



**USAID**  
DEL PUEBLO DE LOS ESTADOS  
UNIDOS DE AMÉRICA

**INDEFINITE QUANTITY CONTRACT DFD-I-00-03-00139-00**

QUARTERLY PERFORMANCE MONITORING REPORT NO. 12  
PERIOD COVERING JANUARY 1, 2007 TO MARCH 31, 2007

Submitted to:

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## **I. General Summary**

This quarterly report for January 1 – March 31, 2007 is being 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:

<b>Task Order No./Country/Project Title</b>	<b>Start Date</b>	<b>Estimated End Date</b>
DFD-I-00-03-00139-00: Strengthening Government Integrity to Support Malawian Efforts to Rollback Corruption and Encourage Fiscal Responsibility	4-1-2006	3-31-2008
DFD-03-03-00139-00: Central America and Mexico (CAM) Transparency, Anti-corruption and Accountability Program	01-24-2005	03-29-2009
DFD-I-00-03-00139-02: Impunity Threshold Country Program (Paraguay)	5-30-2006	5-29-2008
DFD-I-00-03-00139-00: Transparency and Citizen Action Program (Dominican Republic)	06-01-2006	09-30-2007
DFD-I-00-03-00139-00: Order number 802: Rule of Law Program (Albania)	07-01-2004	06-30-2007
DFD-I-00-03-00139-00: Order number 226: Madagascar Anticorruption Initiative Program	10-1-2006	09-30-08
DFD-I-00-03-00139-00: Africa Mainstreaming Anticorruption Activity	9-11-2006	09-10-2007
DFD-I-11-03-00139-00: Europe and Eurasia Mainstreaming Anticorruption Activity	9-30-2006	5-29-2007

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

Below are the main accomplishments of each of the above-listed Programs for this quarter.

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**Task Order No. DFD-I-00-03-00139-00****Strengthening Government Integrity to Support Malawian Efforts to Rollback Corruption and Encourage Fiscal Responsibility**

Below are the Program's main achievements for this reporting period.

***Task 1 – IFMIS for the GOM***

The awarding of six IT contracts, management of different vendors and deployment to national institutions is a major achievement.

In particular, the Hot Disaster Recovery Site is a particularly complex technical project. This project also has high political visibility and international donor interest from the World Bank and IMF due to the mission critical nature of the IFMIS application.

***Task 2 – Professionalizing Public Procurement in the GOM***

Two IPC training workshops were completed in March 2007, participants from both training sessions viewed the courses as extremely beneficial. C&A also supported one member of staff from ODPP to attend a training course in Mombasa, Kenya.

During March, C&A coordinated a study tour to Canada to learn best practices for SMEs in public procurement. The response from the tour was overwhelmingly positive.

Following a study tour to the University of Bolton and Makerere University, to assist with the development of a bachelor's degree in procurement and supply chain management for the University of Malawi's Polytechnic, the task force met in February 2007 to finalize the degree's curriculum. The Polytechnic is currently waiting for the University Senate to approve the curriculum.

***Task 3 – Strengthening the Capacity of the NAO***

The induction course for the interns proved to be a success and enabled a smoother integration within the NAO.

102 NAO staff members underwent Microsoft application training courses, conducted by MCA, from January to February, 2007. The feedback from the course was positive and has increased computer literacy, leading to improved effectiveness and efficiency of NAO operations. NAO staff, in addition, attended a training course in procurement auditing, which was run by Crown Agents. The training course was deemed to be a success and NAO will, as a result of the training, develop a procurement audit approach to be integrated in the overall audit methodologies.

***Task 4 – M&E of GOM implemented projects as a deterrent to corruption***

M&E staff from all of Malawi's 40 local assemblies attended a one-week training course on MS Access and the M&E Database.

C&A has overcome the challenges faced in commencing activities with MEDP and other GOM partners who share the responsibility for M&E of GOM implemented projects. MEDP and C&A successfully implemented all planned activities during the quarter. Implementation of Task 4 is now on-track. C&A expects to implement the activities under this task and meet, if not exceed, all the agreed upon targets.

***Task 5 – Building Legal Skills Capabilities***

After some delay, during this quarter the consultant for developing training material came on board and commenced the development of training material. C&A also met with all the trainee organizations and

Chanco to complete a training schedule that will enable the commencement of training programs during the next quarter.

The interns were integrated into the MOJ and C&A supported an induction course, in addition to developing a participatory program of skill building for the new lawyers.

***Task 6 – Professionalized Media as a Tool of Aggregation of Opinion, Analysis, and Dissemination of Information***

C&A has successfully supported the reformation of the Media Council and saw the resuscitation of the Media Council of Malawi at a stakeholder’s conference that was financed by C&A. The meeting also adopted a Constitution for the Media Council of Malawi and elected a National Governing Council. This was a great achievement since the Media Council of Malawi had been inactive for over five years.

***Task 7 – Journalists and Media Professionals Better Prepared to Report on and Analyze Corruption and Exercise Oversight***

C&A/IFES training in investigative reporting had immediate results with journalists demonstrating their renewed commitment and ability to cover corruption stories.

***Task 8 – Civil Society Integration into an Anti Corruption Campaign***

After a lengthy USAID-compliant grant making process, C&A awarded six grants during the quarter. The grants awarded will result in a diverse range of anti-corruption activities being implemented throughout Malawi. The six CSOs which received grants began implementation during the quarter and one additional grantee reached the award phase. Grantees will implement activities including anti-corruption campaigns which target a specific issue and location; radio programs on corruption to be broadcast in local languages throughout the country; and training and civic education campaigns targeting youth, rural communities and civil society organizations.

