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DEL PUEBLO DE LOS ESTADOS  
UNIDOS DE AMÉRICA

**QUARTERLY TECHNICAL PERFORMANCE REPORT NO. 11**

Period covering July 1, 2007 – September 30, 2007  
(4<sup>th</sup> Quarter of FY 2007)

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

Submitted to:

**CARLA AGUILAR**  
Multi-Country CTO

Submitted by:

Casals & Associates, Inc.  
1199 North Fairfax Street  
Third Floor  
Alexandria, Virginia 22314

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## GUATEMALA

In compliance with both Contract DFD-I-00-03-00139-00 and Task Order No. DFD-I-00-03-03-00139-00 (Central America and Mexico (CAM) Transparency, Anticorruption and Accountability Program, Casals & Associates, Inc. (C&A) presents this quarterly report, which covers the period July 1 through September 30, 2007.

### I. KEY ACTIVITIES

In accordance with the transition strategy approved by USAID in April, the T/AC Program shifted its focus this quarter towards promoting transparency mechanisms in connection with the electoral process and to influence the anticorruption agenda of the upcoming administration.

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

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

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

###### **INDICATORS:**

- Existence of National Transparency Plan (Y/N)
- Number of subject areas in the National Transparency Plan derived from the IACC
- Percentage of implementation tasks from the Transparency Plan completed by the GOG
- Access to Information Index score in the Executive Branch (0.0-1.0, where 1.0 represents total access to information)

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

***Simplified and more transparent donations system at the First Ladies Fund.*** The Program continued to support efforts to make the First Lady's Social Works fund (SOSEP) more transparent.

This quarter ACE Technologies developed and implemented an online management system to manage and report on financial and in-kind donations. With the system in place, SOSEP's staff received training on the appropriate use of this web-based tool.

The online system may be visited at <http://donaciones.sosep.gob.gt/Default.aspx>. Donors will be assigned a personalized username and password to access the system.

The First Lady's Office is scheduled to launch this system in November.

***Coordinating the efforts of the international donor community to advance anticorruption policy reforms.*** The Program provided coordination and logistical support to USAID and other members of the international donor community (under the Donor's Transparency Table) in drafting a uniform set of priorities to curb corruption. During the next quarter, the cooperation agencies and multilateral organizations that comprise the Table will advocate in favor of the resulting document before the two major political parties (UNE and PP) and, eventually, the new administration. With the technical support of one of the Program's grantees (see LLR 2.3.1), both UNE and PP have already issued their own anticorruption plans, which largely coincide in scope and content with the pending set of anticorruption actions identified by the Donor's discussion group on transparency matters.



Meeting to develop a uniform set of priorities among Donors to curb corruption

**OBSTACLES/ISSUES FOR RESOLUTION:**

- As projected, the electoral campaign process monopolized the attention of the government and media, hence hindering the execution of pending activities to curb corruption in the public sector, such as the continued implementation of the National Transparency Plan. As of September 30, 2007, the Plan had met 39% of its scheduled targets. No further progress is expected to take place in the three remaining months of this administration. Consequently, the Program concentrated its efforts this quarter on advancing the implementation of anticorruption initiatives driven by Civil Society Organizations (including private sector entities) and outlining and launching a strategy to advance policy reforms in the subject matter under the next government.

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

Based on the approved Work Plan for FY08, the Program anticipates conducting the following activities next quarter:

- Continue to facilitate the efforts of the international donor community in presenting a uniform set of priorities in the fight against corruption to the two remaining presidential candidates and their technical staffs. The Program is also planning to gather information from all participating agencies at the Donor's Transparency Table detailing the nature and objectives of each of their ongoing and planned anticorruption projects. This seeks to avoid the duplication of efforts and complement each other's initiatives when applicable.
- Approach the major political parties in Congress – through technical representatives – to offer the Program's technical support in revamping, launching and implementing the future government's national anticorruption strategy.
- Explore opportunities to work with the government's transition team (composed of departing GOG officials and those taking office) in promoting the continuity of ongoing anticorruption initiatives and advocating for the adoption of outstanding items on the anticorruption agenda.
- Offer a training module on "Ethics in Parliament" to the newly elected members of Congress. This activity is part of a seminar entitled "Introduction to the Legislative Function" that the OAS is organizing in conjunction with *Acción Ciudadana*, Transparency International's local affiliate. A former Mexican Senator and Vice-President for Latin America of the Global Organization of Parliamentarians Against Corruption (GOPAC) will serve as the module's instructor.
- Organize a regional videoconference in conjunction with the World Bank, the UN Office on Drugs and Crime and the program's sister offices in El Salvador, Nicaragua and Panama on "Innovative Asset Recovery Mechanisms and Simplified Criminal actions and Non-Criminal Systems of Confiscation of Corruption Proceeds." The speakers at this event would also address the scope of UNCAC's next Conference of the States Parties (particularly in regards to UNCAC's monitoring mechanism), to take place in Indonesia in January 2008.
- Subject to confirmation, assist the Office of the Presidential Commissioner for the Modernization of the State (COPRE) in organizing a gathering of newly elected members of Congress to present them with a list of pending legislative actions in the area of civil service reform, government procurement, e-government, simplification of laws and regulations (deregulation).
- Develop a communications strategy aimed at ensuring that all Program activities stay on message, build public support and maximize their impact. One of its major components, a public awareness campaign, will be based on a concept originally designed for implementation during the ongoing electoral process. The Program will

readjust it with the purpose of driving public opinion's support in benefit of other projected policy outcomes, such as the adoption of a Freedom of Information Act and corruption criminalization standards.

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

**INDICATORS:**

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

**MAIN RESULTS ACHIEVED:**

***Increased CSO awareness of the importance of IACC implementation and monitoring.*** The Program continued to design a project with *Acción Ciudadana* for the preparation of a shadow report on the GOG's compliance with the IACC. The project's major objectives are to:

- 1) Monitor compliance with the IACC experts' recommendations from the perspective of civil society.
- 2) Invite civil society organizations to review and validate the report's findings in the interest of preparing a document widely accepted by all participating countries.
- 3) Release and disseminate the report to encourage compliance with the IACC.

*Acción Ciudadana* will present the report's results during the second round of IACC evaluations in November.

**OBSTACLES/ISSUES FOR RESOLUTION:**

- Despite several attempts, the Office of the Presidential Commissioner for Transparency and Anticorruption was reluctant to accept the Program's technical assistance in preparing the IACC's Second Round Evaluation.

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

- Sign a sub-grant with *Acción Ciudadana* to develop and disseminate a second shadow report assessing GOG's compliance with the IACC.

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

**INDICATORS:**

- Development of the Budget Transparency Index (Y/N)

- Total amount of financial resources (in quetzals) procured through the GUATECOMPRAS system
- Number of mechanisms for external oversight of public resources used that are supported by USG assistance (cumulative, “F” List Indicator)

**MAIN RESULTS ACHIEVED:**

***Improved knowledge on the part of civil society on budget transparency achievements and management systems.*** The Program provided continued support to CIEN (*Centro de Investigaciones Económicas Nacionales*) in the development of Guatemala’s 2007 Budget Transparency Index. CIEN conducted an opinion poll among a selected group of specialists (senators, journalists, members of CSOs, etc.). The resulting information will be used as the basis for developing this year’s Budget Transparency Index.

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

- CIEN’s Budget Transparency Index is expected to be released regionally in November. Its recommendations may serve as the basis for future implementation of technical activities by the Program in support of key GOG agencies, such as the Ministry of Finance and the Office of the Comptroller General.

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

**INDICATOR:**

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

**MAIN RESULTS ACHIEVED:**

***GOG officials aware of the need to implement citizen charters to streamline bureaucratic procedures.*** As a result of regional cooperation efforts (motivated by the Program), COPRE worked with local ministries and public entities in issuing nine Citizens’ Charters based on the methodology and experiences of Mexico’s Ministry of the Public Function.

By following a client-oriented approach, driven by the adoption of minimum quality standards and a clear timetable for service delivery, Citizens’ Charters seek to make government administration more professional and accountable.

