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QUARTERLY PERFORMANCE MONITORING REPORT No. 6
PERIOD COVERING JULY 1, 2005 TO SEPTEMBER 30, 2005

Submitted to:

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I. General Summary

This quarterly report for July – September 2005, is presented by Casals and Associates, Inc., (C&A), in compliance with Contract No. DFD-I-00-03-00139-00.

II. Progress/Status of New and Ongoing Awards

The ongoing Task Orders in this reporting period are as follows:

Task Order No./Country/Project Title	Start Date	Estimated End Date
800: Colombia – Efficiency and Accountability	04-01-2004	10-24-2006
802: Albania- Legal Systems that Better Support Democratic Processes and Market Reforms	07-01-2004	06-30-2007
804: Mongolia – Mongolia Corruption Assessment	06-02-2005	07-31-2005
DFD-I-01-03-00139-00: America’s Accountability/Anti-Corruption Project	09-30-2004	09-30-2006
DFD-03-03-00139-00: Central America and Mexico (CAM) Anti-Corruption, Transparency and Accountability Program	01-24-2005	03-29-2009

IQC Contract Start Date 09-30-03 / End date 09-30-08.

Task Order No. 800**Colombia: Efficiency and Accountability****Activities Carried Out**

During the sixth quarter, Casals continued strengthening public administrations at the national, departmental and municipal levels; provided training and funded local projects for citizen oversight; funded a project to help the Government of Colombia (GOC) in the selection process of public officials; and advanced in improving budgeting practices at the national level and in the cities of Pasto and Medellín. A total of 668 public officials from GOC entities were trained in topics, such as internal control, transparency, public ethics, public communications, and management processes. Casals also trained 606 citizens in citizen oversight, provided technical assistance to 77 groups on the formulation of health projects, helped to legally constitute 20 *veedurías*, and provided technical and financial support to 35 *veedurías*.

This report is divided into four sections, including the introduction. The second section describes the activities under the four program components. The third section details activities and projects by department and municipality, during the period from July to September 2005. The fourth section is a case study on the participation of the Mayor's Office of Cali in the program after a one year absence.

Component I - Improve Transparency, Efficiency, and Public Management within the GOC

Three tasks were instrumental in contributing to the strengthening of public administrations in the five target departments and at the national level. These include transparency and accountability, internal management systems, and internal control offices.

Activity A: Transparency and Accountability

During the reporting period, Casals completed the second version of the Ethics Management Model. The model will be published next quarter. Casals also began training 23 High Impact Teams (HITs) in the pilot departmental and municipal entities on public ethics. As a result of this process, each of these entities elaborated ethics practices by organizational area. In these same 23 entities, Casals completed its assistance on the formulation of internal policies for public communication and began to support the development of strategic matrixes and practical communications plans. to 366 public officials for a new group of HITs. *Transparencia por Colombia* continued working on the development of the accountability software for use by Mayors and Controllers. The software is 65% completed. Finally, Casals completed the formation of the Training of Trainers (TOT) team in the Office of the Inspector General of the Nation (*Procuraduría General de la Nación* – PGN). This team is now preparing to begin the training process on ethical agreements, commitments and protocol to the selected 80 national level GOC entities.

Activity B: Internal Management Systems

In order to increase the level of efficiency and effectiveness of GOC entities, Casals provided support under four sub-activities. First, Casals trained 587 public officials from the 23 HITs on the implementation of the Model for Operating Processes (MOP), based on the Quality Control System (Sistema de Gestión de la Calidad – SGC). These GOC entities were able to improve their capacity on the development and monitoring of their organizational structures, which will guarantee the implementation and continual follow-up of the SGC. This process is 65% completed. Second, Casals completed the training of 587 public officials from these HITs on the subsystem of strategic control within the framework of the Standard Internal Control Model (Modelo Estándar de Control Interno – MECI) and continued the training on the subsystem of quality control. This activity is 70% completed. Third, support for the implementation of a management tracking model to 111 public officials from the management level of the 23 HITs reached 70% of its goal with the completion of the elaboration of the corresponding model. The implementation of this model will begin next quarter. Fourth, the formation of the national-level TOT Teams in control internal was postponed due to delays by the

Administrative Department of the Public Function (Departamento Administrativo de la Función Pública – DAFP) in issuing the manual for the implementation of MECI, which is expected in mid-November. Despite this setback, Casals developed a new strategy to restart this activity and began training these teams. This sub-activity is 50% completed. The lack of a MECI manual has also caused delays the development of the software in internal control.

Activity C: Internal Control Offices

This activity has been particularly affected by the DAFP delay in issuing the final version of the implementation manual for MECI, since this manual will stipulate how, in practice, to standardize internal control in all GOC entities. Casals provided on full-time staff member to work with the DAFP team for a period of six weeks during the quarter, as support for the completion of the manual.

Activity D: Improvement Plans

The National Controller Office (Contraloría General de la República – CGR) has reported that it may no longer require support for the development of the software to evaluate improvement plans. During the reporting period, Casals held several meeting with representatives of the CGR to clarify this support. The official response in regards to this activity is pending.

Component II - Strengthening Citizen Participation in the Control and Oversight of the State's Public Management

During the quarter, Casals continued its activities on citizen oversight training and the issuance of requests for proposals (RFPs) for small and medium citizen control projects; published the didactic guide “*Hagamos Control Ciudadano*”; provided technical and financial support to 35 *veedurías* (15 in Barranquilla, 1 in Cali, 10 in Cartagena, 2 in Envigado, 2 in Medellín, 5 in Pasto, including *veedurías institucionales*); and began component activities in the municipality of Yopal with the local counterpart the Chamber of Commerce of Casanare, under a fixed obligation grant (FOG), totaling approximately US\$41,077.

Activity A: Training on Citizen Oversight

Casals published 2935 copies of the guide “*Hagamos Control Ciudadano*”. This manual provides user-friendly didactic material for both *veedores* and facilitators, as well as a supplement outlining the health and education systems in Colombia. The guide was distributed to the implementing partners in the six departments for use in training workshops.

Through its implementing partners, Casals trained 606 citizens (385 women, 78 Afro-Colombians, 2 indigenous) during eleven training workshops (3 in Cali, 1 in Pasto, 3 in Medellín, 2 in Barranquilla, 2 in Cartagena) on oversight theory and methodologies and project formulation. These sessions provide leaders with a better knowledge of the state and the tools to undertake citizen control projects. The training process was linked through the Presidential Anti-Corruption Program (PPLCC) to the network of administrators for subsidized health care, Gestarsalud, in the cities of Cartagena and Barranquilla. As a result of this coordination, citizen users of this network presented 44 projects.

Activity B: Financial and technical support to veedurías

Casals, through its implementing partners, provided technical assistance to 88 citizen groups in the development of citizen control projects in the health sector. The partners provide this support directly to each group in order to better prepare to meet the objectives of their specific project. As a result, 67 projects for *micro-veedurías* were presented, of which 30 were approved. During the reporting period, 30 sub-grants (15 in Barranquilla, 1 in Cali, 5 in Cartagena, 2 in Envigado, 2 in Medellín, 5 in Pasto) were signed with citizen control groups, in which

176 citizens will undertake oversight of public resources. The value of these 30 projects is approximately US\$ 39,763, averaging \$1,420 per project. In addition, two local partners provided legal assistance to 20 groups of *veedores* (20 in Barranquilla; 4 in Cali) on the conformation, as required by Law 850 of 2003, including their inscription with the *personería municipal*.