C&A/IFES disseminated the results of its corruption perceptions survey in Lilongwe, Mzuzu, and Blantyre. The dissemination meetings were organized as focus-group discussions and C&A/IFES invited representatives from the MCC Initiative partners, GOM entities, international donor community, civil society organizations, and the media to participate. Most meetings included small groups, which allowed for greater discussion among attendees. As such, dissemination meetings provided an excellent forum for sharing ideas about what the country as a whole and individual Malawians can do to fight corruption.

***Task 9 – Credit Ratings as an Indicator of Malawi’s Fiscal Management and Anti-Corruption Success***

C&A and the MCC OTA role in the preparation of GOM for the positive FITCH credit rating review have received wide recognition.

The March Sovereign Credit Rating Dissemination Conference was a unique event with representation of key stakeholders from the GOM, Reserve Bank, Parastatals, the media, civil society, World Bank, IMF, other Donors and the Financial and Business Community.

It was well attended with active participation of stakeholders at the plenary session.

***CHALLENGES***

***Task 1 – IFMIS for the GOM***

The CDW procurement was intended to fast track procurement for the Treasury Budget Training Lab. This procurement took longer than anticipated and required considerable follow-up to ensure all items that were ordered were received and were according to specifications e.g. software and printers.

The installation of the equipment has also taken longer than anticipated due to slippages of the rehabilitation of the lab facilities funded by the EU and carried out under the Ministry of Public Works.

Overall this large IT procurement requires considerable coordination and support both to vendors and national institutions.

***Task 2 – Professionalizing Public Procurement in the GOM***

There has been a significant increase in demand for Internal Procurement Committee (IPC) training, however, given budget constraints C&A may not be able to satisfy the requirements requested by ODPP.

The late submission of IPC training budgets from ODPP has delayed the coordination of workshops, as budgets first need to be approved by USAID before training sessions can be arranged and coordinated by C&A.

***Task 3 – Strengthening Capacity of the National Audit Office***

Three interns resigned from the NAO due to disagreements with their supervisors. This matter has been discussed with NAO management and they are committed to ensuring a smooth integration of interns within NAO.

***Task 4 – M&E of GOM implemented projects as a deterrent to corruption***

No challenges to report from the last quarter.

***Task 5 – Building Legal Skills Capabilities***

The death of Mr. Alex Maluza set back coordination at the MOJ for a few weeks while new contacts were built with the Deputy. The change of administration at Chanco was a challenge which was turned in to a positive factor due to Prof. Kanyongolo's introduction of C&A to the Deputy Dean who was appointed Dean.

The confirmation of interns as full employees posed a difficulty to the other organizations who were awaiting lawyers as interns. C&A is now working with Chanco to place 3<sup>rd</sup> year law students as interns during their vacation.

***Task 6 – Professionalized Media as a Tool of Aggregation of Opinion, Analysis, and Dissemination of Information***

The Media Council of Malawi is yet to start working fully since there has been no seed funding remitted to the Council. There have also been delays in donor support towards the formation of the Media Council of Malawi Secretariat.

***Task 7 – Journalists and Media Professionals Better Prepared to Report on and Analyze Corruption and Exercise Oversight***

Logistics for training sessions continued to be complicated in planning for training sessions due to confusion regarding the roles and responsibilities of C&A and IFES.

***Task 8 – Civil Society Integration into an Anti Corruption Campaign***

The primary challenge C&A has experienced during the grant making process is that many of the CSOs under consideration have reasonable technical capacity but require support and training on proposal and budget preparation as well as development of financial and administrative systems which are of USAID compliant.

***Task 9 – Credit Ratings as an Indicator of Malawi's Fiscal Management and Anti-Corruption Success***

No challenges to report.

## ***PLANNED ACTIVITIES FOR 3<sup>rd</sup> Quarter 2007 (April – June, 2007)***

### ***Task 1 – IFMIS for the GOM***

- Continue to oversee the procurement activities to ensure compliance with the contractual arrangements, approval of payments and support deployment to national institutions.
- Continue to support Treasury-Budget Department with the installation of the equipment for the training lab including getting replacement printers from CDW
- Support AG in assessing supplementary needs related to the IT procurement such as training, additional equipment etc.
- Monitor the need for VPN connectivity inline with World Bank procurement for the Government Wide Network(GWAN)
- Finalize procurement for the HOT Disaster Recovery Site
- Assess the IT requirements (for the Public Sector Investment Program Database PSIP), procurement and support implementation for the Ministry of Economic Planning and Development

### ***Task 2 – Professionalizing Public Procurement in the GOM***

- Finalize two IPC training workshops in Mzuzu and Blantyre
- Complete Canada Study Tour Report
- Initiate procurement process for Polytechnic Library books
- Conduct a month long training course for procurement professionals
- Provide sponsorship for short courses at ILO Training Centre for one member of staff from ODPP

### ***Task 3 – Strengthening the Capacity of the NAO***

- Conduct auditing sampling training.
- Support induction course for 50 assistant auditors.
- Finalize payments of subscription fee to INTOSAI
- Arrange public Audit Act sensitization meeting
- Organize secondments of deserving auditors to South Africa and other Supreme Audit Institutions, and start sponsoring such Auditors for secondments.
- Complete arrangements for specialized audit training, such as IT auditing, investigative auditing and performance auditing, with African Organizations of Supreme Audit Institutions (AFROSAI).

### ***Task 4 – M&E of GOM Implemented Projects as a Deterrent to Corruption***

Following C&A's planning meeting and subsequent meetings with MEPD's Directors of M&E and Development, C&A's Deputy Chief of Party/Training and Capacity Building Specialist will provide updated information to the Steering Committee on MCC Initiative plans to provide support to strengthen the national M&E system through March 2008.

C&A's Deputy Chief of Party/Training and Capacity Building Specialist will attend the April Steering Committee meeting. The Steering Committee oversees and provides technical direction to MEPD regarding the implementation of the Road Map. The close coordination and regular communication among funding partners and MEPD, through both Steering and Technical Working Committee meetings has minimized the chances for overlap and created inter-donor synergies.