Following is a list of the Citizens’ Charters issued by GOG agencies with COPRE’s support:

1. Citizen charter entered into by the Ministry of Energy, authorized regulators and users of radiation equipment and radioactive materials to establish a process for obtaining the operations license required.

2. Citizen charter entered into by the National Public Hospital, its staff and its patients to establish the service commitment of the hospital with particular emphasis on its operational processes.
3. Citizen charter entered into by the Ministry of Communications, regulators and construction companies to maintain a database of companies that are pre-approved to participate in public works projects.
4. Citizen charter entered into by the Ministry of Economy, DIACO (Consumer Protection Agency) and consumers to inspect and, when necessary, take proper actions on complaints that are manually logged into a book placed in each commercial establishment.
5. Citizen charter entered into by the Ministry of Agriculture, the Department of Agricultural Products and small agricultural producers to standardize a process to purchase quality fertilizer at competitive prices to increase and produce quality harvests.
6. Citizen charter entered into by the Ministry of Agriculture, the National Fund for Reactivation and Modernization of Agriculture, Institutional Bilateral Committees and Sectoral Work Groups to establish a standard process to request financial resources and credit assistance for the execution of productive projects.
7. Citizen charter entered into by the Ministry of Agriculture, the Unit of Rules and Regulations and local importers of products of animal and vegetable origin to develop a mechanism that will allow measurement of the quality of imported products. This seeks to avoid the entry of diseases and plagues that may harm local harvests and livestock.
8. Citizen charter entered into by the Ministry of Environment and Natural Resources and interested citizens to establish standards for requesting and issuing an environmental license and supplying information on environmental regulations.
9. Citizen charter entered into by the Municipality of San Juan Chamelco, Alta Verapaz, and its residents to standardize the process of acquiring permits to exploit woodland resources in a manner consistent with regulations concerning environmental preservation.

COPRE and the entities above announced the adoption of these charters at a public event held on August 31, 2007 with the financial support of the C&A Program.

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

- Follow up on the implementation of Citizens' Charters at the above agencies. The Program's assistance in this task will begin after the new administration takes office in January 2008.

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

### **INDICATOR:**

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

### **MAIN RESULTS ACHIEVED:**

***Improved public understanding of the United Nations Convention against Corruption (UNCAC).*** In July 2007, *Acción Ciudadana* offered two workshops for 15 law students and professors of the Rafael Landívar University aimed at improving their understanding of the United Nations Convention against Corruption (UNCAC).

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

- In coordination with NAS and the local Rule of Law contractor, meet with key GOP officials at the Attorney General's Office with the purpose of exploring joint technical assistance activities (e.g. advance training courses on asset recovery techniques). This will serve as a first step towards building a relationship of trust with these entities to then promote jointly the adoption of corruption criminalization standards (such as illicit enrichment) and other innovative mechanisms to prosecute corruption (e.g. non-criminal systems of confiscation, which offer a more expeditious process and lower standards of evidence).

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

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

#### **INDICATORS:**

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

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

***Stronger capacity of CSOs to link transparency issues with the electoral process.*** The Program worked closely with *Acción Ciudadana* to develop and carry out the Project "Strengthening Transparency in the Electoral Process." Below is a brief description of the project's most relevant results, broken down by its major components.

#### ***a) Assisting political parties in the design of their Anticorruption Platforms***

*Acción Ciudadana* worked with technical and senior staff of the two largest political parties in Guatemala (*Partido Patriota* and *Unidad Nacional de la Esperanza*) in

developing a set of actions to tackle corruption, in the form of an Anticorruption Plan, if elected.

*Acción Ciudadana* implemented a participatory methodology in the preparation of such documents, which consisted of the design of a template covering all major pending actions in the fight against corruption in Guatemala. From this document, political parties identified their priorities and built their own anticorruption plans. At the time of preparation of this report, both parties had made their respective plans public and appointed *Acción Ciudadana* as the entity responsible for monitoring and reporting on its implementation.



Press conference to divulge the scope and objectives of *Acción Ciudadana*'s project

### ***b) Issuing an Index of Access to Information from Political Parties***

*Acción Ciudadana* developed and launched a tool to assess public information from all 21 political parties participating in the electoral process. Its methodology was based on reviewing the political parties' responses to requests for information from individuals and/or organizations.

Under both spheres, *Acción Ciudadana* filed the following types of information requests:

1. Electoral information (i.e. government plans);
2. Information regarding their financial resources (budget, financing sources, budget execution); and
3. Information regarding their organizational structure.

The results of this Index will be made public in November.

### ***c) Improving information levels of the actual electoral process***

The Program's grantee designed and launched [www.informateyvota.com](http://www.informateyvota.com), an Internet site aimed at disseminating electoral and political party information. At this site, citizens

may easily obtain updated information on political campaign financing, their anticorruption plans, news on the electoral process, etc.

In addition to a press conference, *Acción Ciudadana* publicized the site through a small advertising campaign via radio and print media (e.g. *El Periódico*). As of September 30 the site had received more than 6,000 hits.

***d) Monitoring of political party campaign expenses through mass communication***

Marketing specialists conducted a study to monitor political party expenditures in the media during the electoral process. The study collected information on nationwide media advertising by the political parties that participated in the electoral contest.

As a result of this initiative:

- A baseline of political party expenditures has been identified for future monitoring exercises.
- It became evident that most political parties exceeded the limits established by law for electoral campaign expenditures.
- The Supreme Electoral Tribunal publicized the budget and sources of financial contributions from 14 political parties.

***e) Designing an Index to assess the quality of internal controls and oversight mechanism of political parties***

As a fifth component of its project, *Acción Ciudadana* developed a methodology to assess the quality of internal controls and oversight mechanisms of political parties (e.g. quality of their accounting records and disclosure of private sources of financial contributions) and ranked them based on their results.

To date, *Acción Ciudadana* has prepared and released three editions of this index. Following their publication, some of the political parties worked deliberately in strengthening their internal controls and hence improving their overall ranking (UCN, PAN and URNG).

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

- Continue to support the execution of *Acción Ciudadana's* project on transparency and elections by: 1) Presenting the anticorruption strategies of the two major political forces in Guatemala; 2) Releasing an index on access to information from political parties; 3) Continuing to monitor and prepare a report on media expenditures of the two remaining presidential contenders through the second round of elections; and 4) Developing an additional ranking of political party compliance with transparency regulations.
- Extend *Acción Ciudadana's* grant to incorporate a public awareness campaign aimed at further linking transparency considerations into the electoral process. The

campaign will disseminate public service announcements on radio and print media from November through early January 2007.

- Complete the evaluation of the Program's Competitive Fund aimed at identifying lessons learned in the design and execution of citizen-driven anticorruption projects.
- Oversee the execution of CIEN's project to develop a new edition of the Budget Transparency Index.
- In conjunction with *Acción Ciudadana*, train and raise awareness among new members of Congress on subjects such as the legislative's oversight function and corruption criminalization standards set forth by international conventions.

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

#### **INDICATORS:**

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

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

***Improving the ethics environment in the private sector.*** On July 17, 2007, the Program participated in the launching of the Code of Ethics for Guatemala's Construction Sector developed in collaboration with CentraRSE, C&A's grantee. Its purpose was to create a minimum set of ethical practices and standards to foster the public's trust and credibility in this sector. To the best of our knowledge, this is a pioneering activity in the region, which the Chamber's counterparts in other countries (specifically in Panama and El Salvador) have expressed interest in replicating.

CentraRSE also worked on drafting and disseminating a Code of Ethics for micro, small and medium enterprises of the Guatemalan Association of Rural Sector Businessmen/Women (AGER). With the purpose of generating a sense of ownership and stimulating its observance by the target group, a group of members of AGER developed the Code themselves. The code was publicly launched on August 28, 2007.



Launching of the Code of Ethics of the Guatemalan Association of Rural Sector Businessmen/Women

With the adoption of the two Codes above (plus a third one from the Chamber of Industry to be released in November) the 1,532 affiliates of these sectors are now subject to their standards. These standards seek to create a positive environment for conducting business for their clients, employees, potential investors, associates, and local and international partners.

