethics Code:***

Following the process of examining and updating the Judicial Ethics draft that the CSJ submitted to the TAG Program, international consultant Teodoro Pérez was brought to the country to carry out this task. Through a series of meetings with magistrates of the CSJ and its technical advisors, the new version produced by Mr. Perez was discussed, stressing the inclusive approach and modifications contained in this version. Taking into consideration valuable information from the first version, the code was amended and presented to the CSJ magistrates in a private session held at the main chamber of the CSJ. During this meeting, several points of view were presented on the format and content of this code. Finally the new version was presented to the CSJ in February that contains ethical provisions.

**OBSTACLES/ISSUES FOR RESOLUTION:**

- The apparent internal political struggle within the CNJ delayed the process of defining the initiation of the Judicial Transparency Indicators consultancy.
- The unavailability of some key players and challenges in organizing the schedule for interviews.
- Reluctance on the part of the legal technical team and some magistrates of the CSJ to accept changes and the new approach of the Judicial Ethics Code.
- Slow process at the National Assembly in reviewing and passing the new Criminal Procedural Code draft law.

**PLANNED ACTIVITIES FOR NEXT QUARTER FOR THIS LLR:**

- Continue supporting the revision of the new Criminal Procedural Code that is in its final stage and is expected to be passed in the near future.
- Develop the consultancy of the Judicial Transparency Indicators with the CNJ.
- Finalize the consultancy and produce the Training Plan for the Anticorruption Unit of the FGR by consultant Hiram Morales Lugo.
- Promote the official adoption of the new Judicial Ethics Code by the CSJ.
- Follow up on the use of the Transparency Module for the Judicial Training School of the CNJ.

## **SUB IR 2.2: INCREASED DEVOLUTION OF RESPONSIBILITIES AND RESOURCES TO THE LOCAL LEVEL RESULTING IN GREATER RESPONSIVENESS BY LOCAL GOVERNMENTS TO CITIZENS' NEEDS**

### **LLR 2.2.1: IMPROVED DECENTRALIZATION POLICY FRAMEWORK**

#### **INDICATOR:**

- Number of initiatives, events and proposals to strengthen the national framework of decentralization, financing and municipal transparency

#### **MAIN RESULTS ACHIEVED:**

##### **Promoting the National Enabling Environment to Increase Local Government Level Responsibilities, Resources and Decision-Making:**

***Technical Support for the implementation of the National Agenda for Local Development and Transparency:*** The Program selected the consulting firm AGA to design a Communication Strategy for CONADEL. This strategy includes several communication tools to disseminate information on CONADEL's advances. This will allow civil society, local governments, the private sector, universities and the media to learn more about CONADEL's work.

***Institutional Strengthening for Transparency and the Promotion of Ethical Practices and Open Government at the Municipal Level:*** The consulting firm AMR was chosen to carry out a *training-for-trainers* program to create a core technical group in charge of providing training on properly applying Title IX of the new Municipal Code across the municipal sector. The following activities were completed: 1) Training outline development; 2) Identification and evaluation of the most suitable municipalities capable of doing such work; 3) Public launching of the *training-for-trainers* program to introduce and explain its scope of work, seeking commitments from potential technical staff within the municipalities; and 4) Training with those municipalities that expressed interest and signed a commitment to participate.

The training plan includes six training sessions in two regions (San Salvador and San Miguel) with the participation of 30 municipalities from the Eastern and Western areas. COMURES committed to choosing five technical staff members to be trained. The "popular and explained" versions of Title IX produced under the contracts with AGA and the publication developed under another USAID project in 2003 will be used as the educational material for this training.