- Provide technical and financial support to MEPD and MLGRD to provide refresher training for M&E Officers and Data Clerks on the MS Access database.
- Underwrite the costs of sending up to five people for training on development program/project evaluation.
- Provide training to the heads of planning in sector ministries on budget development in-line with the PSIP and the GOM's current development priorities as articulated in the MGDS.
- Provide refresher training to the directors of planning from the local assemblies on budget development in-line with the PSIP and the GOM's current development priorities as articulated in

the MGDS. This training will build on the lessons learned and needs identified during the training conducted in December 2006.

- Finalize the recruitment of an IT Specialist, who will be based at MEPD.
- Provide technical and financial support to MEPD and MLGRD to conduct monitoring visits to the local assemblies and provide on-the-job training to M&E Officers and Data Clerks.
- Develop IT specifications for equipment required by the Development and M&E divisions of MEPD.
- Initiate procurement of required IT equipment.
- Engage an international consultant to provide technical assistance to MEPD to develop a communications strategy. This consultant will work closely with a local consultant that the UNDP-managed basket fund will support.
- Attend Technical Working Committee and ad-hoc coordination meetings convened by MEPD.

***Task 5 – Building Legal Skills Capabilities***

- Commence training in legal skills for selected government institutions and trainings for new lawyers at MOJ.
- Purchase books and periodicals requested by the new lawyers at MOJ.
- Complete the updating of the Administrative Law Manual, as well as training material on other topics.
- Begin the Clinical Legal Education Program at Chanco.
- Assist Chanco to identify at least 5 test cases for documenting wastage of resources.

***Task 6 – Professionalized Media as a Tool of Aggregation of Opinion, Analysis, and Dissemination of Information***

- Organize a strategic planning process for the Media Council of Malawi.
- Provide technical support and training to the Media Council of Malawi secretariat, to ensure that it is self-sustainable.
- Support lobbying for the passage of the Access to Information Act and changes in other media-unfriendly laws.

***Task 7 – Journalists and Media Professionals Better Prepared to Report on and Analyze Corruption and Exercise Oversight***

- Coordinate training for journalists at MANA and follow-up sessions for specialization in investigative journalism.
- Organize public debates on the consolidated efforts by the media and other stakeholders against corruption.

***Task 8 – Civil Society Integration into an Anti Corruption Campaign***

The Project Coordinator will maintain regular communication with the grantees on their activities and implementation to ensure any implementation challenges are overcome and the grantees proposed timelines are maintained.

- Conduct monitoring visits to all grantees.
- Award a grant to OCGAM.
- Review proposals and budgets and provide feedback to the four new grantees under consideration.
- Award additional grants and commit all of the resources in the task order for small grants.
- Request and review narrative and financial reports from grantees as their activities are successfully implemented.
- Organize first quarterly grantee meeting.
- Update small grants database.

- Produce and send letters to all unsuccessful applicants from the second review of applications.
- Finalize the survey report with recommendations discussed during dissemination meetings and include charts on all survey questions.
- Engage an international consultant to provide technical assistance to the ACB to develop a communications strategy.

***Task 9 – Credit Ratings as an Indicator of Malawi’s Fiscal Management and Anti-Corruption Success***

- Assess further training support needed for the Reserve Bank of Malawi in preparation for the 2007 Fitch credit rating.

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**Task Order No. DFD-03-03-00139-00****Central America and Mexico (CAM) Transparency, Anti-corruption and Accountability Program**

Listed below are the major achievements for this quarter for the Transparency, Anti-corruption and Accountability (T/AC) Program:

**GUATEMALA**

- In compliance with Presidential Executive Order No. 535-2006, the Government of Guatemala had a "*Transparency Month*". Throughout the month of March, the Office of the Presidential Commissioner organized public presentations of the Government's accountability reports for 2006. This activity turned out to be very successful achieving 45 (100%) accountability reports for the Central Government, and 22 (100%) accountability reports of the Departmental Governors.
- Acción Ciudadana presented results of the Access to Information Index on March 22<sup>nd</sup>. Results of this study show that six out of ten citizens obtain information requested only if the request has the support of a private entity. In the case of a personal request, access to public information is unlikely. The Executive Branch ranked better than the Legislative and Judicial branches, due to Presidential Executive Order No. 645-2005.
- In order to design the 2007 Budget Transparency Index, a work was held at Cartagena. Participating countries gathered to discuss and reach agreements on the methodology to use for the fourth edition of the Latin-American Index of Budget Transparency. They welcomed the newly participating countries in this activity and shared experiences to obtain the best results. A calendar and dates were set for all countries.
- Acción Ciudadana worked on a new improved index that will be used to award prizes to Government and State institutions that best use the Guatecompras procurement system. This index will be used to motivate institutions, promote better use of Guatecompras, strengthen access to information in the procurement system through the monitoring and identification of the institutions that best use this tool and identify poor practices in the public procurement processes.
- As of March 30<sup>th</sup>, Q2,578,000 has been procured through Guatecompras. To date, 94 entities from the central government, decentralized, autonomous and army institutions, use the system. At the central government level, there is 100% compliance with article 23 of the Procurement Law, and the Presidential Executive Order No. 52-97. At the municipal level there is a compliance of 95%, with 315 municipalities procuring through "Guatecompras".
- As a result of the social audit of small grants awarded to CSOs, on March 29, 2007 CODEFEM carried out the public presentation of the "Monitoring of the Implementation Process of the Gender Budget Classifier (Clasificador Presupuestario de Género-CPG-) in the Guatemalan General Budget of Income and Expenditures 2003-2005". With this public presentation, the project came to an end. Good results were accomplished. The main objective of CODEFEM's social audit was to get the Secretaría de la Presidencia de la Mujer (SEPREM)'s cooperation on designing the new 2008 budget, taking into consideration the social audit results and recommendations of the Clasificador Presupuestario de Género.
- On March 28, 2007, the Program Director and the Technical Assistant visited the facilities of the Asociación de Servicios Comunitarios de Salud (ASECSA) in Cobán, Alta Verapaz for a monthly

meeting. During this meeting, ASECSA handed over the "Strategic Plan of the Social Audit Commission of Alta Verapaz (Comisión de Auditoría Social de Alta Verapaz-CASAV-), one of the products linked to the expected results of the project.