CentraRSE also continued to carry out training workshops for private sector representatives on how to use the Guide to Develop Codes of Ethics. To date, CentraRSE has trained 120 representatives from approximately 80 private sector entities.

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

- Release, through CentraRSE, a Code of Ethics for the Chamber of Industry, which has a membership of over 1,000 affiliates.
- Offer additional training workshops for private sector representatives on how to use the Guide to Develop Codes of Ethics.
- Subject to the presentation of a revised proposal, review and approve a project by the Chamber of Commerce to develop its own Code of Ethics.
- Fund the participation of a representative of CentraRSE at a panel on "Corporate Social Responsibility and Transparency" to take place in Nicaragua on November 27, 2007. By sponsoring this activity, the Program expects to share CentraRSE's experiences of promoting the design, development and adoption of Codes of Ethics in the private sector with their counterparts in Nicaragua. Present at the event will be representatives from AMCHAM-Nicaragua and business sector executives.

***LLR 2.3.3: Capacity of the Media to Report on Transparency and Corruption Issues Increased***

**INDICATORS:**

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

**MAIN RESULTS ACHIEVED:**

***Fostering citizen awareness of the need to denounce corruption.*** *El Periódico* began the second phase of the “mi Periódico” project, which focused on the current electoral process. This activity was mainly intended to provide a space for the average citizen to report, comment on and denounce acts of corruption related to the electoral process.

Since its inception, the number of participants registered at the *mi Periódico blog* has grown steadily, as well as their notes, comments and corruption complaints.

**Number of People who registered as participants at the miPeriódico blog**

July	-	62
August	-	158
September	-	150

In connection with the second phase of this project, *El Periódico* implemented a series of courses on citizen reporting that provide the average citizen with tools to contribute to developing journalistic notes (e.g. publication of notes, corruption accusations, etc.).



Training Course on Citizen's Journalism

As part of this project, *El Periódico* launched a social awareness campaign in its daily editions on the impact of corruption. *El Periódico* also distributed 10,000 free copies of

*mi Periódico* in the metropolitan area of Guatemala City to increase the number of citizens exposed to this tool and to promote their participation in submitting their opinions and concerns regarding corruption. Furthermore, it placed letterboxes in 13 areas of the country to enable citizens in rural communities to participate in this initiative.

***Training journalists on Transparency and Anticorruption.*** In conjunction with a local partner, the Program offered two workshops for journalists and columnists. The workshops' main objective was to expose participants to the role of journalism in the fight against corruption. Cristiana Chamorro, founder and director of the Nicaraguan NGO Fundación Violeta Barrios de Chamorro, served as keynote speaker.

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

- Continue supporting *El Periódico*'s initiative to identify and denounce areas prone to corruption by opening a space for citizens' accusations and training them on citizen reporting.
- Explore the opportunity to extend the strategic alliance with *El Periódico* and other media outlets to advance Program components by means of public outreach mechanisms. At the time of preparation of this report, USAID and the Program had assisted *El Periódico* in presenting its project to other international donors to motivate their participation in funding its continued execution.

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

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

#### **INDICATORS:**

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

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

See activities described under LLR 2.3.1 and 2.3.3 for details on the Program's work aimed at enhancing political party and candidates' accountability in the electoral process.

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

Unanticipated challenges (e.g. setbacks in the design of public outreach materials and time constraints) prompted the Program to review the scope of activities planned under LLR 2.4.1.

In light of the above, the Program drafted and presented for USAID's consideration a set of proposed changes to Task Order Modification #16 that respond to arising circumstances while remaining fully committed to the projected targets and objectives.

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

- Design and launch a public awareness campaign to highlight the linkages between transparency and elections and to commit the new administration to further develop and execute a national anticorruption strategy upon taking office.

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

**CURRENT INDICATOR:**

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

**PROPOSED INDICATOR:**

- Number of government officials receiving USG-supported anticorruption training (“F” list indicator / disaggregation, cumulative)

**MAIN RESULTS ACHIEVED:**

As scheduled, the Program focused its efforts this quarter on implementing other LLRs under its Work Plan for FY2007.

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

- Offer a training module on “Ethics in Parliament” to the newly elected members of Congress (see planned activities under LLR 2.1.1).

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

<b>Element</b>	GJD 2.4 - Anticorruption Reforms		
<b>Indicator Title</b>	Number of Government Officials receiving USG-supported anticorruption training		
<b>Definition</b>	People must be from government. Training refers to all training or educational events whether short-term or long-term, in country or abroad.		
<b>Name of Training Program</b>	<b>Offered By / Directed To</b>	<b>Start-End Dates / Estimated Cost</b>	<b>No. of Participants (Male &amp; Female)</b>
No training activities took place this quarter under this LLR.			

<b>Element</b>	GJD 2.4 - Anticorruption Reforms		
<b>Indicator Title</b>	Number of people affiliated with non-governmental organizations receiving USG supported anticorruption training.		
<b>Definition</b>	People may not be from government. Training refers to all training or educational events whether short-term or long-term, in country or abroad.		
<b>Name of Training Program</b>	<b>Offered By / Directed To</b>	<b>Start-End Dates / Estimated Cost</b>	<b>No. of Participants (Male &amp; Female)</b>
Political Party Workshops to Develop a Transparency/Anticorruption Government Plan	<i>Acción Ciudadana</i>	Half-day events through the months of August and September 2007	10
	Political Party leaders and their technical staff at <i>Partido Patriota (PP)</i> and <i>Unidad Nacional de la Esperanza (UNE)</i>	Q2,000	10 men
UNCAC Workshop	<i>Acción Ciudadana</i>	Two half-day trainings during July 2007	15
	Universidad Rafael Landívar law professors and students	Q1,000.00	8 women + 7 men
Citizen Journalism	<i>Mi Periódico</i>	1 Saturday per month (Half-day event) in July, August and September 2007	75
	Guatemalan Citizens	Q15,000	30 women + 45 men
Transparency, Anticorruption and Election Process Training	T/AC through international experts Gerardo Berthin and Cristiana Chamorro)	Three-hour workshops: August 22, 2007 August 23, 2007	9
	Media Journalists and Columnists	Q5,000.00	3 women + 3 men
Workshop on the Development of Codes of Ethics	CentraRSE	Half-day workshops: July 19, 2007 July 20, 2007	43
	Sugar mills and Human Resource Managers, representatives of private sector entities.	Q9,000	19 women + 24 men

## II. ADMINISTRATIVE UPDATE

On September 10, Eduardo Flores-Trejo was appointed as the new Country Program Director. Through December 2007 his time will be allocated between Panama (25%) and Guatemala (75%). Henceforth, he will be completely dedicated to managing Guatemala's Transparency and Anticorruption Program through its scheduled completion in March 2009.

One copy of the previous two quarters' performance reports was submitted to USAID's Development Experience Clearinghouse.

## NICARAGUA

In compliance with both Contract DFD-I-00-03-00139-00 and Task Order No. DFD-I-00-03-03-00139-00 (Central America and Mexico (CAM) Transparency, Anticorruption and Accountability Program, Casals & Associates, Inc. (C&A) presents this quarterly report, which covers the period July 1 through September 30, 2007.

### **I. KEY ACTIVITIES**

Please note that the M&E Plan for this Program has not yet been finalized, therefore no indicators have been included in this report. (Please refer to Annex I for a list of Acronyms.)

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

#### **LLR 2.1.1: NATIONAL ANTI-CORRUPTION/TRANSPARENCY STRATEGY COMPLETED AND IMPLEMENTED**

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

Since the beginning of this new Administration (January 2007), communication and implementation of joint activities with national GON agencies and offices have proven challenging. During this Fiscal Year, the Program made substantive progress in promoting transparency and accountability in the governmental sector. GON officials (both at the national and local levels) received anti-corruption training on key topics such as: social auditing techniques; gender and transparency; political party finance; Inter-American Convention against Corruption (IACC) and the United Nations Convention against Corruption (UNCAC); internal control; legislative transparency; access to public information; and techniques for investigating corruption cases.