##### ***Policy Dialogue on the formulation of decentralization and local development instruments and policies:***

***RECODEL:*** During this reporting period the Program supported RECODEL to organize a donor meeting with the representatives of CONADEL. Among the participants that attended were ANEP, Technical Secretary of the Presidency, some political party representatives (PCN and ARENA), COMURES, ISDEM, National Commission of

Development (CND), Ministry of Finance (MH), Center for National Registry (CNR), National Assembly, the Presidential Commissioner for Governance and the donor community (USAID, GTZ, JICA, UNDP, UNICEF and the Spanish Agency for International Cooperation-AECI).

The aim of this meeting was to jointly evaluate the advances of the National Agenda for Local Development (ANDL), discuss and identify commonalities among RECODEL and CONADEL, and objectives for the upcoming years. The issue of modifying the Electoral Code to allow multi-party composition of the Municipal Councils was the highlight of the discussion. The political party representatives, as well as the Presidential Commissioner for Governance, indicated that they would support this initiative if presented and promoted within the upcoming months.

The TAG Program and the AECI were selected by RECODEL to define and draft a strategy to address the issue. Several meetings were held during this quarter to discuss and define feasible avenues and a strategy to promote and lobby the initiative of multiparty composition of the municipal councils. Also, the *Coalition for Decentralization, Transparency and Citizen Participation*, led by FUNDE, presented an initiative that integrates RECODEL and other possible think tanks such as the Salvadoran Foundation for the Economic and Social Development (FUSADES). Both proposals contain several common objectives and tasks that were easily blended into one final proposal. This proposal would include technical assistance from various RECODEL members and civil society to develop research, generate data, and carry out political discussion on the importance of multi-party municipal councils. A series of events is expected, such as conferences and public awareness activities through which international experiences will be presented that relate to the reform of the Electoral Code.

***Coalition for the Decentralization, Transparency and Citizen Participation:*** In lieu of the upcoming municipal elections in January 2009, the TAG Program held discussions with a strategic international partner, the German Technical Cooperation (GTZ), and other sector related donors. These discussions were to evaluate the support to the Social Initiative for Democracy, led by ISD. This activity would be to generate new practices and promote appropriate conditions to sensitize political parties and candidates in hopes that they would include transparency, accountability, access to information and citizen participation in their political platforms. A public event is being planned at which all candidates would sign an agreement for this activity.

#### **OBSTACLES/ISSUES FOR RESOLUTION:**

- The lack of response from COMURES continues to be an impediment to implementing a Memorandum of Understanding (MOU) between the Program and COMURES.
- The political and electoral campaigns delay the processes and deviates the attention of decision-makers.

### **PLANNED ACTIVITIES FOR NEXT QUARTER FOR THIS LLR:**

- Carry out the *training-for-trainers* sessions and monitor performance.
- Support and monitor the initiative of the *Coalition for Decentralization, Transparency and Citizen Participation* lobby for the amendment of the Electoral Code.
- Finalize the discussion with GTZ to support a Political Platform Policy with transparency and accountability components and commitments.

### **SUB IR 2.3: MORE OPPORTUNITIES FOR CITIZEN PARTICIPATION IN AND OVERSIGHT OF NATIONAL AND LOCAL GOVERNMENT DECISION-MAKING**

#### **LLR 2.3.1: EXPAND OPPORTUNITIES FOR CIVIL SOCIETY PARTICIPATION IN THE OVERSIGHT OF THE NATIONAL AND LOCAL LEVEL DECISION-MAKING PROCESSES**