- On March 20 Reed Dos Mil submitted the final draft of the "Public Investment Analysis Report". During a field visit, the Program staff made suggestions on improving it, and these suggestions were included in the final version issued on March 31, 2007. One result was that local community members in Jocotan are now a lot more responsive to the importance of access to information and citizen participation. One general social audit of social investments was done along with six others. Local authorities are more responsive to access to information requests, GOG institutions are open to discussing problems with the local population, and community members are aware of their rights and ready to work together. The Pact promotes accountability and access to information. It is expected that this Pact will be signed in late April.
- *The last Social Audit Report of the GOG Reconstruction Program was made public on March 14<sup>th</sup> by Accion Ciudadana. The report showed an increase in the housing petitions list of the families affected by the hurricane. At first the number of families to be compensated was 13,558, but by November 2007 there was an increase of 8,496 families.*
- Acción Ciudadana's major concern was the sudden increase, and given the upcoming 2007 elections this increase could be due to political clientelism, which is one of the mechanisms used to try to influence voting decisions in favor of the official political party.
- A letter of understanding was signed among the Comptroller General, Transparency Commission of the National Congress, the Executive Branch (through the Transparency Presidential Commissioner) and the Coalition for Transparency. The agreement stated that an operational plan should be developed to strengthen the Comptroller General's Office.
- In addition, 30,000 copies of the executive summary of the proposal for strengthening the Comptroller General's Office were also printed and disseminated through "el Periódico" on the 18<sup>th</sup> of March. The proposed plan has been used as a foundation for discussing the Comptroller General's Operational Plan that is currently being debated.
- In order to promote awareness and understanding of the UNCAC, the T/AC Program supported three workshops with officials from the Public Ministry, the central authority for the UNCAC. At least one hundred officials attended the trainings. Five more workshops are scheduled to be carried out with the Public Defensory and one more with the Landivar University Law School.
- The "Diagnosis and Fondo Nacional para la Paz (FONAPAZ) Transparency Plan" ("Diagnostico y Plan de Transparencia del Fondo Nacional para la Paz") was made public by Acción Ciudadana, with T/AC Program assistance, on February 8th. This publication contributes to the awareness of transparency, to supporting the efforts of GOG institutions, and to strengthening civil society's contributions in order to make an impact on public decisions. A total of 79 people attended the presentation and it received extensive media coverage.
- One highlight from this event was the presentation of the "complaint system" implemented by FONAPAZ. Through this system the public will be able to make official complaints and track them. It is important to mention that all complaints can be placed at the regional offices, by telephone, through the website and by mail. All complaints will be uploaded on the FONAPAZ and anyone can have access to this information and the processes given to each complaint. .
- The Coordinadora Sí Vamos por la Paz (COVAPAZ), a coalition of various CSOs, presented its final report on the proposal for the "Citizen Participation in the Social Audit Law". This proposed law is

related to the OAS Committee of Expert's recommendations to enlarge and encourage civil society participation.

- On March 12 CentraRSE submitted a draft of the sectoral ethics code for the Chamber of Construction. The methodology implemented was based on the identification of moral values and its application through specific actions. The draft also mentions the importance of conducting businesses in a more transparent way. The Chamber of Construction continues discussing its implementation and its follow-up activities.
- In addition, CentraRSE, as the ethics code leader, carried out a workshop on February 28, 2007 on how to use the Ethics Code Guide. During this workshop, an agreement was signed by all participants, such as Olmeca, Sugar Mill San Diego, Nuestro Diario, Chamber of Construction, etc. to develop ethics codes within their own sector and companies. This agreement will encourage them to develop their own ethics codes, once the training is completed.
- There has been a significant increase in corruption-related reports since the previous quarterly report, covering the period from October through December. It is important to mention that during this quarter, a campaign was initiated by *miPeriódico* in order to promote and sensitize the Guatemalan citizens about the importance of denouncing petty corruption cases through *miPeriódico*. As a result, the number of people registered on the *miPeriódico* blog and the number of visits made to the website were significantly increased.
- As mentioned, the T/AC Program signed a subcontract with IFES for them to support the Supreme Electoral Tribunal (TSE) on the ruling of the political party financing. The proposed ruling was delivered to the TSE during the reporting period. In January, the TSE approved the political party financing ruling taking into consideration the recommendations that they were given. The TSE has planned to start training political parties on this ruling and has set up a calendar for political parties to submit specific reports.

## **PANAMA**

- Obtaining the approval by the National Assembly of most of the Program's suggested reforms to criminalize, in the new Penal Code, the various modalities of corruption set forth by international anticorruption conventions. This activity was conducted in close coordination with civil society organizations and the Attorney General's Office.
- Assisting the Civil Service Directorate in the design of a job description model and salary tables for the public sector.
- Launching a project to revamp the institutional structure and civil service practices of the National Tax Directorate.
- Promoting compliance with the UN Convention against Corruption in several fronts. This implied holding an international videoconference (Panama, El Salvador, Guatemala and Austria) on the results of the first Conference of the States Parties to the UN Convention against Corruption (UNCAC), held in Amman, Jordan.
- Advancing the process to set up a single and revamped entity at the Attorney General's Office responsible for prosecuting high profile corruption cases. For instance, the Program completed a Course Certificate (Diplomado) on the Criminal Prosecution of Corruption for the member of its staff.