Activity D: Veedurías Institucionales

In July, the Evaluation Committee, composed of representatives of USAID, Casals, PGN, CGR, and PPLCC), approved five *veedurías institucionales* projects in the city of Cartagena. The five projects will provide citizen control over the construction of the first segment of the mass transit system; the relocation plan for the mass transit system; and three large constructions for the XX Central American and Caribbean Game. Because the Chamber of Commerce of Cartagena presented all five projects, the Committee decided to include them under a single grant. Casals signed the FOG, for approximately US\$60,730, with the Chamber of Commerce of Cartagena in August. The technical teams for these projects were subsequently formed. The team for citizen control of the construction of the first segment of the mass transit system began its monitoring activities. As a result, the Chamber of Commerce informed the public of the legal and technical concepts that allowed the contractor to change the design, thus reducing the overall cost, and appropriate the difference from the original budget.

Under the *veeduría institucional* project to determine the affiliation of members of the subsidized health system (SISBEN) in Barranquilla, Casals accompanied the Fundación Foro Costa Atlántico and the Fundación la Paz to the local annual health fair, sponsored by the Mayor's Office. The purpose of the fair was to affiliate 50,000 citizens in the SISBEN. During the fair, the two foundations undertook 210 surveys of users to determine key aspects in the inscription process and develop recommendations for similar experiences in the future. As a result, the Municipal Administration established a consultative committee to monitor the expansion of the SISBEN. This committee includes the representatives from the municipal health office, SISBEN, the municipal controller's office, the office of the municipal ombudsman, administrators of the subsidized health system (*Administradoras del Régimen Subsidiado – ARS*), health providers (*Instituciones Prestadoras del Servicio – IPS*), and *veedores* from civil society. The Committee provided recommendations to the municipal administration, based on legal norms, to implement transparent procedures for the allocation of the established number of affiliations.

Other Activities

Casals began its strategy to promote social responsibility with the business sector by attracting matching funds to support citizen control activities. For component implementation in the municipality of Yopal, British Petroleum is providing US\$ 47,160 in the form of a donation to the Chamber of Commerce of Casanare, and the Chamber of Commerce itself is providing US\$ 16,741 in in-kind materials. Along with the funding provided by the Efficiency and Accountability Program, this alliance is providing sufficient financial support to undertake component activities in Yopal.

In addition, the component will be extended to the municipality of Yumbo (Valle del Cauca). This initiative came from the Mayor of Yumbo. Based on the results of the citizen control component during the first phase of the Program, the Mayor expressed interest in participating under this current phase. As part of this commitment, he was able to involve the private sector, as well as contribute funds from an already strained municipal budget. In the municipality of Yumbo, the Chamber of Commerce of Cali will also contribute counterpart funding, as well as act as the local implementing partner. During the next quarter, formal agreements will be signed and component activities are expected to begin.

Component III - Supporting Civil Society Initiatives to Strengthen Transparency--Small Grants

During the reporting period, Casals provided support to the GOC in the project for the selection process for the position of Superintendent of Family Subsidies, as well as to the DAFP for the technical methodology and instruments to conduct similar qualifications-based recruitments in the future. This project responded to a request for support by the former Director of the PPLCC. The project was reduced from the review of ten candidates to three because the GOC, during the selection process, only submitted three resumes.

Component IV - Strengthening of Budgetary Processes

Activity A: National Level

Fedesarrollo continued to evaluate the budget processes of the central government, in order to identify modifications in practices that will contribute to improving the planning, monitoring and implementing the budget. In early September, Fedesarrollo submitted an assessment report that was incomplete and inconsistent. Based on recommendations by both USAID and Casals, Fedesarrollo removed the project coordinator and was thus able to produce a complete document with the assessment and recommendations for improving the budget procedures. The report was subsequently approved by USAID.

Activity B: Municipal Level

Under the Budgeting for Results (*Presupuesto por Resultados* – PPR) project, Casals provided assistance to the Mayor's Office of Pasto for the drafting of the 2006 budget using this methodology. This is the first instance in Colombia in which the mayor will present a results-based municipal budget to the city council. Casals also continued working in Medellín, where a work plan for the project was elaborated. During the quarter, the Casals technical team, housed in the National Planning Department (*Departamento Nacional de Planeación*–DNP), was reconfigured to better suit the needs of the project. Another technical consultant from within the team replaced the project coordinator, who left Colombia. Finally, during a meeting of the Technical Coordination Committee for the project, USAID approved the replication of the PPR methodology in the cities of Bucaramanga, Manizalez and Pereira.

Case Study

Cali: Proving the Value of The Efficiency and Accountability Program

Background

The city of Cali has been one of the key testing grounds for the USAID-funded Efficiency and Accountability Program. Between 2001 and 2003, USAID contractor Casals and Associates implemented phase one of the Strengthening Transparency and Accountability Program (as it was called at that time). From the beginning, Cali was one of the first three locations selected for pilot Program activities. The Internal Control Model, the Ethical Management Model and the Public Communication Model owe much of their final form to Program development in that city. Later, when the Program expanded attention to 21 municipalities, Cali continued to be a focus of Program activity, providing essential feedback on model application. The Efficiency and Accountability Program moved into phase two in 2004, with additional emphasis on the Internal Control Model. Naturally, USAID and Casals both wished to continue working in Cali, a city that had contributed so much to phase one.

However, in phase two things were different. City officials did not attend events, and seemed unwilling to implement Program recommendations. They appeared to take Program assistance for granted. After an extremely dissatisfactory council meeting on June 3, 2004, it became clear that the necessary commitment to Program objectives was simply not there. Some worried out loud that the city's lack of interest in internal

controls might reflect growing corruption. USAID and Casals reluctantly decided to terminate Program activities in Cali.

Cali Returns

As soon as Casals technical assistance ended, Cali's municipal administration realized its true value. Mayor Apolinar Salcedo repeatedly requested that USAID reconsider its decision and said that his whole modernization effort was at risk. Strengthening his argument, he showed how his administration had continued to voluntarily implement the Program models, even without Casals' technical assistance. But, said the mayor, he and his administration now fully understood how important program guidance had been. Should the program return to the Municipality of Cali, he said, it would have his total support and commitment, and he would fully implement program recommendations.

In order to fully evaluate the evidence, USAID requested an evaluation of the progress to date of the municipal administration of Cali. The evaluation made the following discoveries:

- The internal controls teams trained by Casals continued to play an important role in city administration. These include: the Technical Quality Team composed of representatives from each central administration unit; and the Internal Control System Coordination Committee, as well as the sixteen subsidiary Internal Control System Coordination subcommittees legally formed.
- Casals-recommended procedures had been passed into law through administrative acts. Notable among these are: Decree 316/2004 that created the Internal Control System Committee in addition to internal resolutions for each unit to form Internal Control System Coordination subcommittees; Decree 048/2003 that provided for ethics committee operations; the 2005 budget allocation of \$600 million pesos to implement Quality Management System processes; and Municipal Council approval of Agreement 027/2004 to strengthen the Internal Control and Quality Management Unit.
- Officials had been trained to implement the Quality Control System, Internal Control and Ethical Management guidance. The Internal Control Advisor's office and the Technical Quality Team undertook weekly coordination meetings.
- Self-directed fine-tuning of Casals processes.