The new GON has designated the *Procuraduría General de la República* (PGR) to be the new anti-corruption authority. The Program has been able to maintain an open channel of communication with the PGR, which is working on a new national anti-corruption strategy. Given the PGR's new roles and responsibilities, it is now considered the Program's official GON counterpart, as it is now also in charge of monitoring compliance with the IACC.

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

- Lack of a GON anti-corruption strategy.
- Lack of will and/or interest from GON national entities to participate in Program activities, including the Map of Indicators Methodology.

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

- Reassess Map of Indicators Methodology – especially at the national level.
- Continue communications with PGR on new anti-corruption strategy.

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

### **MAIN RESULTS ACHIEVED:**

The coalition, or *Grupo de Seguimiento a la Convención Interamericana contra la Corrupción* (GS-CICC), has become more cohesive during this past quarter when the majority of their projects intensified implementation. Currently, the coalition has six projects, both at the national and municipal levels.



Results achieved to date in the national level projects include: 1) the consensus of a vision and mission statement and the selection of a common logo that will serve as the coalition's identification under the Coordination Project; 2) the commitment of participation from one national level entity, the Ministry of Transportation and Infrastructure (MTI), in the Map of Indicators Project; and 3) the creation and design of the coalition's website.

The remaining three projects are at the municipal level and have as their primary objective to train citizens at three hierarchical levels: 1) municipal authorities; 2) members of Municipal Development Committees (CDMs); and 3) community citizens – on various components of the IACC that will enable them to engage in activities that promote transparency and accountability.

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

- The new Citizen Participation Councils (Consejos de Participación Ciudadana) proposed by the GON as competing entities to CDMs and local non-governmental organizations and civil society organizations, and as a means for “direct democracy” have challenged projects at the municipal level (later these new councils were rejected by the Legislature, but nonetheless continue to operate). Municipal authorities from three municipalities (Tipitapa, Condega, and Malpaisillo) showed lack of political will to participate in the IACC projects. Work in these municipalities had to be concluded and three new municipalities were chosen: San Nicolás, San Marcos, and Masatepe.
- Lack of political will mostly at the national level. Five GON national institutions were contacted to ensure their participation in the Map of Indicators Methodology. However, to-date only one has confirmed their participation. This has caused delays in fully implementing the project.
- The Access to Public Information Law needs to be regulated.
- The current government does not yet have a strategy in place to comply with the IACC or other international anticorruption treaties.

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

- Continuation of local level IACC project implementation: workshops for citizens, CDMs, and municipal authorities on important topics that comprise the IACC. Such topics include what are corruption and transparency, access to public information, procurement, whistleblower protection, and procurement among others.
- Improvement of Map of Indicators Methodology.

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

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

The national budget social auditing project implemented by the *Instituto de Estudios Estratégicos Políticas Públicas* (IEEPP) came to an end on September 12. The ten-month initiative focused on three main areas: generation of information, dissemination of information, and creating and/or reinforcing citizen participation spaces that enabled external oversight of government expenditures.

This was a pilot initiative that has resulted in key lessons. The Project focused on civil society, emphasizing advocacy and participation to demand transparency and to disseminate information. Budget information is time-sensitive and requires effective means to disseminate analysis. The project had set ambitious goals, but the duration of the project was limited. The collection of information and the analysis and review process was lengthy and detailed. These should be taken into account in future efforts. Despite these shortcomings, the Project obtained key results, for example:

- (1) Reinforcement of citizen participation spaces at the national and local level where both CSOs and public officials came together to discuss the education and health budgets. Four national consultations on the sectoral budgets took place between December 2006 and April 2007. There were six workshops providing information, basic tools and training for interpreting and reading sectoral budgets that were carried out in the municipalities of León, Santa Rosa del Peñón, Chinandega, El Sauce, and El Jiracará. Over 15 local CSOs were trained in providing external oversight of their municipalities' social expenditures.
- (2) Generation and dissemination of useful information on the National and Sectoral Budgets through publications, including two bimonthly publications called *Citizens' Budget*. There was also the creation and maintenance of the first exclusive social auditing website in Nicaragua ([www.ieepp.org/auditoriaciudadana](http://www.ieepp.org/auditoriaciudadana)). Since its inception, the website has received over 11,000 hits and has been constantly uploaded with current information on innovative practices on social auditing regionally and nationally. At the same time, IEEPP's activities obtained significant media coverage both in *El Nuevo Diario* and *La Prensa*. Approximately five news articles were published.
- (3) IEEPP's increased institutional capabilities. Through this initiative, IEEPP has been able to position itself as an objective, technical, and specialized think tank on issues concerning the National Budget. The institution's high end performance and in-depth

budgetary expertise have obtained international recognition by organizations such as the International Budgetary Project, the World Bank and the National Endowment for Democracy.

A second grant project that is currently being implemented by IEEPP and that will also be coming to an end by late October 2007 is the Transparency Observatory of the Military and Security Sectors. The project focuses on innovative topics such as military procurement and budgeting, engaging civil society organizations, and citizens monitoring military and security issues. This was also a pilot initiative, which was breaking new ground. During this quarter, progress was made in finalizing research and analysis of the defense and security sectors. Progress was also made in other research areas, such as procurement in the defense and security sectors. The project also made progress in creating the Second Report on Security and Defense Issues, corresponding to the period of May to August 2007. Once the research and analysis has been completed, the next phase of this project is to disseminate results. Unfortunately, as in many other initiatives, the lack of political will of the GON and the inability to obtain official information is delaying the research process and making the analysis somewhat limited.

Since most of the deliverables were publications that need to be disseminated and given the difficulty of obtaining information, emphasis will be put on the completion and dissemination of only two publications: 1) an analysis of the defense budget and 2) an analysis of procurement in the defense sector.

**OBSTACLES/ISSUES FOR RESOLUTION:**

- Assess products and results that are yet to be produced by the Defense and Security Project implemented by IEEPP.

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

There were no activities for Nicaragua under this LLR as specified in the task order.

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

**MAIN RESULTS ACHIEVED:**

The Bureaucratic Simplification Assessment (BSA) performed at the *Dirección General de Catastro*, which is regulated by DGI (Tax Administration), was officially presented to USAID and to *Catastro* during the month of July. The assessment identified a series of bottlenecks in the agency's procedures that promoted petty corruption. The assessment is currently being revised so that the recommendations set forth are ranked in order of priority. A specific section on recommendations will also be included.

Significant progress was made on the Cost of Administrative Corruption Survey. The final data was collected at the end of July and the statistical output was produced by mid-August. Preliminary results were presented to U.S. Mission personnel. A second draft of the full report, an Executive Summary and a Geographic Data Map (GIS), were being finalized at the close of this reporting period.

**OBSTACLES/ISSUES FOR RESOLUTION:**

- Finalizing BSA – include a section on recommendations and rank recommendations in order of priority.
- Identify an adequate launching strategy for the public presentation and distribution of the Cost of Administrative Corruption report.

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

- Finalize the Cost of Administrative Corruption Survey's Executive Summary for USAID review and publication. This will be used in the Survey's public presentations.
- Provide Petty corruption survey history, methodology, and meaning of results to partners and religious leaders that will be a part of the Survey's launch so that the correct interpretation of the results is made during public presentations.

**LLR 2.1.6: KEY OVERSIGHT AGENCIES STRENGTHENED**

**MAIN RESULTS ACHIEVED:**

The USAID/Rule of Law Program and USAID/Transparency Program finalized conceptual details and agendas for the launching of a series of seminars on corruption, transparency, and justice. The seminar series will be co-sponsored by *Consejo Nacional de Decanos de Derecho* (CONADER), and the coalition GS-CICC.

The first seminar of the series took place on September 6, entitled “**Reflections on Corruption, Transparency, and Justice.**” Topics addressed were public policies, organized crime, economic fraud, and corruption. The Transparency Program provided analyses and inputs of these topics from the perspective of International Anticorruption Treaties and Conventions (IACC and UNCAC).