#### **INDICATOR:**

- Number of civil society organizations participating in transparency activities

#### **MAIN RESULTS ACHIEVED:**

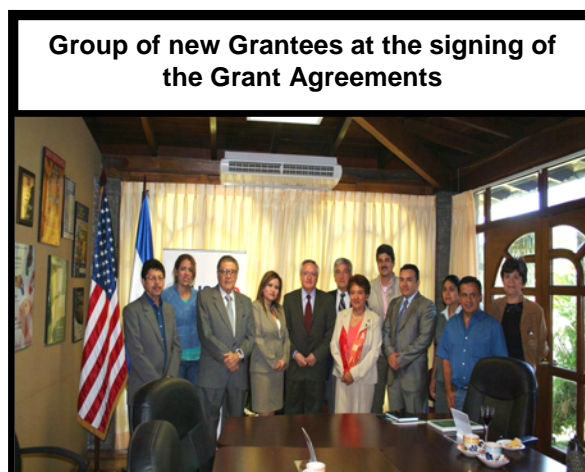
***Defenders Associations Coalition:*** The Program supported its monthly meetings where discussions were held concerning its membership, statutes and bylaws. The official request to legalize the organization is now in the proper governmental agency. The Program also is seeking additional support from other sectors, and as a result an agreement was signed with the *Universidad Tecnológica* to initiate a course on Consumer Defense Rights for law students and small business employees. The Defenders Association Coalition received honorary mention during the launching of the Letter of Right event organized by the Consumer Defense Agency.

**Current grant status of Civil Society Sub-Grant initiative:** Implementation of the grants awarded continued as follows:

***Improving accountability in the Salvadoran Public Sector (UCA):*** The final report containing research done by the UCA is being revised. The program is reviewing its content and preparing a new version to be approved by USAID.

***Survey to measure the perception of transparency in El Salvador from the perspective of public officials (IUDOP):*** The new revised version of this survey is ready to be discussed with USAID. IUDOP is still preparing an executive summary of the document to be attached to the final document.

**Second round of Civil Society Sub-Grant initiative:** During this reporting period, the following seven new grants were awarded after evaluating all proposals:



1) Universidad Modular Abierta (UMA): *“The Right of Access to Judicial Information and Transparency in El Salvador”*

Duration: 12 months Cost: \$39,900

This project is based on the importance of the Right of Access to Judicial Information and Transparency in government actions in strengthening and providing stability to democracy in El Salvador. The project will evaluate the current situation of the institutions that are responsible for administering justice, seeking to generate background, tools, and strategies to enhance the Right to Access Judicial Information.

**Current Status:** There was a delay in project start-up. This was mainly due to the lack of experience on the part of the grantee in administering grants and doing financial management. After the TAG Program expressed concern, the executive body improved its technical management level and execution.

2) Instituto Iberoamericano de Derecho Constitucional, Sección El Salvador (IIDC): *“Transparency and Access to Information”*

Duration: 8 months Cost: \$39,985

The project aims to create a draft law on Access to Information and Transparency. This IIDC project will identify all existing aspects in the national juridical frame on access to the information, including the procedures that regulate access to information. The project aims to recognize the rights of citizens to demand access to information from public officials. At the same time, the law will point out exceptions or limitations to access to public information. The IIDC will lean on the support of FUSADES to promote public debate among civil society and other sectors, such as academic institutions, mass media and politicians.

**Current Status:** The activities planned under this grant were normally executed according to schedule. A draft of the new Access to Information Law was concluded and is currently being validated and discussed with various actors from the private sector, media and academic institutions. The TAG Program has alerted the grantee that they need to comply with all grant guidelines.

3) Fundación Salvadoreña de Apoyo Integral (FUSAI): *“Application of Reforms to the Municipal Code related to Transparency and Access Information in Four Municipalities of La Libertad”*

Duration: 7 months Cost: \$39,984

With the purpose of strengthening democratic institutions in El Salvador, this project aims to promote transparency mechanisms and exercises access to information in local public administration in four municipalities in the Department of La Libertad (Sacacoyo, Jayaque, Puerto La Libertad, and Nuevo Cuscatlán). The project also aims to provide training to local governments and citizens on municipal transparency, citizens' participation and access to information based on Title IX of the Municipal Code.

**Current Status:** The project started off slow due to some difficulties in access to municipal officials and staff. This was mainly due to the current electoral environment. However, the TAG Program noticed that it was relatively easy to work with the citizens and civil society. An increase in the number of activities is expected for the next quarter.