New Agreement Signed

In July 2005, just over a year after assistance had been suspended, Casals and Associates once again signed an agreement with the city of Cali. Clear work plans were developed to carefully monitor implementation. Information, awareness, and training sessions were held with the Mayor's Office. Methodologies and timeframes were detailed and agreed upon. The city continued to demonstrate its commitment to the Efficiency and Accountability Program, in the following ways:

- Administrative acts confirmed the city's commitment to improve public management. The Standard Internal Control Model (*Modelo Estándar de Control Interno* – MECI) was adopted by resolution 1000/2005, and the Quality Management System adopted under Law 872/2003 and NTCGP 1000/2004 reaffirmed. Additional administrative acts formed groups for the System of Internal Control and Quality Control coordination committees, and created the Technical Quality Team.
- The Quality Management System implementation plan was formulated and approved.
- The Values Chain was reviewed and improved to identify macro-processes and help map design processes.

- Technical team internal regulations were updated and the Technical Quality Team was consolidated.

These concrete advances tended to confirm a new seriousness on the part of Cali. On September 15, 2005, Casals and Associates signed an agreement to re-include the city in the Efficiency and Accountability Program through July 2006.

Neither USAID nor Casals provides any financial inducements for participation in the Efficiency and Accountability Program. The only benefit provided is the training, methodology and technical assistance, and the modernization of the municipal administration that results from this process.

Lessons Learned

The case of Cali provides three important lessons.

First, that these methodologies are being successfully transferred, that Colombian city officials are taking ownership of them and making them their own. If they had been irrelevant or imposed, the city would not have continued to use Program models after Casals and USAID suspended assistance.

Second, cities like Cali are learning just how valuable and important these methodologies are to their day-to-day functioning.

Third, the city might never have come to this realization if the first, difficult decision to suspend assistance had never been made. It was USAID and Casals' ability to confront thorny truths that made this change possible.

Task Order No. 802

Albania – Legal Systems that Better Support Democratic Processes and Market Reforms

Activities Carried Out

1) Technical Assistance to the Inspectorate of the High Council of Justice (HCJ) and the Inspectorate of the Ministry of Justice (MOJ)

- A more capable technical assistance delivered will lead to fair and transparent performance evaluation of the judiciary resulting in the sanctioning of corrupt judges and providing incentives for well-performing judges; Increased public confidence in judicial integrity;

Progress to date

- Program attorney and subcontractor have been in contact with both inspectorates to ensure continuation of Project activities despite government changes;
- Frequent meetings of Rule of Law Program attorney and subcontractors with HCJ and MOJ Inspectorates have created comprehension and familiarity with the need for institutional cooperation
- Proposal for a study tour in a similar jurisdiction for both MOJ and HCJ Inspectorates senior staff submitted to World Learning with the purpose of forging stronger links between the Inspectorates

During this first quarter of the second Project year, the Rule of Law Program was in contact with Inspectors in order to provide to the new staff of the Ministry of Justice an introduction and summary of the work conducted with both MOJ and HCJ Inspectorates by the USAID-funded Casals & Associates Rule of Law Program. Frequent formal and informal meetings aimed to ensure a continuation of the Rule of Law Program objectives on HCJ and MOJ inspectorates.

Aiming toward promoting linkages between the HCJ and MOJ Inspectorates, the Rule of Law Program continued to work closely with World Learning to organize a study tour in Spain for key members of both HCJ and MOJ inspectorates. Terms of reference and study tour program have been identified and elaborated. Both the venue and date – Spain, November 6-13, 2005 – have been agreed upon. With the Rule of Law Program input and assistance, the World Learning and the host organization have been working on identifying issues of interest for both inspectorates to be elaborated in this study tour. What is inspectable in the Spanish courts under Spanish law and practice? Which are the inspection functions and are they divided among different state organizations, and, if yes, how? Are there working (formal and informal) linkages and/or relationships? Does an official strategy document exist regarding judicial inspection? Who prepares and approves it and how? How is it implemented and evaluated? How are thematic inspection plans organized, formulated, approved and implemented? Do detailed written procedures exist to organize the whole process? Who is responsible for the administration of the judiciary? Is there a hierarchy? Finally, how are respective legal duties allocated, regarding the management of the court administration in Spain, from top (Ministry of Justice) to bottom (district courts)?

2) Technical Assistance to High Inspectorate for the Declaration and Audit of Assets HIDAA

Measurable Results

Comprehensive regulatory framework established; increased public and media reporting and requests for information leads to enhanced public awareness and increased compliance to law

Progress to date

- COI expert produces draft new declaration form for adaptation to COI legal requirements
- COI expert assists General Inspector by drafting an instruction letter to help HIDAA explain COI requirements to all government agencies, and particularly to newly elected and appointed officials
- Improved website redesign with updated information increases public and government awareness
- Close collaboration continues between HIDAA and Rule of Law Program on second year

Project activities

- New SACS recruited with emphasis on training, public awareness, and conflict of interest expertise
- Outstanding equipment order arrived and installed

During the first quarter of the second Project year, work was concentrated on the conclusion of the departing SACS activities, which include technology acquisition and installation, improved website redesign, updated information, and training plans for a HIDAA study tour to Australia for review of investigative techniques. Casals & Associates made significant efforts to recruit a SACS replacement.

Although the selected candidate ultimately decided to take another position, C&A delivered 5 additional candidates to both USAID and HIDAA for review. Pending USAID approval, the new SACS start date is scheduled for November 1. The Rule of Law Program continued to strengthen working relationship with HIDAA through direct meetings of the COP with the General Inspector to discuss new challenges arising from the Conflict of Interest law, planned technical assistance to be delivered by the Project, training and seminar plans, work plans and budgets, and redesign of declaration form. The latter issue was a primary contribution of Mr. Gary Davis, a senior conflict of interest expert, who provided technical assistance during September of this year.

Mr. Davis's visit was well timed due to the agency's mandate to prepare sub regulatory acts under the Conflict of Interest Law by October 1. During his visit, Mr. Davis addressed high inspectors on two separate occasions, prepared an instruction letter on COI law for the General Inspector during her official visit to government agencies, and redesigned the declaration form to better incorporate COI legal requirements.

3) Continued Assistance to the Citizen's Advocacy Office (CAO)

Measurable Results

Acknowledgment and respect for the rule of law and the negative effects of corruption is instilled in younger generation; increased private and public support and awareness for legal services provided to victims of corruption; Improved legal services offered by trained personnel; enhanced citizens' awareness of measures to combat corruption and protect legal rights.