**OBSTACLES/ISSUES FOR RESOLUTION:**

- None

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

- Implementation of remaining two seminars in collaboration with USAID's Rule of Law Program.
- Continue to explore opportunities to work with the National Assembly, the PGR and other control entities.

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

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

There are no activities for Nicaragua under the approved FY 07 Work Plan.

### **LLR 2.2.2: IMPROVED LOCAL GOVERNMENT BUDGET TRANSPARENCY, MANAGEMENT, AND EXECUTION**

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

The three municipal projects implemented by the CSO-IACC Coalition have four particular characteristics. First, all projects are being implemented at the same time in eight municipalities of the country (Belén, Diriomo, La Trinidad, Masatepe, Masaya, Matiguás, San Nicolás, and Somoto). Secondly, each project targets one specific sector of society: government (municipal authorities), civil society (CDMs), and community citizens that are not members of any association or civil society organization. Thirdly, the work performed by each project in each of the three sectors is directly complementary to each other. And, finally, each project is implemented by sub-coalitions of four organizations.



Training to citizens in Diriomo, Granada

As of September 30, approximately 65 activities have taken place in the eight municipalities. About 50 training sessions in total remain to be conducted between the months of October and December 2007.

Donor coordination continues to expand. During this quarter, the Program sponsored two mayors and a civil society representative in a two-day Water and Sanitation Workshop implemented by the World Bank Institute (WBI). The workshop was directed to municipal government authorities and civil society members from municipalities that are experiencing severe drought and/or those that have been segregated and do not have a water and sanitation system at all. The three municipalities that were sponsored by the Program were Juigalpa, Chontales and Sébaco, Matagalpa.

The workshop provided an opportunity to showcase three tools/instruments directly attributed to the Program, which could have relevance in promoting transparency in the water sector. One was the preliminary results of the Petty Corruption Study, in particular as they relate to the water sector. Another was the Bureaucratic Simplification process, which focuses on reducing bureaucratic barriers, increasing internal controls and reducing opportunities for corruption. And last but not least, the Map of Indicators

Methodology, focusing on access to information issues. Based on comments from participants and the WBI, the Program's inputs were highly appreciated and offered relevance to some of the transparency challenges facing the water sector. One potential result from this workshop would be the submission of proposals from the municipal authorities for the development of transparency projects addressing the water sector.

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

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

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

No new grants or subcontracts were awarded during this reporting quarter. Civil society activities and trainings that transpired during the reporting period are being reported under other LLRs.

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

There were no activities performed under this LLR this quarter.

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

- Difficulty in engaging the private sector in anti-corruption and accountability topics.

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

- Identify a Nicaraguan private sector organization interested in co-sponsoring an event.

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

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

One activity was conducted in this area during the past quarter and it was implemented by *Hagamos Democracia* under its Legislative Transparency Grant (LLR 2.4.2). *Hagamos* held a three-hour presentation and roundtable discussion with 12 journalists from press, TV, and radio on the National Assembly's performance during the first six months of the Ortega Government. Media coverage on *Hagamos'* monitoring report was excellent. The most discussed finding was that only 40% of National Assembly Deputies actually take advantage of their power to speak during Assembly Sessions. Additional coverage was also provided on the increased assistance by National Assembly Deputies during the first six months of the year.

Please refer to Annex II for a list of Program Media Coverage.

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

- Implementation of one full week of trainings especially designed for journalists on political financing. This also falls under LLR 2.4.1.

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

**LLR 2.4.1: POLITICAL PARTIES AND ELECTED LEADERS' ACCOUNTABILITY IMPROVED**

**MAIN RESULTS ACHIEVED:**

As a follow up to the Strategic Small Grant Package Initiative on Political Party Finance that started in August 2006, the Program and IFES designed a new strategy focusing more on reform and on strengthening and expanding the civil society coalition. During this reporting period, the Citizenship for Transparency in Politics coalition implemented six grants, which together support a strategy to promote transparency and accountability in political party finance. Here are some highlights of the main results during this reporting period.

1. *Hagamos Democracia* designed and implemented two municipal forum-debates. One took place in Boaco, where there were nearly 100 participants from at least six universities (*Universidad de Nicaragua, UDN; Universidad Popular de Nicaragua, UPONIC; Universidad Cristiana Autónoma de Nicaragua, UCAN; Universidad del Norte de Nicaragua, UNN; Universidad Politécnica de Nicaragua, UPOLI; Instituto Politécnico de Boaco, IPB*), as well as representatives from local NGOs. A second forum was held in Jinotega on September 20, where there were over 60 participants, mainly students from the National University (UNN). Both of these forums created a public space for citizens to participate in discussions related to political party finance reform, and to generate inputs to a reform proposal.



Political party forum held in Esteli

2. FUNDEMOS also designed and implemented two municipal forum debates. One was in Esteli, where there were over 70 participants mainly from three local universities (*UPOLI, UNI-Norte, FARAM University*). A second forum will take place during the next reporting quarter.

These forums increased interest from citizens on the need for political finance monitoring and legal reform. The interactive roundtables resulted in inputs for the political party finance reform to be drafted by the coalition at the end of this project.

3. Under the leadership of IPADE three Citizen Consultations with key sectors took place during this quarter, to obtain inputs for the Political Finance Legislative Reform Consultations targeting the academic, business and political party sectors. IPADE's consultation was complemented by an effort lead by IFES, which involved over 100 individual interviews to key actors representing the political, business and academic sectors.
4. *JUDENIC*, the newest member of the coalition, designed and implemented an awareness campaign that targeted youth sectors for them to understand the main issues related to political party finance and the implications of not having transparent and accountable political parties. This involved designing a strategy for effective messages and targeting audiences, as well as managing the Coalition's website. Among the key results to report during this reporting period are: From the first week of August until November, three Radio PSAs with messages promoting transparency in political party finance were aired daily on six radio stations: Stereo Hit, Mi Preferida, Radio Doble (Leon), Radio Stereo Yes (Matagalpa), Radio La Sabrocita (Juigalpa) and Radio Stereo (Esteli). These PSAs are targeting young sectors of the population. Also, as part of the campaign, on August 13, Celia Camacho from JUDENIC and Mauricio Zuñiga from IPADE were guests at Radio *Mi Preferida* 105.1 where for half an hour they discussed live the Citizenship for Transparency in Politics Initiative, its past, current and future activities, and elements of the campaign. Also, on September 6, Giselle Poveda, IFES/Transparency Program Coordinator, was a guest on 105.5 Radio Mi Preferida. She provided information on the activities of the coalition and on the Lecture Series.
5. *Etica y Transparencia* is working on monitoring and analyzing the reimbursement of public funds incurred for the 2006 elections for all political parties. A report should be ready next quarter.
6. *Fundación Violeta Barrios de Chamorro* is designing a strategic workshop directed to journalists on how to investigate political party finance topics. This activity will be implemented during the next quarter.

In addition to the work of the coalition through grants, USAID's Transparency Program also funded three key complementary activities through IFES: One activity is the development of a reform proposal for political party finance in Nicaragua, which had to be developed through a consultative process. Another activity is the development of a Transparency/Political Party Finance Lecture Series at a local university where students and professors would get an opportunity to get exposure to key topics of political party finance. IFES also plans a third activity to promote a core of new and young academic experts on political party finance and, through them, generate research and materials for local students to read and use as reference.

Another key activity was the launching of a series of lectures called “Transparency Seminars on Political Party Financing” at the American University (UAM) in Managua. The purpose of the initiative is to introduce the topic of political financing to the Nicaraguan academic world, and in this way promote research, analysis and systematization of best practices in this key topic, as well as form young academic leaders. The lecture series’ target audience is students and professors from various universities, both public and private.



Political Financing Lecture Series “Cátedra por la Transparencia”

Four seminars took place during the reporting period on a variety of topics related to political finance, such as: transparency, Nicaraguan Electoral Law, private funding and anonymous donation implications, among others. Each lecture series was attended on average by 180 students, among them high school level students from Ciudad Sandino who attended all lectures. In addition, the lecture series was attended by students and professors of several other local universities, including UAM, UNICIT, UCA, UNAM, UPOLI and

UCC. A final lecture/seminar is being planned, for next quarter.