It also drafted new internal procedures and an investigations manual to match the requirements of the new Anticorruption Investigations Unit.

- Advancing the project to “Detect, Prevent and Punish Corruption” at the Judicial Branch, which will result in the adoption of an Anticorruption Plan for the Judiciary and its eventual execution.
- Securing monetary and in kind contributions from the private sector in connection with the launching of the GDA program in Panama. Overall, the Program expects to raise about \$580,000 in in-kind or financial contributions from the private sector.
- Advancing citizen participation in social auditing at the local level by supporting the activities of the Ngob-Bugle Anticorruption Council.

## **NICARAGUA**

A second Transparency Forum was held on the “Investigation of Corruption Cases: Where are we and Where are we Going?” Experiences from Bolivia, Mexico, Panama, and Peru were shared. Panelists were José Ugaz, Peruvian penal lawyer who tried the Fujimori-Montesinos Case; Eduardo Flores-Trejo, USAID Panama/Transparency Program Director; Lola Araujo, DR USAID/Transparency Program Director; Samuel González, former Mexican Chief of Prosecutors against Organized Crime; and Sergio Cuarezma, Nicaraguan penal lawyer. Main results: (1) obtaining high motivation and interest from national actors, including media, in the investigation of corruption cases; (2) high motivation and interest from local participants to replicate the Anti-Corruption Task Force initiative that was launched in Bolivia under an USAID Project and that is now in the early stages of implementation in Panama; also being sponsored by USAID; and (3) an aide memoir with conclusions and next steps that emerged from the Forum.

The First Phase of the Citizenship for Transparency in Politics Coalition (*Ciudadanía por la Transparencia en la Política*), comprised by *Hagamos Democracia*, FVBCh, IPADE, FUNDEMOS, and EyT; will be finalizing their period of project implementation on April 30, 2007. The focus of the Second Phase which will start on May 1 will be on reform. That is, generating concrete proposal to reform key aspects of the electoral law that have to do with money in politics, such as putting limits to donations, regulating private financing, and regulating anonymous donations. Main results so far: (1) placed political party finance monitoring on the public agenda; (2) increased awareness of the need for legal reform in this area; (2) engaged youth in the topic; (3) produced manuals for political finance monitoring; and (4) strengthen civil society coalition.

## **EL SALVADOR**

- Openness of the Supreme Court of Justice to work with the program in issues of Justice System Ethics, Transparency Indicators and Justice Administration.
- Delivery of the Ethics Training Module for the CNJ and its acceptance by the Council members.
- The study to diagnose the transparency in the local government sector completed and distributed among various municipalities
- MOU signed with COMURES to provide technical assistance for the dissemination of the new Municipal Code Title IX.
- The TOR for the harmonization of the Municipal Framework and the Dissemination Plan completed.
- In coordination with RECODEL, promoted and improved civil society support on the Law for Territorial Ordering and Decentralization.

- Under the Coalition Plan approved by USAID, formation of two coalitions, one on Decentralization and another integrated by Consumer Defenders Associations in progress with the support of the TAG Program.
- Promoted the follow-up by GOES and Civil Society for the preparation of independent report on the ICAC implementation.
- A new round of Small Grant Fund completed with 30 proposals received.
- Grant awarded under the first round implementation successfully in progress.
- The Program has achieved great visibility in the area of Public Awareness on Ethics, Transparency in Local Government and Access to Information.
- More openness of the Executive Body on Access to Information.
- Due to the support of the TAG Program, the TEG has gained visibility across sectors.

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**Task Order No. DFD-I-00-03-00139-02**  
**Impunity Threshold Country Program (Paraguay)**

Progress toward achieving goals and objectives of the Threshold Program during the quarter covered by this report has been significant in most Components. Only Component 5 has not experienced any progress, especially as it relates to work with Congress. Despite a few delays and obstacles which are beyond the control of the Program, the other Components are performing as expected according to the Work Plan and the Operational Plans. To date, almost all baselines and diagnoses of Components have been completed and work concentrates on implementation of reform processes.

At the same time, some important achievements during this quarter deserve to be mentioned. For example:

Component 1: Signing of an agreement between the Public Ministry (Office of the Prosecution) and the National Police. This is a benchmark in inter-institutional cooperation, promoted by the Threshold Program in order to improve investigative capability by the Public Ministry.

Component 2: Formulation of baseline and beginning of hiring process to implement reforms in the Sanctions and Disciplinary System of the Supreme Court of Justice.

Component 3: IFMS international RFP for agencies participating in this Component of the Threshold Program and their swift adoption of Codes of Ethics and Codes of Good Governance are important steps for the Program.

Component 4: Migration of the Supreme Court of Justice data base to the Registry of Motor Vehicles constitutes significant progress for this Component. Additionally, and as value added by the Program, the Department of Identification of Persons and the National Police are working in closer coordination with the Civil Registry in order to give better and more efficient service to the citizens in reference to issuance of IDs and birth certificates.

Component 5: In spite of the paucity of response from Congress, progress has been made in making civil society aware of the importance of the Executive adopting a budget with analysis by the Legislative branch, and of the budgetary process.

Some points deserve attention during the next quarter to ensure a prompt and efficient execution of the Program in its Fight against Impunity and Corruption. These points can be summarized thus:

- In order to advance on issues related to the forensic laboratory in Component 1, an Executive Decree is necessary to transfer ownership of the building from the Army Superintendency to the Public Ministry.
- In Component 2, hiring technical assistance to implement the Supreme Court of Justice control system is essential.
- An Executive Decree, showing the new roles of the Office of the Auditor General of the Executive (AGPE), is necessary to advance with assistance to the Office of the Auditor General.
- The Office of Identification of Persons must complete a draft of technical specifications for I.D.s, in order to hire technical assistance for the development of Terms of Reference (TOR) to issue international RFPs with the new format for I.D.s and passports. This lack of definition is creating delays in the execution of the Program, which could in turn delay reaching goals within established deadlines.
- Within Component 5, defining the line of action vis a vis Congress is necessary.