Progress to date

- Court Watch questionnaires distributed and data collected
- Plans for opening second regional office in Vlora under way
- More anti-corruption issues addressed by CAO Durres office
- Corporate governance and business ethics promotion activity launched with modules developed for US Department of Commerce, aiming to foster economic growth

During this reporting period, the Rule of Law Program has negotiated and signed a second year grant to include funding for activities elaborated in the Work and Performance Monitoring Plan. Many of these activities are already in progress, such as Court Watch under which CAO has distributed questionnaires, which assesses public perception on court and judicial performance. Although responses received and data collections are ongoing for Durres District Court, there have been delays in collecting responses from the Tirana District Court judges. It is anticipated that additional visits to this target audience will be necessary during the next project quarter. With Rule of Law Program support, CAO continues its expansion for a new branch office in Vlora where applications for office positions are now underway.

Progress continued in addressing complaints of victims of corruption by the Durres CAO regional office. During this quarter, both the CTO and the senior staff attorney made a site visit to examine Durres office operations. To address public awareness for access to public information, the Project has worked with CAO to revamp the existing FOIA leaflet and ensure compliance with USAID branding policies. One core activity of particular importance was the development, design, and implementation of a business ethics working group meeting, which was used to launch a CAO-driven effort to promote good corporate governance and business ethics in Albania for the ultimate promotion of economic growth in the country.

Key to this meeting were the preliminary involvement and participation of Albanian-American Trade and Development Association of Albania (AATDA-AL), which has close ties to the Albanian private sector community. Working group participants also included members of chambers of commerce, C&A attorneys, private business owners, and local academics. It should also be noted that development of the business ethics components was based on Casals & Associates corporate governance module developed for training purposes in collaboration with the US Department of Commerce.

4) Assistance to the National Chamber of Advocates (NCA)

Measurable Results

Increased capacity of national and local chambers to enforce the ethical practice of law in Albania and fair and transparent bar exams will increase the number of new competent lawyers that will become a strong part of the struggle against corruption

Progress to date

- Preparations for the NCA study tour underway; the participants identified and list submitted to World Learning for ultimate USAID for approval.
- The Ethics Code approved by the Steering Committee and to be approved by the General Council in early October

During this quarter, the Casals & Associates Rule of Law Program has conducted several successful meetings with the General Secretary of the NCA and has done planning for the steps required for activities to be performed with the NCA. Thus, after participating in the annual NCA meeting, the COP and the senior staff attorney have had meetings to finalize the on-going preparations for the NCA US-based study tour. As already approved by USAID, the study tour will be focused on disciplinary procedures and, to a lesser extent, on the bar exam administration.

The primary objective will be to identify the main elements of effective and transparent disciplinary procedures for attorneys and to identify guidelines, regulations and procedures regarding the bar exam administration. As a result of the training, it is expected that the participants will draw up, vet, and implement disciplinary procedures as well as improve the integrity and the effectiveness of the bar exam. The study tour is scheduled for early December. In addition to this work, the Project has assisted NCA in focusing on the draft Code of Ethics. Prepared by the working group established by the Casals & Associates and assisted by a US Code of Ethics advisor by C&A, this Code was discussed and approved by the Steering Committee.

In order to be legally binding to attorneys, this Code must be approved by the NCA's General Council meeting, which is expected to take place in early October. Finally, the Project provided technical assistance through the form of a project coordinator to the NCA through July 2005.

5) Assist in the Preparation of Implementation Acts for Freedom of Information Law and Administrative Procedure Code

Measurable Results

Implementation of an improved FOIA law and related APC provisions, which increases the public awareness on their legal rights to obtain official information resulting in a transparent and democratic functioning of government

Progress to date

- Working group established and meetings organized by C&A and IPLS experts
- FOIA draft regulation prepared and submitted to Ombudsman for further consideration
- Model forms of request and complaint, drafted by the working group, attached to draft FOIA regulation

During this quarter, the working group established by C&A to draft the FOIA regulation, consisting of the staff attorney, IPLS experts, and staff from the Ombudsman's office continued its work in full swing. As a result, a final draft regulation was prepared and submitted recently to the Ombudsman in a meeting with the Program's COP. After receiving his comments, the Rule of Law Program will start preparations for another stakeholders' meeting to launch the final FOIA regulation and to enable other interested parties to actively participate in this process and provide their feedback.

It is anticipated that, once overall consensus has been reached, the Ombudsman will adopt the FOIA regulation and will send it in the form of recommendation to key institutions bound by this law. Furthermore, during this recent meeting, the Ombudsman made known his views on future legislative changes regarding the Administrative Procedures Code, which may be raised during the planned stakeholders' meeting.

6) Assist in the Preparation and Implementation of a Conflict of Interest Law

Measurable Results

Enactment of new COI law and regulatory scheme, training of civil servants, and enhanced institutional capacity for enforcement will result in increased public confidence in GOA commitment to combat corruption and ethical compliance of civil servants

Progress to date

- Rule of Law Program providing analysis of the new Conflict of Interest Law adopted in May 2005 by the Parliament of Albania
- Rule of Law Program provided assistance on development of sub regulatory acts to the COI law to enhance public awareness and officials' accountability on reporting conflicts of interests
- Analysis of COI law underway
- Conflict of Interest intermittent advisor recruited and working with implementing agency HIDAA on a monthly basis

During the past reporting quarter, the Rule of Law Program continued its active role in promoting the drafting of sub regulatory acts for the new Conflict of Interest Law. In order to assist the COI implementing agency, HIDAA, the Project contracted Mr. Gary Davis to provide hands-on expertise on drafting sub regulatory acts throughout the life of the project. In this way, the Rule of Law Program has ready access to an experienced attorney during a time when changes and/or amendments may be made to the COI law. In the same vein, the ROL Project has retained a leading Albanian attorney, Mr. Sokol Berberi, to provide an in-depth analysis of the new COI law, adopted in May 2006. Requested at the instruction by USAID, this analysis will be useful in interpreting a lengthy and complex statute and provide a sound basis for developing a government wide sub regulatory acts and country-appropriate reporting mechanisms for conflicts of interests.

7) Assist in the Preparation and Implementation of a Press Law

Measurable Results

Increased capacity of journalists and their associations to report equal and fair events will ensure ethical and transparent news coverage, especially on rule of law and anticorruption news and will enhance freedom of the Albanian press

Progress to date

- AMI grant to establish Press Council and promote journalist ethics developed by Rule of Law Program and approved by USAID
- Coordination meetings held by Program staff and COP with other donors and other USAID implementers in order to avoid duplication and overlapping of funds and activities on press issues
- Plans to organize a stakeholders' meeting on press underway

During the first quarter of the second Project year, upon recommendations from USAID, the Rule of Law Program has been in frequent contacts with NDI, IREX, and the Albanian Media Institute (AMI) to coordinate efforts on press initiatives in order to avoid duplication and overlapping of funds and activities on press issues. The Rule of Law Program, in collaboration with the Casals & Associates headquarters, prepared all documentation – including budget, work plan, schedule of activities, justification – and signed a grant for funding the Albanian Media Institute on the establishment and operation of the Press Council, a self-regulatory body for journalists.