**Signature of the “In Line with Transparency Phase II” Project with Mayors.**



4) Iniciativa Social para la Democracia (ISD): “*In Line with Transparency Phase II*”

Duration: 8 months Cost: \$39,897

This project is the continuation of Phase I that aims to further develop a Web page as a tool for municipalities to improve transparency. Citizens will be trained in accessing public information, and a methodological instrument will be designed for citizens to evaluate, analyze and verify the information provided. Workshops will be developed to test this

methodology.

**Current Status:** ISD started identifying educational centers, making presentations of the project and sensitizing key players who will be in charge of utilizing the website information and training local citizens on how to access current information about a municipality. At the same time, ISD continued strengthening the capacity of some municipalities that required additional assistance.

5) Cámara Salvadoreña de Empresas Consultoras (CAMSEC): “*Evaluation of Transparency and Competitiveness of the Public Procurement System*”

Duration: 8 months Cost: \$39,985

The project consists of analyzing the current legislation (LACAP) for procurement and acquisition of goods and services in selected government institutions that lack transparency in processes. The results and recommendations of this analysis can assist the Government of El Salvador to implement policy and legislation changes. A group of private enterprises is working to identify the necessary reforms to the Procurement Law. This activity contributes to the fulfillment of the IACC, which suggests that states improve their procurement systems.

**Current Status:** Project implementation has been going well. The analysis of the current legislation as well as additional legislation (LACAP) on the procurement and acquisition regulations of goods and services in selected government institutions is being done according to schedule. The Program has alerted the grantee that they need to improve their financial management and adhere to all grant guidelines.



6) Asociación Patronato para el Desarrollo de las Comunidades de Morazán y San Miguel (PADECOMSM): “Strengthening and Organization of Citizens’ Participation for Transparency and Access to Public Information of Local Government for Northern Zones of Morazán”

Duration: 12 months Cost: \$39,978

The project consists of strengthening citizens’ ability to act as controllers and supervise transparency, and to facilitate processes that foster accountability from local governments.

**Current Status:** During this period the grantee shared the goals of the project with the eight municipal councils to obtain support. Discussions were also held with local civil society organizations on accountability of local government members, social auditing and transparency issues included in the grant activities. PADECOMS has been seeking support from other development organizations for greater involvement and support (Peace Corps, FUNDAMUNI, ADEL-MORAZAN, etc).

7) Sistema de Asesoría y Capacitación para el Desarrollo Local (SACDEL): *“Building capacities and coordinated mechanisms for transparency and citizen auditing”*

Duration: 12 months Cost: \$37,741

This project will reinforce the capacity to construct mechanisms of transparency and citizen participation, in compliance with the Municipal Code. The project will be developed at a strategic moment to ensure the credibility of the application of the Code at the local and national level. SACDEL has an excellent reputation as an organization known for its positive experiences with implementing local transparency initiatives. This project will be strengthened by support from ISD and FUSAI projects.

**Current Status:** The project staff met with council members of the municipalities of Concepción Batres, Puerto del Triunfo, Santa María, Alegría and Jiquilisco. They met to review the aim of the project and to agree on certain activities. The grantee also contacted local organizations to promote greater participation and social auditing.

Lastly, the terms of reference was developed for the consultants who will provide related technical assistance.



**First systematization session with Grantees  
Second Round**

***Small Grant Projects Systematization:***

The Program will provide USAID with a final document compiling the experiences and lessons learned by the implementing organizations of the first round of grants. It is anticipated that the work of systematizing the new grants will be carried out by the technical staff of the TAG Program using the methodology exercised during the first round.

***Bi-monthly meeting of grantees:***

During this period, the bi-monthly for grantees was held with the seven organizations that received grants during the second round. Each organization briefed everyone on the objectives of their individual projects, and they exchanged information and tips on implementing activities. The grantees had requested that the Program hold these meetings, especially for those grantees that are working on local government issues.

