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**Americas' Accountability/Anti-Corruption Project
Quarterly Performance Report
October-December 2005 (1st Quarter FY06)**

**Submitted to
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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 Grant/Elite Corruption

Environmental 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.

The following activities have been completed during this quarter:

1. A two-day workshop sponsored by SPDA and USAID was held on September 29 & 30, 2005 in Iquitos, Perú. Two individuals from IDEA/Paraguay traveled to Iquitos to attend this workshop. The primary objective of the workshop was to standardize criteria for implementation of forestry regulations and expand understanding among prosecutors, judges, business people, and NGOs of the administrative and judicial procedures associated with environmental protection.
2. Development of a methodology to monitor and track corruption cases in the environmental sector in Paraguay, with assistance from SPDA. Two individuals from SPDA traveled to Paraguay to provide technical assistance to IDEA on a) the development of the methodology to track corruption cases in the environmental sector and b) strategies to obtain information from public officials involved in these cases.

The following activity is planned for the next quarter:

1. Submission of a report on the weaknesses of the normative framework in Paraguay that create opportunities for corruption in the environmental sector and proposed amendments to the framework.

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. To this end, CTC will develop a methodology to monitor sources of campaign contributions and expenditures and will report its findings to the public. Political Party and candidate activities will be posted on the *votebien.com* website.

The following activities have been completed during this quarter:

1. Submission of the report on the technical redesign of the *votebien.com* website.

The following activities should be realized in the next quarter:

1. Submission of the description of the methodologies developed to monitor campaign contributions and expenditures and the funding of political parties.
2. Begin posting information on the website and continuously updating the website as more information is collected.

Government Official Immunity/Impunity

The following activities have been completed during this quarter:

1. 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. The individual country analyses were combined into a single document that served as the foundation for discussion by participants in an USAID/AAA-sponsored international conference that was held, October 24-26, 2005 in Lima, Peru. Conference participants included constitutional lawyers, invited legislators and journalists who examined needed legal reforms and obstacles to achieving those reforms.

The following activities are planned for the next quarter:

1. Final proceedings of the conference will be edited and widely distributed among interested parties including legislative bodies, civil society and the media.
2. Based on conference recommendations, IABF will be working in two focused countries where the need for reform appears to be most urgent, Panama and Guatemala. Working with Civil Society organizations, Bar Associations, the Media, and Academics they will attempt to propose reforms to deal with the immunity regime in each country.

Increasing Transparency in Political Party Finance—Peru

The following activities have been completed during this quarter:

1. Development of a diagnostic of financial resources management under existing legal regulations.
2. Assisted political parties in drafting proposals to bring their internal regulations in compliance with “Ley de Partidos Políticos” and “Reglamento de Supervisión de Fondos Partidarios”.
3. Prepared manuals on political party financial management and internal control.
4. Organized training workshops for political parties in the area of financial resources management.

The following activities should be realized in the next quarter:

1. Hold an international workshop focused on experiences in political party financial resources management.

2. Improve Approaches to Reduce Administrative Corruption

Repatriation of Assets from Corrupt Activities—Ecuador

The following activities have been completed during this quarter:

1. *Corporación Latinoamericana para el Desarrollo* (CLD) began reviewing Ecuadorian legislation to assess its compliance with requirements of the Inter-American Convention Against Corruption (ICAC).
2. CLD organized three workshops with a technical team from the Fiscalía General de la Nación (Attorney General’s Office) to develop amendments to Ecuador’s legal code to comply with the ICAC.

The following activities should be realized in the next quarter:

1. CLD will submit a report on the results of the second workshop, including the Reform Proposal and the “policies and procedures manual.”
2. CLD will submit a draft report, which will include documents and other materials produced on the Reform Plans, a description of activities and results achieved, lessons learned and recommendations for follow-on activities.

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

Assessing Costs of Corruption Survey—Bolivia

Final results of the Costs of Corruption Survey were released to the public on November 22, 2005 in the cities of La Paz, Cochabamba, and Santa Cruz, Bolivia. The release of the survey results has drawn vast interest from the public, both nationally and internationally. Specific

opinion columns, press releases, editorials, television programs, and radio programs covered the results of this survey. Results of the survey were also televised at the national level through roughly twelve television channels (examples include La Razón, La Prensa, El Diario, Jornada, El Mundo, and La Patria) and internationally through CNN. Several institutions that were seen as highly corrupt in the survey announced that they were changing some of their practices.

Lessons Learned from Social Auditing Experiences: Peru, Guatemala, and Bolivia

Final drafts of two documents analyzing social auditing experiences were produced in, November 2005 and December 2005. The first document examines six social auditing experiences in Bolivia and draws lessons learned for replicating similar activities in the future. The conclusions of this document were used in a training workshop with Civil Society Organizations in Bolivia in December, 2005. This document is currently being translated into English and will be widely distributed throughout the region.