Activities to be performed under the grant awarded to AMI will aim at establishing the journalists' body that will discipline and regulate journalists' reporting pursuant to modern standards on journalism that the country is attempting to achieve. Donor coordination in this area is essential. Therefore, the Rule of Law Program COP and staff have held several meetings with OSCE representatives and AMI in order to create synergies and coordinate efforts on press initiatives undertaken by both donors. In compliance with the Work and Performance Monitoring Plan, AMI, in collaboration with subcontractor IPLS, will organize by

the end of October a stakeholders' meeting, whose participation will include key actors in press and media.

8) Assist in the Implementation of Intellectual Property Laws

Measurable Results

Public support for and awareness on intellectual property rights as well as GOA active role on the implementation for the protection of IP rights will prevent market distortion and encourage economic reform leading to Albania's compliance to international standards on IP

Progress to date

- Introductions of the Rule of Law Program made to the Albanian organizations such as the Directorate of Patents and Marks and the Ministry of Culture and Sports implementing the IP laws.
- The status of the domestic IP laws identified as well as the remaining legal challenges in the framework of the Association and Stabilization Process and the TRIPS agreement.
- Cooperation with the Albanian Magistrate School established and a two-year IP training proposal submitted for their approval
- Ongoing discussions held with the NCA regarding IP training opportunities for the attorneys' community.

During this quarter, the C&A senior staff attorney conducted several successful meetings with the Albanian organizations implementing the IP laws such as the Directorate of Patents and Marks and the Ministry of Culture and Sports. The aim of the meetings was to introduce the Rule of Law Program/IP component as well as to gather their ideas and needs about the program assistance.

Both agencies asked for C&A assistance for preparation of sub regulatory acts, for training this area their staff, and for assistance in conducting public awareness campaigns. In order to have full comprehension of the current intellectual property legislative and implementing issues, the C&A senior staff attorney conducted research on the status of the domestic IP laws, and the remaining legal challenges in the area resulting from Albania's obligation to harmonize its legislation to that of the EU in the framework of the Association and Stabilization Process and the TRIPS agreement.

Also during this quarter, the C&A senior staff attorney conducted several successful meetings with the Director of the Magistrate School, the Director of the Training Programs, and other faculty. The modalities of perspective two-year IP training for judges and prosecutors were discussed and agreed upon in principle. The training proposal was then prepared by C&A and submitted to the Magistrate School. According to this proposal, some 100 judges from the district courts and prosecutors will receive five training sessions on the copyright and industrial property laws in the academic first year. In the second year, about 70 among the most motivated and enthusiast participants of the first year will receive three advanced training sessions.

The training will be taught from an international expert and two local instructors. The proposal is expected to be considered and approved by the school board in its next meeting to be held soon with the training is expected to start in October 2005. Because the Magistrate School offers continued training programs only for judges and prosecutors, the Program COP and senior staff attorney have had meetings with the NCA chairman to discuss methods on how to continue legal education on IP laws for the NCA membership.

Task Order No. DFD-01-03-00139-00**America's Accountability/Anti-Corruption Project**

During the quarter, USAID/AAA subcontract partners continued making progress on the range of activities described in detail in the previous quarterly report. The following program activities advanced relative to the project's four objectives:

1. Address the Challenge of Grand Elite CorruptionEnvironmental Sector Corruption—Paraguay

In September, USAID/AAA signed a subcontract with *Instituto de Derecho y Economía Ambiental (IDEA)* to document and track cases of corruption in the environmental sector from the moment the cases are exposed in the press to the final outcome and regularly report to the public on their handling and disposition. This activity will expose weaknesses in the administrative and judicial institutions in the country that generate opportunities for corruption and protect the corrupt from effective prosecution.

With the technical assistance from *Sociedad Peruana de Derecho Ambiental (SPDA)*, an environmental NGO in Peru, IDEA will develop a methodology to track corruption cases in the environmental sector, and in particular, cases of illegal logging and illegal trade of protected and endangered species.

IDEA will also develop an "Impunity Index" of environmental-sector corruption cases, which will be useful in raising awareness about the extent of this problem in the country and serve as a baseline for judging progress in reducing corruption in the sector. The information collected and processed will be posted on IDEA's web page and will also be disseminated through the organization of several workshops with journalists, academics, public officials and civil society organizations. At the end of the activity, IDEA will organize a regional seminar to present project results including lessons learned. Representatives from SPDA will attend the seminar and share their experiences on fighting environmental corruption in Peru.

Specific activities

1. Attendance of two qualified individuals from IDEA/Paraguay at a two-day workshop sponsored by SPDA and USAID in Iquitos, Peru, designed to train public officials responsible for preventing and controlling illegal logging through improved enforcement of environmental laws. The primary objective of the workshop is to standardize criteria for implementation of forestry regulations and expand understanding of the administrative and judicial procedures associated with environmental protection.
2. Creation of a database of information about corruption cases in the environmental sector.
3. Development of a methodology to monitor and track corruption cases, with assistance from SPDA.
4. Review administrative and judicial procedures involved in these cases, including a report on the degree of compliance with environmental regulations.
5. Tracking corruption cases through the judicial process to analyze how many cases are actually prosecuted, how long the adjudication process takes and what the results are for each case.
6. Creating an "institutional map" of all the institutions responsible for receiving and prosecuting allegations of corruption in the environmental sector.

7. Presenting results to the authorities in the Ministry of Environment, the Ministry of Agriculture, Customs, Comptroller General's office and the Forestry Service. Proposing legal and administrative reforms to reduce the risks of corruption in the environmental sector.
8. Organization of a region workshop to increase public dialogue about environmental corruption and garner support for reform.

Upon completion of these activities, IDEA will prepare a final report documenting findings and lessons learned, which USAID/AAA will disseminate widely.

Increasing Political-Party Accountability and Transparency—Colombia

In August, USAID/AAA subcontracted with *Corporación Transparencia por Colombia* (CTC) to track and report on specific political-party and candidate activities related to the electoral process for the 2006 presidential/congressional elections—from September 2005 to June 2006. (In June a second electoral round could be undertaken if no presidential candidate wins an absolute majority in the first electoral round in May 2006.) To this end, CTC will develop a methodology to monitor sources of campaign contributions and expenditures and will report its findings to the public.

To support these activities, CTC will update a website (*votebien.com*) it created during the 2002 elections, where it will provide information about the campaigns, candidates, sources of electoral campaign contributions and campaign expenditures. The goal is to develop a more “educated” voter in the 2006 elections and encourage and support transparency and accountability by political parties and candidates, which can be replicated in other countries in the region.

Other information to be posted will include: legislation regulating political-party finance; political parties' platforms; information about the candidates' careers, supporters and previous contributors; origins and amounts of campaign contributions and campaign expenditures; and information about anti-corruption proposals endorsed by the candidates.

By law, political parties are obligated to report campaign contributions only after the elections. TPC has already communicated with several candidates who have verbally committed to release information about their campaign contributions during the campaigns. Therefore, TPC will post information about campaign contributions to the website to the extent that this information is made available to them and will note which candidates have decided not to cooperate.

Following the election, TPC will organize a seminar to disseminate the results of the project and will prepare a report on what was achieved.