The Program will continue making its best effort to step up, without sacrificing quality or efficiency, the processes of implementation of reform of policies and practices in the public sector which are a part of the Threshold Program.

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**Task Order No. DFD-I-00-03-00139-00**  
**Transparency and Citizen Action Program (Dominican Republic)**

Below are the Program's main achievements for this reporting period.

**1. Awareness Campaign**

- Public bid for the contract of a public relations company was carried out and completed.
- A survey among 100 CSO Program partners was conducted to collect information for the definition of the concept and message of the mass media campaign.
- The Program collected information on other transparency campaigns conducted in the region.
- The Program recruited institutional sponsors for the awareness campaign: Coalición por la Transparencia y la Institucionalidad (CTI), Iglesia Católica, Iglesia Evangélica, Centro de Desarrollo de la ciudad de Santiago (CDES), and Foro Ciudadano.
- As part of the public relations strategy to recruit sponsors for the campaign's sustainability, the Program organized and conducted a meeting with the Private Sector in coordination with the American Embassy and the National Commission of Ethics and Fight Against Corruption. Mr. Ronald McLean Abaroa from the World Bank Institute was the guest speaker, and eighty people participated, including the Ambassador.
- A group of businessmen, well-known journalists and church leaders interested in taking action to promote transparency was created with the assistance of the Program. The group named itself Ciudadanos por la Transparencia. This group will assist the Program in providing leverage for the awareness campaign.

**2. Citizen Oversight ( Small Grants)**

- The Program held a two-day orientation workshop for CSOs on small grants. 144 members from 100 CSOs participated. The purpose was to inform the CSOs about the small grant eligibility requirements and to train them on the use of citizen participation tools. There were three international experts from Guatemala and Perú (José Pisconte, Roberto Landaverry and Milton Flores).
- Small grants 1<sup>st</sup> bidding process completed. 20 proposals were evaluated and 7 projects sent to USAID for award approval.
- Small grants 2<sup>nd</sup> bid invitation was published.

**3. Survey of Cost of Corruption in the Dominican Household**

- A Steering Committee for the monitoring and presentation of the survey was created (CTI, Iglesia Católica, Iglesia Evangélica, CDES and Foro Ciudadano).
- The planning phase of the study was completed (development of the hypothesis, questionnaire, definition of the sample, focus groups, etc).
- The field work completed (application of the questionnaire in the sample).

**4. Media Grants**

- A survey was done among various well-known journalists to identify opportunities for awarding grants. The results showed that journalists were not interested in grants. Instead, they would prefer to receive training in Investigative Journalism.
- Accordingly, there was a redesign of this component of the Program in coordination with USAID.
- Design of a training plan.

**5. Institutional Strengthening**

- Monitoring and evaluation system for the National Commission of Ethics developed and approved.
- Work Plan for 2007 for the National Commission of Ethics developed and approved.

- Completed a pilot activity of the verification of Assets Declaration in coordination with the Attorney General's Office.

## **6. Others**

- TDY assistance from HQs with the visit of Olga Nazario, Sally Taylor & Kerisha King.
- Visit of Supervisor, David Cohen.
- Development of a revised work plan for the Program, which was presented to USAID for approval.

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**DFD-I-00-03-00139-00, Order No. 802:  
Rule of Law Program (Albania)**

Below are the Program's main achievements for this reporting period.

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

During the third quarter of year 3, the following was accomplished:

- The final draft of the Regulation on the Verification of Complaints, produced by the Working Group, was sent for approval to the Minister of Justice and High Council of Justice. The High Council of Justice approved the new rules and integrated them in the internal Regulation of Inspection of the Council. The Ministry of Justice by letter, expressed the support for the process and commitment to adopt all the products of the Working Group. The Program was informed that the Ministry will adopt, as a single new regulation, all the documents produced by the Working Group. Consequently, this is expected to will take place after the finalization of the second regulation provided under the MoU.
- The Working Group is currently in the process of finalizing the second document foreseen in the MoU, i.e. the rules on "Thematic and General Inspection". The draft will be soon submitted to the High Council of Justice for approval, while it is expected that the Minister of Justice will approve it together with the first document produced by the Working Group, as explained above.
- The winner of the Small Grant Program for the inspection pilot project, a Consortium of NGOs represented by Institute for Parliamentary Studies, has started the implementation of the activities as planned. The analysis of the relevant legislation and regulations regarding the right of individuals to report cases to the inspectorates' offices has been completed. In addition, questionnaires regarding implementation of the right of individuals to complaint to inspectorates' offices have been distributed to interested parties and the information collected is being assessed. The next activities include the organization of several TV shows to discuss the conclusions of the surveys and legal analysis.

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

HIDAA continues to benefit from the technical assistance provided by USAID/Casals and is emerging as an important institution related to Albania's Strategic Plan for European Integration. For example, HIDAA recently represented Albania at an OSCE conference in Tirana related to Balkan countries' participation in the UN Convention Against Corruption.