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

- Although Citizenship for Transparency has been working together for a little over a year, there have been internal and external coordination issues with the organizations. This caused programmatic delays and in some cases repetition of activities.

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

- Final lecture/seminar the Transparency Seminars launched in August at UAM.
- Full week of training for journalists on Investigative Techniques for Political Party Finance.
- Publication of the Political Financing Book and Essays written solely written by young Nicaraguan academics.
- Presentation of Political Financing Legislation Proposal.
- Launch of newly designed CxT website: [www.cxtp.org](http://www.cxtp.org).

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

**MAIN RESULTS ACHIEVED:**

During this past quarter, *Hagamos* published the fourth edition of its Bimonthly Bulletin “Barómetro Legislativo” and submitted a draft of the newspaper supplement on National Assembly Deputies’ accountability of discretionary social development funds. Eleven financial statements were obtained, surpassing the project’s goal of five voluntary accountability renditions. The supplement should be published next quarter.

In addition, *Hagamos* held two informative events on the National Assembly’s performance during the first six months of the Ortega Government. One event was a three-hour roundtable discussion with journalists and the second event was only for law students attending the University of Science and Technology (UNICIT). During the university event, several students were profoundly confused about the National Assembly’s role in government, on why Deputies only have sessions every other week, or how the legislative process works. This is where *Hagamos*’ dissemination work becomes relevant.

**OBSTACLES/ISSUES FOR RESOLUTION:**

- None

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

- Publish and circulate newspaper supplement on the use of the C\$400,000.00 (US\$22,000) social development fund by National Assembly Deputies.
- Host two radio talk shows “Barómetro Legislativo Radial.”
- Close out grant project (technical and financial).

**LIST OF IN-COUNTRY TRAININGS:**

Please refer to Annex III for a list of in-country trainings.

**CONSULTANCIES:**

Hernán Charosky Julio 5 - 13

Traveled to Nicaragua to fine tune the first BSA performed on *Catastro*, which is part of DGI, officially present it to USAID, and finalize strategic BSA proposal for Health Ministry (MINSA).

Luis Quiroga, August 5 - 16

Analyzed the statistical data outputs for the Cost of Administrative Corruption Survey and with that information develop the first draft of the report.

Delia Ferreira, September 4 - 11

Provided support on the current political campaign finance program on behalf of IFES.

## OTHER ACTIVITIES:

### Visits to Public Schools:

Anti-corruption Ambassador and Rock Icon Ramón Mejía from *Perrozompopo*, visited public schools *Instituto Rigoberto López Pérez* (July 10), *Instituto Maestro Gabriel* (July 11) and *Colegio Bautista* (September 4) to engage fourth and fifth-year secondary students in discussions about ethics, transparency, accountability. At Rigoberto Lopez, Ramon Mejia spoke to nearly 250 fifth graders in six classrooms; at Maestro Gabriel, he spoke to about 100 fifth graders in an auditorium; and at Colegio Bautista he spoke to about 200 fourth and fifth Graders.



The events were highly successful as measured by the mere impact that the figure of Ramon Mejia/Perrozompopo creates in students. His visits were highly visible at the schools and they caused quite a commotion among students of all ages. He is a recognizable icon and a role model, particularly when he eloquently spoke about values, about taking care of Nicaragua and making them aware that they have a responsibility to decide whether to maintain or break the chain of corruption. As he walked the halls and grass of the schools, students from all ages would want to get near him, others would sing his songs, others wanted to take a picture with him and everyone wanted his autograph on t-shirts, bags, and notebooks.

### Citizen Security and Transparency Survey:

On July 17, the Transparency in the Defense and Security Sector Project, implemented by IEEPP and funded by the Transparency Program, held a press conference to disseminate the results of the “First Survey about Citizens Perceptions and Police Performance.” The survey was conducted by Borge and Associates 15-25 of May, and includes a national representative sample of 1,008 interviews in both rural and urban areas.

General findings of the survey indicated that while Nicaraguans perceive that their country is relatively more secure than others in the region, they are concerned about growing day-to-day insecurity in areas such as thefts, gangs and domestic violence. Moreover, the Police enjoy a relatively high degree of confidence as an institution, although the Armed Forces and organized citizens also show a high degree of confidence. As far as transparency and corruption, the Police obtained mixed results. On a scale of 1-10, where 1 is low corruption and 10 is high corruption, the Police get

an average ranking of 5.8. Over 15 journalists from mainstream radio, television and newspapers attended the event.

#### Inaugural Lectures on the IACC and Transparency:

On August 11 and 18, Inaugural Seminars on the IACC and the GS-CICC Coalition were held by the Universidad Paulo Freire (UPF) at *Colegio La Inmaculada Concepción* in Diriamba and the Managua campus respectively. The seminars were initiatives by the GS-CICC's Coordination and led by *Universidad Paulo Freire*. Program Director Gerardo Berthin gave the initial presentation at both events. Approximately 300 university students from the Law, Accounting and Economic Schools of the UPF assisted both lectures. The Inaugural Lectures touched on various topics relevant to the IACC and a copy of the Convention was handed to each of the students.

#### Showcasing the Nicaraguan Experience in Guatemala

From August 21 to 24, the Program Director, Cristiana Chamorro (from Fundación Violeta Barrios de Chamorro) and Mauricio Zuñiga (from IPADE) traveled to Guatemala at the invitation of Transparency International to attend the IV Central American Summit on Political Party Finance. The event provided an opportunity to exchange experiences from Guatemala, El Salvador, Honduras, Mexico, and Panama. This forum also offered an opportunity to share the many products (manuals, posters, books, awareness materials) that this initiative has produced to-date. In addition, the Program Director and Cristiana Chamorro provided separate training to journalists and media owners on how to promote transparency and accountability issues in the media. Moreover, the Program Director assisted the Guatemala Transparency Program in facilitating a dialogue with the main donor group on issues related to anti-corruption policies in the context of finding ways to dialogue with leasing candidates for President.

#### Monthly Grantees Coordination Meeting

The Program held its tenth and last Grantee Coordination Meeting in September. Featured projects were the IACC municipal level projects.

## **II. Administrative Update**

One copy of the previous two quarters' performance reports was submitted to USAID's Development Experience Clearinghouse.

## **ANNEX I: TRANSPARENCY PROGRAM, USAID-NICARAGUA: LIST OF ACRONYMS**

Bureaucratic Simplification Assessment.....	BSA
Comptroller General's Office.....	CGR
Citizenship for Transparency in Politics.....	CxT
Fundación Violeta Barrios de Chamorro.....	FVBCh
Grupo Cuatro.....	G4
Grupo FUNDEMOS.....	FUNDEMOS
Grupo de Seguimiento a la Convención Interamericana contra la Corrupción...	GS-CICC
Hagamos Democracia.....	Hagamos
Health Ministry.....	MINSA
Inter-American Convention against Corruption.....	IACC
Instituto de Estudios Estratégicos y Políticas Públicas.....	IEEPP
Instituto para el Desarrollo y la Democracia.....	IPADE
Ministry of Transportation and Infrastructure.....	MTI
Municipal Development Committees.....	CDM
Non-Governmental Organization.....	NGO
Procuraduría General de la República.....	PGR
Red Probidad/Nicaragua.....	Probidad
Tax Administration Office.....	DGI
United Nations Convention against Corruption.....	UNCAC
United States Agency for International Development.....	USAID
World Bank Institute.....	WBI