Government Official Immunity/Impunity

Inter-American Bar Foundation (IABF) constitutional lawyers completed their analysis of existing laws and practices on public-official immunity regimes in Colombia, Chile, Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, Panama, Ecuador, Peru, Bolivia, and Paraguay. The analysis was carried out following IABF guidelines that promote accountability and transparency.

Participants in an USAID/AAA-sponsored international conference to be held, October 24-26, 2005 in Lima, Peru, have combined the individual country analyses into a single document that will serve as the foundation for discussion. Conference participants will include constitutional lawyers, invited legislators and journalists who will examine needed legal reforms and obstacles to achieving those reforms.

A draft of potential amendments to existing laws in the targeted countries will be produced and distributed among conferees for comments and recommendations. Final proceedings of the conference

will be edited and widely distributed among interested parties including legislative bodies, civil society and the media.

The overall objective of this activity is to identify and, ultimately, implement mechanisms to limit immunity protections for politicians and government officials to those acts that are legitimately taken in the exercise of a public function.

At the conference, the IABF will work with participants and others to form *ad-honorem* coordinating committees to advance reforms through a series of clearly defined activities. While the committees will be self-directed, IABF will provide guidance and encouragement, including technical assistance from an IABF-contracted consultant who will make one visit to each of the two or three selected countries. Each committee will also be provided the services of a local part-time consultant of its choosing in consultation with IABF.

IABF will produce a final report that includes a complete description of each stage of activities, lessons learned and recommendations. USAID/AAA will distribute the report to missions and make it available on the *ResponDanet* website.

In addition to USAID/AAA funds, the U.S. Department of State is providing funding to underwrite conference expenses, as well as the action plan for reform.

Increasing Transparency in Political Party Finance—Peru

As reported last quarter, USAID/AAA subcontracted *Asociación Civil Transparencia Peru*, in May, to carry out a comprehensive program to support political parties' compliance with two new Peruvian laws designed to increase party transparency and accountability relative to contributions and expenditures.

Execution of the contract was put on hold as parties and other stakeholders became engaged in a debate about amending the laws to weaken them. *Asociación Civil Transparencia* continues to battle adoption of these amendments. When the USAID/AAA Deputy Director travels to Peru in October for the IABF impunity conference, she will assess the status of this interrupted activity.

Proceedings of Forum on Political Party Finance Published

USAID/AAA prepared and disseminated its Report on the Latin American Forum on Political Party Finance that took place in October of last year in Lima, Peru. The Forum, organized around themes addressed in the USAID/AAA Technical Assistance Module (TAM) on Political Party Finance, was cosponsored with five USAID international and national partners—the National Democratic Institute for International Affairs (NDI), the International Republican Institute (IRI), the International Institute for Democracy and Electoral Assistance (IDEA), IFES and the *Asociación Civil Transparencia Peru*. More than 75 local and regional participants attended the forum.

The Report makes a substantive contribution to the growing body of knowledge about needed political-party transparency and accountability reforms. It frames for public dialogue such relevant issues as internal party reforms, public disclosure of party income and expenditures, compliance with and enforcement of laws governing parties, spending and contribution limits, as well as public and private financing of parties.

In conjunction with *Asociación Civil Transparencia*, USAID/AAA distributed the report to nearly 200 political-party leaders, journalists and donors in Peru. It also was distributed to donors and USAID in Washington D.C., as well as to USAID/AAA's network of partners across the region. The Report is available, in Spanish, on the *ResponDanet* website.

2. Improve Approaches to Reduce Administrative Corruption

Report Published on CSO Coalition Building

The final component of the Coalition Building initiative in Bolivia was completed in August with USAID/AAA's publication of the report: *Transparency Coalitions: Lessons from Peru, Paraguay, El Salvador and Bolivia*. This report is the result of a workshop that was held with the assistance of Partners for Democratic Change (PDC), a leading U.S. non-governmental organization (NGO) with expertise in coalition building. USAID/AAA staff and PDC experts designed a workshop on coalition building for eight emerging Bolivian anti-corruption civil society organizations (CSO) and NGOs. This innovative activity involved a two-day workshop, in which actual experiences of anti-corruption and transparency coalitions from the Latin American region were examined and combined with instruction on the more technical aspects of the coalition building process.

While the initial workshop focused on supporting Bolivian CSOs and NGOs desire to explore building an anti-corruption coalition, the resultant report is useful as a guide for any group of organizations intent on such a goal. It identifies strategies that increase the potential for success in such an effort as well as impediments to success. The Report already has had an impact, as the eight Bolivian anti-corruption CSOs and NGOs that participated in the workshop are using the report as a tool to move the coalition-building process forward and to support requests for additional training. Moreover, the workshop experience will be replicated in El Salvador throughout the coming year. The report, published in English and Spanish, was distributed to civil society stakeholders in Bolivia and to USAID Missions in the Latin American region. In addition it has been posted on the ResponDanet website and notice of its availability has been circulated among Internet discussion groups, including Anti-Corruption Without Borders.

Repatriation of Assets from Corrupt Activities—Ecuador

In July, USAID/AAA subcontracted with *Corporación Latinoamericana para el Desarrollo* (CLD) to carry out a series of activities to enhance the capacity of Ecuadorian public officials and civil society organizations to effectively utilize legal tools developed for compliance with the Inter-American Convention Against Corruption (ICAC), specifically as related to extradition of corrupt officials and repatriation of their assets and/or property derived from corrupt activities.

The main objectives of the project are to:

- 1) Create the legal tools to enable Ecuador to extradite corrupt officials and repatriate their ill-gotten assets.
- 2) Promote greater awareness of the ICAC commitments and their importance.
- 3) Contribute to the fight against impunity and corruption by effectively enforcing sanctions related to corrupt activities.

CLD will:

- 1) Review Ecuadorian legislation to assess its compliance with requirements of the ICAC.
- 2) Organize a workshop to develop amendments to Ecuador's legal code to comply with the ICAC.
- 3) Organize of a workshop to draft a "policies and procedures manual" explaining how the new legal tools can be used to extradite corrupt officials and to repatriate assets derived from corrupt practices.
- 4) Using the manual as a training tool, train appropriate public officials on how to implement the new law.
- 5) At the conclusion of the project (April 2006), prepare a final report including documents, legislation and other materials produced, a description of activities and results achieved, lessons learned and recommendations for follow-on activities.

Assessing Costs of Corruption Survey—Bolivia

In July, the USAID/AAA Deputy Director traveled to Bolivia, accompanied by Mexican survey expert Edmundo Berumen. During the trip, the survey instrument and methodology were tested and finalized; an Advisory Committee, made up of prominent Bolivian experts and former political leaders, was established; and the plan to implement the survey was fine tuned and formally presented to

USAID/Bolivia and the Advisory Committee; the plan was approved and the activities were launched. From July to September, the survey was implemented and the first draft of the results was completed by September. Final results and the associated analysis will be available in November at which time USAID/Bolivia, the Advisory Committee and the USAID/AAA Project will present the report to the public.