***Support civil society alliances that work on transparency initiatives in El Salvador:***

**Judges Forum and Eastern Judges Association:** The support provided by the Program to these two organizations during this period, with the help of consultant Ms. Claudia Solis, resulted in the formulation of a new strategic plan that included the identification of priorities for judicial ethics and transparency, as well as the publication of a monthly newsletter on issues related to the judicial arena.

**Journalist Association of El Salvador (APES):**

With the assistance of consultant Claudia Solis, the program supported APES through a series of sessions aimed at improving their skills on Planning and Managing Projects. As a result, APES drafted a proposal on “*Monitoring the Political Coverage by the Media during Electoral Campaigns*” in light of the upcoming elections.

**Forum on Access to Information:** In cooperation with a strategic partner, *Trust for the Americas*, the Program supported FUSADES and APES to organize two public forums on “Access to Information: The Mexican Experience.” This forum was led by Mr. Arnulfo Dominguez, Director of Communications of the IFAI (*Instituto Federal de Acceso a la Información*). The

**Judges receiving training on Project Management and alliances**



**Training to APES on Project Management and Alliances**



**Presentation of the Mexican experience on Access to Information**



participants were mainly spokespersons for governmental institutions and journalists. During these conferences, Mr. Dominguez described the different mechanisms for citizens to request and obtain information and pointed out the challenges that the Government of Mexico faces in efficiently providing this information.

#### **OBSTACLES/ISSUES FOR RESOLUTION:**

- Revision of the IUDOP and UCA reports is still pending.
- The Program needs to define their role in the upcoming elections.
- Some of the Program's grantees lack administrative and financial management capacity.
- FUSADES unexpectedly decided not to lead a planned effort to organize a forum on Political Party Financing.

#### **PLANNED ACTIVITIES FOR NEXT QUARTER FOR THIS LLR:**

- Continue monitoring the implementation of the grants and provide additional training in financial management.
- Finalize the review of the IUDOP and UCA reports for USAID approval and public presentation.
- Continue strengthening various coalitions that the TAG Program is supporting.

### **SUB IR 2.4: ACCOUNTABILITY OF ELECTED AND APPOINTED OFFICIALS IMPROVED**

#### **LLR 2.4.2: ACCOUNTABILITY OF APPOINTED OFFICIALS IMPROVED**

#### **MAIN RESULTS ACHIEVED:**

***Technical Assistance to the Ministry of Public Works (MOP):*** The TAG Program continued to implement the MOU with the MOP by defining the terms of reference for a consultant to outline a “map of risks” for improving the internal controls and identifying critical areas to strengthen transparency, accountability and access to information within two vice ministries: Vice Ministry of Urban Development and Housing and the Vice Ministry of Public Works. Once these terms of reference are validated by the MOP and approved by USAID, invitations will be sent to selected companies for competition.



**President of the Republic, Mr. Antonio Sacá, participated in the presentation ceremony of the Letters of Rights.**

#### ***MOU with the Public Defender's Office (PGR):***

The process of selecting the consulting firm has been completed for the design of an Internal Control System for the PGR. The TAG technical staff and the PRG liaison finalized review and selection of the most suitable and economically beneficial among the four proposals received. The winner was a Mexican-based company named *Nathan Actuario y Consultores*. The process of adjudicating the contract is underway.

**Defense of the Consumer Agency:** During this period, this agency launched and delivered ten Letters of Rights the President of the Republic, Mr. Antonio Saca. These Letters of Rights were created with the TAG Program's assistance in seven hospitals (Metapán, Chalchuapa, Rosales, San Bartolo, Neumológico, Psiquiátrico and Apopa), and three municipalities (Antiguo Cuscatlán, Atiquizaya and Cuyultitán). The aim of this initiative was to provide a mechanism for transparency, accountability, public information and citizen participation that would result in better quality of services being delivered. Mr. Hiram Morales Lugo led a conference on "Transparency in the Market" and about 350 people from the health and municipal sectors attended.