**ANNEX II: TRANSPARENCY PROGRAM, USAID-NICARAGUA: MEDIA COVERAGE**

<b>Article</b>	<b>Journalist</b>	<b>Date</b>	<b>Media</b>	<b>URL</b>
¿Debililitado control civil sobre militares?	Eduardo Marengo	July 08th 2007	El Nuevo Diario	<a href="http://www.elnuevodiario.com.ni/2007/07/08/politcia/53245">http://www.elnuevodiario.com.ni/2007/07/08/politcia/53245</a>
Lucha por la Transparencia	Leyla Jarquín	July 11th 2007	La Prensa	Revista, Hard Copy
Hay 36 diputados mudos, dice estudio	Ludwin Loásiga López	July 12th 2007	La Prensa	Politics, Hard Copy
Debe sincerarse el gasto militar	Vladimir López	July 12th 2007	El Nuevo Diario	Nacionales/ Hard Copy <a href="http://www.elnuevodiario.com.ni/2007/07/12/nacionales/53598">http://www.elnuevodiario.com.ni/2007/07/12/nacionales/53598</a>
Combaten corrupción con Música	----	July 12th 2007	Bolsa de Noticias	Breves, Hard Copy
Sorprende cómo manejan las lacras públicas	Tania Sirias	July 12th 2007	El Nuevo Diario	Nacionales/ Hard Copy
Robo, Pandillas y narcotráfico: principales problemas de seguridad	Agencia EFE	July 17th 2007	El Nuevo Diario	<a href="http://www.elnuevodiario.com.ni/2007/07/17/nacionales/54017">http://www.elnuevodiario.com.ni/2007/07/17/nacionales/54017</a>
Pandillas son aún materia pendiente	Elizabeth Romero	July 18th 2007	El Nuevo Diario	<a href="http://www-ni.laprensa.com.ni/archivo/2007/julio/18/noticias/nacionales/203939.shtml">http://www-ni.laprensa.com.ni/archivo/2007/julio/18/noticias/nacionales/203939.shtml</a>
Población más preocupada por delito cotidiano que por narcos	Luis Alemán	July 18th 2007	La Prensa/Nacionales	<a href="http://www.elnuevodiario.com.ni/2007/07/18/nacionales/54086">http://www.elnuevodiario.com.ni/2007/07/18/nacionales/54086</a>
Cautelosa, pro firme en lucha muy compleja		July 19th 2007	El Nuevo Diario/Nacionales	<a href="http://www.elnuevodiario.com.ni/2007/07/18/nacionales/54086">http://www.elnuevodiario.com.ni/2007/07/18/nacionales/54086</a>
Encuesta			El Nuevo Diario/Nacionales	<a href="http://www.elnuevodiario.com.ni/2007/07/17/nacionales/54017">http://www.elnuevodiario.com.ni/2007/07/17/nacionales/54017</a>
Examinarán presupuestos públicos	Yader Luna	August 17th 2007	La Prensa	Nacionales; link

Article	Journalist	Date	Media	URL
Reconocen madurez en propuesta de Ortega a EU	Vladimir López	August 04th 2007	El Nuevo Diario	<a href="http://www.elnuevodiario.com.ni/2007/08/04/nacionales/55448">http://www.elnuevodiario.com.ni/2007/08/04/nacionales/55448</a>
El caribe aún atrae al crimen organizado	Elizabeth Romero	August 11th 2007	La Prensa	<a href="http://www-ni.laprensa.com.ni/archivo/2007/agosto/11/noticias/nacionales/208723.shtml">http://www-ni.laprensa.com.ni/archivo/2007/agosto/11/noticias/nacionales/208723.shtml</a>
El caribe es territorio inseguro, según estudio	Sergio León C	August 11th 2007	La Prensa	<a href="http://www-ni.laprensa.com.ni/archivo/2007/agosto/13/noticias/regionales/208968.shtml">http://www-ni.laprensa.com.ni/archivo/2007/agosto/13/noticias/regionales/208968.shtml</a>
No es posible prescindir de la DEA	Vladimir López AFP	August 15th 2007	El Nuevo Diario	<a href="http://www.elnuevodiario.com.ni/2007/08/15/politica/56336">http://www.elnuevodiario.com.ni/2007/08/15/politica/56336</a>
¿Conveniencia o dependencia?	Alberto Alemán	August 17th 2007	La Prensa	<a href="http://www-ni.laprensa.com.ni/archivo/2007/agosto/17/noticias/internacionales/209824.shtml">http://www-ni.laprensa.com.ni/archivo/2007/agosto/17/noticias/internacionales/209824.shtml</a>
Examinarán presupuestos Públicos	Geiner Bonilla	August 22th 2007	La Prensa	<a href="http://www-usa.laprensa.com.ni/archivo/2007/agosto/22/noticias/nacionales/210891.shtml">http://www-usa.laprensa.com.ni/archivo/2007/agosto/22/noticias/nacionales/210891.shtml</a>
La Red da detalles del gasto público	Connie Reynoso	September 3th 2007	Prensa Libre Guatemala	Pagina ( / copia electrónica)
Menor estado de Derecho Ligado a más crímenes	Elizabeth Romero	September 7th 2007	La Prensa	Nacionales, link, copia dura <a href="http://www-usa.laprensa.com.ni/archivo/2007/septiembre/07/noticias/nacionales/214067.shtml">http://www-usa.laprensa.com.ni/archivo/2007/septiembre/07/noticias/nacionales/214067.shtml</a>
Control civil también cayó junto con las torres gemelas	Vladimir López	September 12th 2007	El Nuevo Diario	<a href="http://www.elnuevodiario.com.ni/2007/09/12/nacionales/58747">http://www.elnuevodiario.com.ni/2007/09/12/nacionales/58747</a>
Gasolineras no son night clubs	Heberto Rodríguez	September 19th 2007	El Nuevo Diario	<a href="http://www.elnuevodiario.com.ni/2007/09/19/nacionales/59352">http://www.elnuevodiario.com.ni/2007/09/19/nacionales/59352</a>
Ejército arisco con reformas a Ley 285	Elizabeth Romero	September 19th 2007	La Prensa	<a href="http://www-usa.laprensa.com.ni/archivo/2007/septiembre/19/noticias/nacionales/216407.shtml">http://www-usa.laprensa.com.ni/archivo/2007/septiembre/19/noticias/nacionales/216407.shtml</a>

<b>Article</b>	<b>Journalist</b>	<b>Date</b>	<b>Media</b>	<b>URL</b>
Identifican ruta del contrabando	Elizabeth Romero	September 21th 2007	La Prensa	<a href="http://www-usa.laprensa.com.ni/archivo/2007/septiembre/21/noticias/nacionales/216863.shtml">http://www-usa.laprensa.com.ni/archivo/2007/septiembre/21/noticias/nacionales/216863.shtml</a>
Proyecto de ley enfrenta a militares y civiles	Ary Pantoja	September 21th 2007	El Nuevo Diario	<a href="http://www.elnuevodiario.com.ni/2007/09/21/nacionales/59515">http://www.elnuevodiario.com.ni/2007/09/21/nacionales/59515</a>
Reforma a Ley antidrogas provoca roces entre civiles y militares	Agencia EFE,	September 21th 2007	La Prensa	<a href="http://www-usa.laprensa.com.ni/archivo/2007/septiembre/21/noticias/ultimahora/216956.shtml">http://www-usa.laprensa.com.ni/archivo/2007/septiembre/21/noticias/ultimahora/216956.shtml</a>
Ejército admite interés en bienes incautados.	Matilde Córdoba, Ary Pantoja	September 22th 2007	El Nuevo Diario	<a href="http://www.elnuevodiario.com.ni/2007/09/22/nacionales/59599">http://www.elnuevodiario.com.ni/2007/09/22/nacionales/59599</a>
Los desafíos de la educación	Claudia García	September 24th 2007	El Nuevo Diario	Opinion, link
Ministerio de defensa pintado en la pared	Vladimir López	September 24th 2007	El Nuevo Diario	<a href="http://www.elnuevodiario.com.ni/2007/09/24/nacionales/59758">http://www.elnuevodiario.com.ni/2007/09/24/nacionales/59758</a>