Replicating Successful Social Auditing Models

The activity to assess successful social-auditing experiences, identify best practices and determine the elements that are critical to evolving sustainable social-auditing activities is being carried out in September and October. USAID/AAA, in consultation with USAID, identified three social-audit experiences in Guatemala and one in Peru to be analyzed. In addition, to make the analysis more encompassing, from Bolivia will be added three social-audit experiences along with three other citizen-participation initiatives. By broadening the range of experiences to be included, USAID/AAA hopes to identify more universal lessons learned that can guide development and expansion of these programs in other countries.

3. Mainstream Anti-Corruption Thinking and Programming Across all Sectors

4. Increase the Qualitative and Quantitative stock of Knowledge to Complement Current Knowledge

Mainstreaming USAID Mission Anti-Corruption Programming—Guatemala

USAID/AAA presented the Mainstreaming Anti-Corruption Thinking and Programming workshop to the members of the Guatemala Mission and Embassy staffs, on October 6-7, 2005.

Participants

Originally 42 staff signed up to participate. However, flooding and mudslides in the days immediately preceding the workshop resulted in requests to the USG for emergency assistance, requiring some staff to withdraw and others to attend intermittently. On average about 28 participants were present for the sessions. On the second day, 20 participated. Mission sections represented included the offices of:

- Regional Contracting
- Income and Natural Resources
- Program Development and Management
- Financial Management
- Rule of Law
- Health and Education
- Democratic Initiatives.

Four Embassy staff participated as well as four contracting partners. The Mission Deputy Director attended all sessions providing guidance and support; the Mission Director participated when he could, demonstrating his endorsement of workshop goals and objectives.

Schedule

The workshop was presented over two days, with a very full first day and a half day following.

Observations and Participant Evaluations

1. Some participants remarked they did not receive much information prior to the workshop, so they were not fully aware of its purpose and objectives.
2. In part because a bigger audience was expected, the room and the seating arrangement were not optimal for a more engaged discussion amongst participants. The room was too big and the sound system was extremely inefficient, creating ongoing frustration for faculty and participants.

3. At the Mission's request, the workshop was carried out in a day and a half. Even though all the material was presented, the first day was long and tiring. This and the dysfunctional sound system affected the attention and concentration of many participants.
4. In Guatemala, unlike in El Salvador, the USAID/Mission had already established an anti-corruption committee, led by the Deputy Mission Director, to discuss the problem of corruption and begin to integrate anti-corruption initiatives in sectoral programs. As a result, 11 out of 20 participants who filled out evaluation forms believed the contents of the workshop were too basic, generic and elementary. Participants suggested presentations and exercises should be tailored to each country's situation.
5. Most participants (15 of 20) believed the workshop was useful in articulating and clarifying crosscutting lines of action.
6. The breakout discussion groups were positively evaluated; many believed the presence of the Mission contractor-partners significantly enriched the discussions in general sessions and breakout groups.
7. The session on mainstreaming was perceived to be the weakest, because many of the internal mission management activities addressed in this presentation were already being taken in Guatemala. It is worth noting, that not all of the recommendations have been implemented in Guatemala; the mission has not yet achieved mainstreaming.
8. The sessions on corruption in Guatemala and strategies and tools were perceived to be the strongest.
9. Participants viewed the last breakout session as being particularly useful. In light of the Mission having already established an anti-corruption crosscutting team, the presentation team asked the Deputy Mission Director how the final session could best serve the Mission's needs. What resulted were breakout groups, organized by SO, being asked to formulate an "action plan" for each sector, rather than discussing macro-management approaches.

Recommendations:

1. Develop a standard "Announcement Memorandum" about the objectives and purpose of the workshop that can be used by missions when inviting staff to participate.
2. Before the workshop, it is important to obtain detailed information about projects a mission is supporting in each sector as well as information about whether the mission has taken concrete steps in addressing corruption in a structured (mainstreaming) fashion.
3. Active participation of mission DG staff in presentations can be very beneficial, particularly in detailing the nature of corruption in the country.
4. Although the workshop is not tailored to particular situations/countries, it is important to present specific examples of application of the tools. This is particularly relevant for the sessions on Strategies and Tools and on Assessing Sectoral Vulnerabilities. Attention should be given to explaining what has worked and what has not worked and why, to the degree possible within time limitations.
5. Trainers should visit each breakout group to answer questions and give guidance.
6. Suggest a mission consider inviting contractor-partners, with the understanding that the workshop will be presented in English.

7. Tailor the last session on Mainstreaming and its related Breakout Group to the specific situation of each mission.

8. Devise some mechanism to record/document conclusions of each breakout group as well as discussions during the question and answer periods, so they can be distributed to participants at the end of the workshop.

Country Anti-Corruption Assessment—El Salvador

In July, USAID/AAA completed and delivered to USAID/El Salvador a country and sectoral anti-corruption assessment that will be used by the Mission as a strategic tool to plan and implement transparency and anti/corruption activities across sectors.

Transparency and Accountability Newsletter

In August, the project published the second issue of the English-language newsletter. Articles reported on:

- The USAID/AAA “Mainstreaming Anti-Corruption Thinking and Programming” Pilot Workshop presented in San Salvador;
- The Workshop on Strategies for Anti-Corruption Coalition Building
- Investigative Journalism awards for reporting on corruption in Latin America and the Caribbean;
- The Thirty-Fifth Regular Session of the OAS General Assembly, and
- Launch of TI’s anti-corruption conventions website.

USAID/AAA routinely receives comments from readers of its newsletter generally applauding the content and overall effort to spotlight anticorruption initiatives around the world. Below is a quote from an email that typifies comments received.

“Thank you very much for the most recent edition of the informative newsletter on the calamity of corruption. Move forward in this fight with no holds barred.”

Arturo Barboza

Internal Auditor, Costa Rica National Commission of Emergencies

Task Order No. DFD-03-03-00139-00

Central America and Mexico (CAM) Anti-corruption, Transparency and Accountability Program

Activities and Developments by Country

EL SALVADOR

In mid-August, C&A was informed that the last CAM Country, El Salvador, was ready as of August 24, 2005 for project startup. Immediately after official notification to pre-mobilize, the team, composed of Project Director (PD) Carlos A. Guerrero and Project Deputy Director (DPD) Gerardo D. Berthin, initiated activities in C&A Headquarters for deployment. This involved preparing the necessary documentation and materials, such as Program Binders, Power of Attorney documents, requests for country clearances, C&A main administrative templates and other important documents. The PD and DPD traveled to El Salvador on August 26th. The objective of this trip was to maximize the one-month pre-mobilization authorization by initiating logistical and programmatic activities to start-up the Program.