The second document examines three social auditing experiences, two in Guatemala and one in Peru. The novelty of this document is that it compares and contrasts three social auditing initiatives that monitored government performance at the municipal, the provincial, and the national levels of government. It discusses the enabling conditions as well as the obstacles that confronted these social auditing initiatives and draws lessons learned for the replication of these experiences in the future. This document will be widely distributed throughout the region.

The following activities should be realized in the next quarter:

1. Publish report on social auditing experiences in Bolivia.
2. Publish report on social auditing experiences in Guatemala and Peru.

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

Mainstreaming USAID Mission Anti-Corruption Programming—Nicaragua

USAID/AAA presented the Mainstreaming Anti-Corruption Thinking and Programming workshop to the members of the Nicaragua Mission and Embassy staffs on November 16-17, 2005. The objectives were to:

- Deepen mission and embassy staffs' understanding of corruption and its countless manifestations, and
- Increase capacity to plan and implement cross-sectoral anti-corruption programming.

Participants

Participants included 34 USAID and Embassy staff, from a wide complement of sections and sectoral teams and one USAID contractor. From the Embassy, nine members including five section heads attended all or part of the sessions. The Political, Economic, Public Affairs, RLA and DAO sections were represented. In addition, the Ambassador attended the afternoon session of the second day and the DCM attended intermittently during both days. From USAID, 23 staffers including four Office Directors attended all or part of the sessions. Participating USAID Offices included: the Office of Democratic Initiatives (SO 1), the Trade and Agribusiness Office (SO 2), the Human Investment Office (SO 3), the Office of Strategic Management and Assessment, the Office of Finance and the Executive Office.

Workshop Design and Content

For the workshop agenda, USAID/AAA designed two types of sessions: generic presentations, appropriate for missions worldwide, on the language and characteristics of corruption and the *USAID Anti-Corruption Strategy*, and sessions specific to the mission's country plan and strategic objectives.

Observations and Participant Evaluations

1. The Acting USAID Mission Director strongly endorsed the workshop in her opening remarks by urging participants to utilize the workshop as a first step in developing approaches for mainstreaming anti-corruption activities throughout the Mission portfolio.
2. Strong support for the objectives of the workshop was also demonstrated by the presence of the DCM, five Embassy Section Heads and the Acting USAID Director at the opening sessions of the workshop as well as the attendance of the Ambassador, DCM and other key members of the Country Team at the closing session.
3. After the session on managing mainstreaming, the Ambassador, DCM and the Acting Mission Director spoke of the need to mainstream anti-corruption initiatives at the country team level and to explicitly include mainstreaming anti-corruption initiatives in the Mission MPP.
4. Some participants remarked that the workshop was very useful in galvanizing the country team to integrate anti-corruption efforts.
5. Several participants remarked that the workshop was useful in highlighting the importance of an Embassy-USAID network of colleagues to work together to tackle the corruption issue in Nicaragua.
6. A few Embassy participants mentioned that the workshop was useful in familiarizing them with the USAID Nicaragua program in general and specific USAID anti-corruption activities in Nicaragua.
7. Several participants spoke of the need to provide similar workshop training on anti-corruption to our partners in the GON, NGO's, media and USAID contractors.
8. Overall, the workshop was rated between good and excellent or 4.6 on a scale of 1-5 with 5 being excellent.
9. The workshop was held in the USAID Office Building instead of an off site location. To some extent proximity to their offices was a factor that encouraged many USAID participants to shuttle back and forth between their office and the workshop.

Recommendations:

1. The USAID Democratic Initiatives Office has taken the first steps in building an Embassy wide anti-corruption network. We believe that this effort should be continued and formalized.
2. In order to increase attendance, a notice describing the workshop, its objectives and a draft agenda should be circulated to the Embassy and USAID staff at least two weeks before the workshop start date.
3. Missions should strive to hold training workshops at off site locations.

The success of these workshops (so far USAID/AAA has conducted three anti-corruption mainstreaming workshops in El Salvador, Nicaragua, and Guatemala) has generated interest from USAID/Missions outside the Latin American and the Caribbean Region. Casals and Associates, Inc. received a request to conduct an anti-corruption mainstreaming workshop in Mozambique. This USAID Mozambique funded workshop is planned for the next quarter.

Transparency and Accountability Newsletter

In December, the project published the third issue of the bilingual (English/Spanish) newsletter. Articles reported on:

- Mexico-Designed Index Pegs Cost of Corruption for Bolivia Citizens
- Immunity Reform in Latin American Countries
- Latin Leaders' Legal Escape Hatch
- Corruption Still Rampant in 70 Countries- TI Corruption Perceptions Index 2005 Reveals
- First Global Convention against Corruption to Enter into Force
- World Bank Identifies Governance Indicators for 209 Countries

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.

“Thanks! I have just finished a large evaluation of the donors' anti-corruption knowledge management. I am pleased to report that Respondanet is certainly a best practice. Keep up the good work!”

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