To assist HIDAA in carrying out its important mission, the USAID/Casals' technical assistance during the Third Quarter of Year 3 included a two-week workshop covering the following professional development topics:

- Implementing Standards in Albania: An Auditor's Perspective
- Overview of Organizational Standards
- Types of Inspections
- Planning an Inspection
- Methodologies for Inspections
- Administrative Procedure Code: Applications and Limitations
- Interviewing Techniques
- Collecting Evidence
- Conflict-of-Interest Inspections

Presenting Findings and Recommendations  
Balancing Priorities  
Quality Products  
Effective Writing  
Potential Criminal Activities: Effective Reporting by HIDAA  
Working with Others  
Follow-Up Systems and Processes  
Prevention Activities and Professional Development

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

CAO continues to grow and perform well. This Quarters activities can best be summarized as:

- Continued legal assistance for the citizens' victim to corruption
- Proposals and applications for outside funding prepared and submitted.
- Increased youth involvement in anti-corruption activities helps CAO agenda to move forward.
- CAO branch offices in Durrës, Vlora and Shkoder are functioning well.
- Local networking system facilitates for a more sustainable coordination
- Case load and success rate of CAO handling improved.
- Cooperation with other regional organizations continues.
- FOIA compliance database maintained and updated. Information on citizens' interaction with public administration obtained on right to information.
- Improved cooperation with media: 100% coverage from media of CAO initiatives; frequent CAO appearances in the electronic media and written press.
- Operational software accounting system functioning.

### **Assistance to the National Chamber of Advocates (NCA)**

NCA has prepared the amendment of the Law on the Legal Profession in Albania. The amendment addresses two issues of major concern: 1- the handling of the disciplinary – related complaints at the central level, which is intended to prevent the ethical issues potentially to be raised during the establishment of the local disciplinary commissions that operate in relatively small lawyers' communities, and 2- the extension of the procedural deadlines set for complaints adjudication, long considered as insufficient.

The amendment was approved by the NCA Steering Committee in its January meeting and is now submitted to the Ministry of Justice for continuing with the approval procedures. No further action has been initiated by the Ministry so far.

### **Assist in the Preparation of Implementation Acts for Freedom of Information Law and Administrative Procedure Code**

#### *Freedom of Information Act - FOIA*

Status of implementation:

- The People's Advocate Recommendation "For the Approval of the Model Regulation on The Right to Information" approved officially
- Technical training preparations in process

#### *Administrative Procedures Code - APC*

Status of implementation:

- First draft of the People’s Advocates Recommendation “On Administrative Review of Complaints” completed
- A large-scale stakeholders’ meeting on APC organized
- Follow up meetings planned.

### **Assist in the Preparation and Implementation of a Conflict of Interest Law**

During previous reporting periods, Casals documented the successes in meeting and surpassing the performance goals for this activity. During the Third Quarter of Year 3, the USAID/Casals technical assistance focused on reviewing, assessing, and implementing international standards for carrying out the requirements of the Conflict-of-Interest Law. This technical assistance included the 2-week workshop for HIDAA discussed in Section 2.2.3 of this report. The workshop covered the following topics:

- Implementing Standards in Albania: An Auditor’s Perspective
- Overview of Organizational Standards
- Types of Inspections
- Planning an Inspection
- Methodologies for Inspections
- Administrative Procedure Code: Applications and Limitations
- Interviewing Techniques
- Collecting Evidence
- Conflict-of-Interest Inspections
- Presenting Findings and Recommendations
- Balancing Priorities
- Quality Products
- Effective Writing
- Potential Criminal Activities: Effective Reporting by HIDAA
- Working with Others
- Follow-Up Systems and Processes
- Prevention Activities and Professional Development

The Senior Anti-Corruption Specialist worked to ensure that the activities related to implementing the Conflict-of-Interest Law were fully integrated with the activities related to providing technical assistance to the High Inspectorate for the Declaration and Audit of Assets.

### **Assist in the Preparation and Implementation of a Press Law**

- AMI has completed several seminars on ethical issues, in Durres, Lezha and Tirana. The goal of the seminars is to increase journalists’ awareness and commitment to media ethics and self-regulation. Other seminars will follow in accordance with the planned activities of the project in other cities.
- Another component of AMI’s contract is to organize monthly media policy forums. The main areas to be researched and the respective documents to be studied in this area have been identified. The first briefing paper is almost complete and the briefing on this paper will take part soon.
- As regards the activities “MEET THE PRESS” –3 TV DEBATES, this component of the project has yet to be started. This is due to the political situation in the country in view of February 18 local elections, which engaged almost any journalists and media outlet in reporting on the developments. As a result, it has been impossible for the stakeholders to focus on other issues, such as media ethics. However, AMI has already started negotiations and planning with TV

stations on organizations of debates "Meet the press," and their implementation is expected to take place soon.

### **Assist in the Implementation of Intellectual Property Laws**

- *Enhancement of Patents and Trademarks Office (PTO) security elements.* The IT equipments to allow for the enhancement of the PTO security elements were delivered and installed. The PTO staff was also trained on their use by the equipment providers. Now, the WIPO can proceed with the installation of the browser tool that will enable everyone with an ID and password to access and use the database. One of their initial and most important users will be the Customs Office that can access and check for the legitimate IP owners during the goods importing in Albania. As a result of this, the enforcement of border measures will be strengthened and more efficient.
- The *Manual on the Criminal Aspects of IPR infringement* is prepared and delivered to us in a timely fashion. The manual is intended to assist the work of the specialized institutions involved in the IP enforcement such as Courts, Prosecution Offices, Taxes, Customs, and Economic Crime Police.
- *Preparation of the Bench Book on the Industrial Property Litigation.* C&A has already contracted a local expert, well-known in the field of IP litigation, for the preparation of the bench book on the industrial property litigation in Albania. The bench book will assist the Albanian judges and attorneys to develop a consistent judicial practice in the industrial property litigation and is designed to be a quick reference about procedural and substantive matters for judges on the bench. The benchbook is expected to be delivered in May.

### **Albanian Rule of Law NGO Marketplace – the Small Grants Program**

As follow-up, the Small Grants Program team, headed by the Grants Manager, will continue to monitor implementation of these projects to assure specific actions and activities are carried out to combat corruption at grass-root level and that concrete results are achieved in this fight. Site visits, attendance of activities, field reports, continuous monitoring of delayed projects, and financial review will be used to ensure that activities are carried out in conformity with the plan, that they produce impact in the fight against corruption, that fund spending is made in compliance with USAID rules and the Rule of Law Program regulations, and that the fight against corruption will continue even when funding of these organizations ends.