Technical Activities

During the first month of pre-mobilization the following technical activities and were achieved:

1. Two meetings with USAID officials (including CTO), to receive briefing on important issues and rules of engagement related to activities during this pre-mobilization period of the program, and to discuss adjustment of the scope of work and priorities, as well as delineate initial milestones and expected results for the program. During this meeting, the CTO and other USAID officials presented the main programmatic areas of the program and the C&A team provided feedback and ideas. It was requested by USAID that C&A prepare a revised “mini” scope of work by mid-October, including the issues of PMPs and M&E Plan. It was also decided, in concurrence with the Program CTO that the official name of the Program would be: “Transparency and Governance Program, El Salvador” (*Programa de Transparencia y Gobernabilidad, El Salvador*).
2. Held various conference calls with CAM/Guatemala to discuss and provide feedback to the Gender Action Plan consultant (Dr. Patricia Delaney) and to the consultant working on the M&E Plan (Mr. Ronald Seligman). There were also conference calls with Guatemala during which the PD and DPD discussed the Anti-corruption Mainstreaming Workshop for USAID in Guatemala, Nicaragua and Panama (with Patricio Maldonado). CAM/ES also provided extensive feedback to the memorandum from Patricia Delaney on considerations for the Gender Action Plan.
3. Preliminary meetings were held with potential partners such as PROBIDAD and FUNDAUNGO to discuss program implementation activities. At the request of USAID, the PD and DPD met with the coordinator of the *Consejo Nacional para el Desarrollo Local (CONADEL)* at the *Secretaria de la Presidencia*.
4. At the request of USAID, four potential experts on local/municipal issues were identified to support future CONADEL activities. The PD and DPD provided feedback on their terms of reference, and their CVs were submitted to USAID.
5. On September 23, USAID informed C&A that authorization for full mobilization and deployment was approved and that funding was allocated.

Other activities:

1. On September 21-22, El Salvador’s Program Director attended the Program’s quarterly meeting that was held in Nicaragua. During this two-day meeting, presentations were made by each Program Director on the progress-to-date in each country and key challenges faced, as well as on the FY 2006 Work Plans. There was also extensive discussion of multi-country activities, the M&E Plan and the Gender Action Plan. A summary of topics discussed and conclusions reached was prepared and submitted to USAID.

Obstacles

There is currently no pertinent information.

Administrative Update

During the pre-mobilization process the PD and DPD moved swiftly to accomplish the following:

1. **Program Office Premises:** The team identified a real state agent familiar with USAID requirements. After visiting several potential premises, a house was chosen that conforms to a majority of the needs and requirements (size, location, functionality) of the Program. Nonetheless, several structural modifications and improvements were requested to the landlord to fully comply with the program needs and requirements. With the advice and concurrence of headquarters, a contract was negotiated. The house is scheduled to be ready the week of 17-21 of October. In the meantime, the Program is operating at two offices rented at Hotel Princess Hilton, where meetings and interviews have taken place.

2. Legal Services: The Vidaurre and Alegria Legal Firm (V&A) was identified and hired to handle all legal matters such as the registration of C&A in El Salvador, and the preparation of all legal documentation to comply with the local laws. V&A has also provided support in the recruitment process. In addition, the Program Bank account was established at Banco Cuscatlan to handle all financial matters in El Salvador. A meeting was held with the V&A legal advisor to review all tax laws and charges applicable to the program. A Conference call was held between C&A Attorneys in Washington, and Attorney Paula Berdugo from V&A to discuss future permanent and exclusive services for CAM/ES under a retainer program.

3. Recruitment: The PD and DPD revised and adapted the local staff vacancy announcements; revised and adapted existing generic job descriptions to the country-specific needs for all the positions available. They drafted vacancy announcements and published them in two major local newspapers during a 3-day period. Over 200 applications and CVs were received for the advertised positions. Applications are currently being reviewed and categorized, and appointments are being scheduled for potential candidates. Interview schedules are made for the positions of Driver/Messenger, Secretary/Receptionist and Administrative Assistants. HQ is doing the final negotiation with the selected candidates

4. Furniture, Computers and Services: The PD and DPD elaborated a specification sheet and directly invited five major suppliers of U.S. manufactured goods to provide proposals for the procurement of furniture, computers, and services. Local temporary transportation and clerical services were hired for the pre-mobilization period. PD and DPD returned to headquarters to receive financial training and information on general guidelines.

GUATEMALA

The principal technical achievements include:

1. The development, negotiation, approval and signing of four grants to civil society organizations aimed at improving the role of CSOs in promoting transparency and fighting corruption.
2. The Program has committed 90% of total funds earmarked for awards to CSOs.
3. The grants and actions displayed by civil society have already had positive impacts in the areas of government procurement, in helping define the recommendations of the IACC Committee Experts for the Government of Guatemala and in promoting the passage of freedom of information legislation.
4. Greater awareness of IACC commitments as evidenced by press releases and public statements. Progress was made in policy dialogue with the Congress, the Office of the Presidential Commissioner for Transparency, and the Judicial Sector to advance reform agendas and sign letters of commitment to serve as a basic framework for Program assistance to these institutions.
5. Better knowledge and better information to define and implement improved transparency policies and strategies obtained through the development of indexes and evaluations
6. New techniques and methodologies to keep track of progress on transparency are being discussed.

Obstacles

1. The FY 2005 Work Plan was overly ambitious in proposing too many activities.
2. Lack of definition of GOG plans for transparency and implementation strategies.

3. Inability to develop and present clearly defined activity proposals
4. Institutional weakness due to unstable labor conditions, lack of resources, political issues, etc

PANAMA

The principal technical achievements include:

1. Reached cohesion among members of the National Anticorruption Council around common goals and objectives by finalizing and obtaining approval of their strategic plan.
2. Redirected the actions of NAC's Executive Secretariat to a preventive approach and strengthened its research and analysis capacity by exposing its staff to international best practices and continuous training and orientation.
3. Expanded cooperation links to other GOP agencies, mainly the Office of the Comptroller General, where the Program began concrete training initiatives and drafted a comprehensive support strategy.
4. Launched a small grants program, which proved to be instrumental in inserting citizen-driven initiatives on transparency and accountability in the judicial reform process.
5. Obtained preliminary GOP support and began adaptation of a tool to assess transparency and efficiency at the institutional level (National Integrity Index).
6. Coordinated with GOP agencies, civil society and other donors in the organization of a nationwide anticorruption awareness effort (National Transparency Week).
7. Stimulated the participation of the National Bar Association in a project to control prerogatives and privileges bestowed on high-level GOP officials in the three branches of government. Furthermore, the National Bar Association contacted and obtained early commitments by a few members of the National Assembly to adopt and promote their recommendations on the subject matter.

Obstacles

1. Anticorruption policies and actions were placed second to other priorities by some of the members of the National Anticorruption Council, which in practice slowed down its work significantly. This experience taught the Program to diversify its actions outside beyond just one entity.
2. There were signs of fading political will as shown by the lack of adequate financial support to the National Anticorruption Council.

NICARAGUA

The principal technical achievements include:

1. Negotiations were completed with Grupo Civico Etica y Transparencia, representative of Transparency International in Nicaragua, for activities in the area of monitoring the execution of the budget in five selected municipalities. With the technical concurrence of USAID a Grant Agreement was signed with the organization in September 2005.

2. Program-funded activities were initiated at the municipal level with the first phase of execution of a participatory budget project in the city of San Marcos. Continuation and expansion of this project was nearing final negotiations with CSO Grupo FUNDEMOS at the close of the quarter and a request was submitted for technical approval for a second Grant Agreement.
3. Program provided short-term training course to a group of young leaders active in various civil society coalition efforts
4. Conducted a one day forum on the theme of political party finances in cooperation with international as well as local organizations

Obstacles

1. Absence of a consensus on a national anti-corruption/transparency strategy
2. The Good Governance Table is currently inactive