**Government Ethics Tribunal (TEG):** During this period, the TEG requested the Program's assistance for the design of a "General Communication Strategy for 2008-2012," along with dissemination tools. The strategy and the tools would educate public servants, businesses and citizens that receive public administration services on the Government Ethics Law. The terms of reference were jointly prepared with the communications specialist of the TEG and TAG Program technical staff. It is anticipated that during the course of the next quarter, the Program will start the bidding process by inviting various vendors to submit proposals and eventually select the best one.

**OBSTACLES/ISSUES FOR RESOLUTION:**

- Due to the current political situation, the implementation of the MOU with the MOP was somewhat delayed.
- The process of reviewing and selecting the consulting company for the PGR has been slow due to the busy schedule of its designated official.

**PLANNED ACTIVITIES FOR NEXT QUARTER FOR THIS LLR:**

- The Program will have the terms of reference for the MOU Internal Control consultancy approved and start the bidding process for selecting the consulting company.
- The Program will hold public launching events at each of the hospitals and municipalities where the Letter of Rights was created.

SUMMARY OF TRAININGS			
TAG January- March 2008 disaggregated Male/Female			
SUB IR 1.1 LLR 1.1.1 Promote transparency, efficiency and understanding of judicial processes	MALE	FEMALE	DATE / 2008
Discussion on the feedback received on the draft of the new Penal Procedural Code Project, being studied at the Legislative Assembly.	6	2	5 -7 March
Discussion on the feedback received on the draft of the new Penal Procedural Code Project, being studied at the Legislative Assembly.	6	1	31 March to 4 April
SUB IR 2.3 LLR 2.3.1 Strong civil society participation and oversight			
Training on Grants Project Management	4	3	5, 8 January
Training on Grants Administrative Procedures and Disbursement for Grantees	11	3	11 January
Training on strategic planning for the Association of Judges	7	2	19 January
Meeting of Municipalities supported by ISD	7	4	7 February
Training to APES on Project Management	8	1	14, 15, 16 February
Roundtable discussion on "The institutional communicator as key actor for public information management"	50	43	25 February
First Bi-monthly workshop on Grants Systematization	10	8	27 March
SUB IR 2.4 LLR 2.4.2 Accountability of appointed officials improved			
Conference on "Market Transparency" during the launching of the Letter of Rights, given by Hiram Morales Lugo	127	187	28 March
TOTAL PER GENDER	236	254	
GRAND TOTAL	490		
Program Element: Justice System	Male	Female	Total
1. Number of Justice System Personnel that received USG training	12	3	15
Program Element: Anticorruption Reforms			
1. Number of government officials receiving USG-supported anticorruption training	127	187	314
2. Number of non-government officials receiving USG-supported anticorruption training	97	64	161



<b>TOTAL</b>	<b>236</b>	<b>254</b>	<b>490</b>
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## **II. ADMINISTRATIVE UPDATE**

### **Small Grants Program**

During this reporting period, seven grants were signed for a total of \$274,880.00 as follows:

<b><u>Grantee</u></b>	<b><u>Approved</u></b>	<b><u>First disbursement</u></b>
ISD	\$39,720.00	\$11,673.74
CAMSEC	\$39,125.00	\$12,192.00
FUSAI	\$38,784.00	\$8,284.28
IIDC	\$39,985.00	\$8,990.00
PADECOMS	\$39,828.00	
SACDEL	\$38,288.00	\$4,741.00
UMA	\$39,150.00	\$5,875.00

### **Personnel recruitment**

During this reporting period, two employees resigned from the TAG Program: Office and Finance Manager, Gustavo Cárcamo; and Administrative Assistant, Ruth de Guerra. After conducting the recruitment process, Ms. Fanny Medina de García was hired to take the position of Office and Finance Manager, and Ms. Mercy Castillo was hired as Administrative Assistant.

One copy of the previous quarter's performance report was submitted to USAID's Development Experience Clearinghouse.