In addition, –provided that program extension and funding is available– the Rule of Law Program intends to organize a large conference inviting all members of civil societies to learn from the successes of the regional NGOs in their fight against corruption. Exchange of experience, lessons learned among NGOS and ways of tackling corruption at grass-root level will be the main objectives of this conference that will enhance collaboration among civil society members in the fight against corruption and will help increase their efforts to combat the phenomena.

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**DFD-I-00-03-00139-00, Order number 226**  
**Madagascar Anticorruption Initiative Program**

Below is a brief summary of the Program's main achievements for the period January 1 through March 31, 2007.

**C&A GRANTS MANUAL**

The Regional Contracting Officer approved the C&A Grants Guide on 21 February. This approval allows C&A to proceed formally with grant making operations, including seeking USAID approval of individual grants.

**ANNUAL WORK PLAN**

In mid-January, USAID CTO Robert Rhodes and Alternate CTO Corinne Rafaell reviewed C&A's Draft Work Plan --as submitted in mid-December 2006-- with Non-Resident Chief of Party François Vézina and Program Coordinator Mihaingosoa Ramarakoto. USAID forwarded its written comments to C&A on 15 February, and, following a series of exchanges on providing clarification, approved the C&A Revised Work Plan on 15 March.

**MONITORING & EVALUATION PLAN**

C&A submitted its draft Monitoring & Evaluation Plan to USAID for comment and approval on 15 March. The Plan addresses USAID comments on the Work Plan about indicators and also includes the anticorruption indicators contained in "*Guidance - U.S. Foreign Assistance Performance Indicators for Use in Developing FY 2007 Operational Plans*".

In particular, the indicators are designed to carefully track the critical control points of the grievances and case referral processes. C&A is working with BIANCO and NGO partners to establish sound baseline information as well as reasonable yet ambitious targets. Quarterly Report No. 3 will be the first such report to include the Performance Indicator Target table with baseline and target data, and actual results achieved.

**CONSULTATIONS**

The Non-Resident COP TDY for the start-up of the Activity extended from 15 to 21 January. During this time, he had a number intensive work sessions with the Program Coordinator on overall program implementation. In addition, he and the Program Coordinator attended working sessions with the USAID CTO and Alternate CTO, which included from time to time representatives from the Controller and Contracting Offices and the U.S Embassy (First Secretary) Brian T. Neubert. They also had meetings with the USAID Mission Director Henderson Patrick and with U.S. Embassy DCM George N. Sibley and Political Officer Silvana Rodriguez.

During their consultations, the Non-Resident COP and Program Coordinator paid special attention to carefully explain the USAID anticorruption program, its objectives and expected results to all those organizations involved in anticorruption. To this end, they met with the heads (and in many instances, the staff) of the following organizations:

GOM :

- BIANCO
- Comité pour la Sauvegarde de l'Intégrité (CSI)
- Direction de la Bonne Gouvernance auprès de la Présidence
- Ministry of Justice

NGOs :

- Transparency International / Initiative Madagascar (TI/IM)
- Justice and Peace Episcopal Council (JPEC)
- Plate-forme pour la Défense des Intérêts des Consommateurs et des Citoyens (PLADDICC)

Other Donors

- UNDP
- France - Service de Coopération et d'Action Culturelle (SCAC) at the Ministry of Justice

After the departure of the Non-Resident COP, the Program Coordinator met with the following donors who were not available in mid-January:

- Embassy of Norway  
Ms. Ramarakoto first met with the First Secretary, Mr. Andreas Danevad on 8 February. One of the main supporters of BIANCO, Norway holds BIANCO in high regard. As far as leveraging USAID funds, the Embassy is prepared to consider the funding of training activities by international experts provided it appears in BIANCO's Programme de Travail Annuel (PTA) and the request is submitted by that agency.
- The World Bank  
The World Bank, represented by Guenter Heidenhof, Lead Specialist, expressed its desire to collaborate with the program. The World Bank's good governance project will resume in August 2007.
- USAID Implementor of MISONGA (PACT Madagascar)  
C&A met with PACT, the USAID implementing agency that co-ran the MISONGA anticorruption program, which this program succeeded, to gather any lessons learned and best practices.
- Swiss Cooperation  
C&A will meet with the representative in April.

All these organizations expressed their immediate willingness to collaborate with the program. C&A has suggested that USAID make available to a wide audience a program document in French that describes the program's objectives and expected results and identifies the program's partners and their respective roles.

### **OFFICIAL LAUNCHING CEREMONY**

C&A worked closely with USAID to organize the April 11th launching ceremony of the AIM program at BIANCO headquarters.

### **GRANTS**

The total amount allocated for grants in the Task Order is US\$200,000. On 6 March, C&A submitted to USAID a table showing the illustrative allocation of grants among the identified partners, which included BIANCO and NGOs. The allocation of tasks is based on a series of discussions C&A has had with USAID, BIANCO and NGO partners. Since submitting the Table, C&A has formally requested and has received a proposal from TI/IM that covers the duration of the AIM Program.

### **TASK ORDER MODIFICATION**

C&A requested that certain modifications be made to the Task Order. Many of these changes were discussed during the mid-January work sessions at USAID. The main changes requested refer to the rates for TCN and CCN staff and consultants, travel budget, the Quarterly Report submission deadline, clarification regarding the "*Grants Under Contract*" section. C&A will submit a formal Task Order modification request containing separately-approved rate changes for USAID approval in the early part of the next quarter.

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**Task Order No. DFD-I-00-03-00139-00**  
**Africa Mainstreaming Anticorruption Activity**

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**Task Order No. DFD-I-11-03-00139-00**  
**Europe and Eurasia Mainstreaming Anticorruption Activity**

No periodic progress report is required under these task orders.