**ANNEX III: TRANSPARENCY PROGRAM, USAID-NICARAGUA: IN-COUNTRY TRAININGS AND OTHER KEY EVENTS**

<b>Training Program</b>	<b>Field of Study</b>	<b>Objectives</b>	<b>Beneficiaries</b>	<b>Dates</b>	<b>Males</b>	<b>Females</b>	<b>Total \$ of Activity</b>
CxT Municipal Forum in Boaco	Political Party Finance Reform	Create a public space for citizens to participate in discussions related to political party finance reform, and to generate inputs to a reform proposal.	University students and local CSOs	July 12, 2007	41	58	US\$1,973
CSO-IACC II Plenary Session	IACC	Strengthen coalition by validating its website, slogan, mission, vision, and logo.	GS-CICC Coalition Members	July 17, 2007	20	10	US\$220.00
Roundtable discussion with the Petty Corruption Consultative Group	Reduction of Administrative Corruption	Present preliminary findings to the group in order to reach a consensus on how to strategically present results	Consultative Group	August 15, 2007	2	1	US\$81.30
Inaugural Seminar for students of University Paulo Freire – Diriamba Campus	Transparency, Anti-Corruption, Accountability	Inform and cultivate a culture of transparency and accountability in new generations	Paulo Freire University Students	August 11, 2007	51	73	US\$131.70
Inaugural Seminar for students of University Paulo Freire – Managua Campus	Transparency, Anti-Corruption, Accountability	Inform and cultivate a culture of transparency and accountability in new generations	Paulo Freire University Students	August 18, 2007	59	82	US\$252.12
Training Workshop on Data Collection for Map of Indicators Project	IACC and Transparency, Anti-Corruption, Accountability	Train investigators in correct methods for data collection	Map of Indicators Project Data Collectors	August 21-22, 2007	7	4	US\$422.86

<b>Training Program</b>	<b>Field of Study</b>	<b>Objectives</b>	<b>Beneficiaries</b>	<b>Dates</b>	<b>Males</b>	<b>Females</b>	<b>Total \$ of Activity</b>
CxT Municipal Forum in Esteli	Political Party Finance Reform	Create a public space for citizens to participate in discussions related to political party finance reform, and to generate inputs to a reform proposal.	University students and local CSOs	August 23, 2007	42	30	US\$2,000.00
Presentation of the Map of Indicators Project to Municipal Authorities of Estelí, Estelí.	IACC and Transparency, Anti-Corruption, Accountability	Present Project and Methodology to the Mayor of Estelí to obtain his collaboration with the initiative	Map of Indicators Project and Municipality of Estelí	September 10, 2007	2	1	US\$155.52
CSO-IACC III Plenary Session	IACC	Provide updates on all 6 CSO-IACC Projects, discuss difficulties, obstacles and solutions for their implementation	CSO-IACC Follow-up Group	September 18, 2007	19	12	US\$220.00
CxT Municipal Forum in Jinotepe	Political Party Finance Reform	Create a public space for citizens to participate in discussions related to political party finance reform, and to generate inputs to a reform proposal.	University students and local CSOs	September 20, 2007	20	42	US\$1,973
"Public Policies, Organized Crime, and Economical and Corruption Crimes" Seminar	Transparency, Anti-Corruption, Accountability, and Rule of Law.	Enable discussion between various sectors – civil society, government, academia – on types of instruments and policies public institutions should	Government Officials (Justice Sector), CSOs, Academics	September 6, 2007	83	101	Paid for by USAID/Rule of Law Program

<b>Training Program</b>	<b>Field of Study</b>	<b>Objectives</b>	<b>Beneficiaries</b>	<b>Dates</b>	<b>Males</b>	<b>Females</b>	<b>Total \$ of Activity</b>
		adopt to exert a positive impact socio-economic development					
8 Workshops on ACC in La Trinidad and San Nicolás (Estelí); San Marcos (Carazo), Masatepe (Masaya); Belén (Rivas); Matiguás and Somoto (Matagalpa); Diriomo (Granada)	IACC (Access to Information, Citizen Participation, Procurement, Municipal Judicial Frameworks)	Provide information to CDMs on the IACC and its components, and Nicaragua's commitments towards it.	CDMs of La Trinidad, San Marcos, Masatepe, Belén, Matiguás, Somoto, Diriomo	From June 7 to September 20, 2007	202	114	316
8 Workshops on Citizen Participation La Trinidad and San Nicolás (Estelí), San Marcos (Carazo), Masatepe (Masaya), Belén (Rivas), Matiguás and Somoto (Matagalpa); Diriomo (Granada)	IACC (Access to Information, Citizen Participation, Procurement, Municipal Judicial Frameworks)	Provide CDMs with information CDMs on the IACC and its components, and Nicaragua's commitments towards it.	CDMs of La Trinidad, San Marcos, Masatepe, Belén, Matiguás, Somoto, Diriomo	From June 27 to September 23, 2007	150	97	247
5 Trainings on Public Servants' Rights and Obligations in La Trinidad (Estelí), Belén (Rivas), Diriomo (Granada), Matiguás (Matagalpa), Masatepe (Masaya)	Access to Information	Provide CDMs with information on civil society's and public servants' rights and obligations, and the right to access to public information	CDMs of La Trinidad, Belén, Diriomo, Matiguás, Masatepe	From August 22 to September 24, 2007	99	68	167
3 Public Audiences	Access to	CDM's demand their	CDMs from	From	23	11	34

<b>Training Program</b>	<b>Field of Study</b>	<b>Objectives</b>	<b>Beneficiaries</b>	<b>Dates</b>	<b>Males</b>	<b>Females</b>	<b>Total \$ of Activity</b>
(Cabildos) in San Marcos (Carazo), Masatepe (Masaya), Belén (Rivas)	Information	access to information from their Municipal Authorities.	San Marcos, Masatepe, and Belén	September 21-28, 2007			
12 Workshops on Access to Information Citizen Participation in Somoto, Belén Matiguás (Matagalpa), Diriomo (Granada), San Marcos (Carazo), La Libertad (Estelí), and Masatepe (Masaya)	Development of personal, family, and community identity	Contribute to the development of personal, familiar and social - communitarian identities to promote citizen participation.	Citizens from each community	From July 02 to September 23, 2007	145	265	410
10 Sessions that promoted sharing experiences between citizens, local CSO networks, and Municipal Authorities in Belén (Rivas), Matiguás and Somoto (Matagalpa), Diriomo (Granada),	Citizen Participation and Access to Information	Provide information about CSO rights and obligations. Info was also provided on how to legally form a citizen association in each community	Citizens from each community	N/A	105	119	224
2 Official Project Presentations in San Marcos and Masatepe	Official Presentation to Municipal Authorities, CDMs and Citizens	Officially Present the Project to its beneficiaries.	Citizens from each community	Aug 29 and Sept 01, 2007	38	38	76
2 Session on CSO-IACC Municipal Project	IACC (Access to Information,	Obtain feedback from technical team on	CSO-IACC Municipal	July 06 and	5	10	15

<b>Training Program</b>	<b>Field of Study</b>	<b>Objectives</b>	<b>Beneficiaries</b>	<b>Dates</b>	<b>Males</b>	<b>Females</b>	<b>Total \$ of Activity</b>
Evaluations	Citizen Participation, Procurement, Municipal Judicial Frameworks)	experiences and activities performed in each municipality.	Project Technical Teams	Sept 04			
8 Cooperative Agreement Signing Ceremonies with Municipal Authorities from Belén, (Rivas); Diriomo (Granada); Matiguás and Somoto (Matagalpa); San Marcos (Carazo); Masatepe (Masaya); La Trinidad (Estelí)	IACC (Access to Information, Citizen Participation, Procurement, Municipal Judicial Frameworks and Municipal Budgets)	Obtain a written commitment from municipal authorities to execute the project in each municipality	Coalition of Organizations that execute the Municipal Authorities Project	Between July 17 and Sept 07	132	98	230
9 Workshops on municipal authorities' responsibilities (Belén, Matiguás, Masatepe, San Marcos, San Nicolás, La Trinidad, Somoto, Diriomo	IACC (Access to Information, Citizen Participation, Procurement, Municipal Judicial Frameworks and Municipal Budgets)	Strengthen municipal authorities' public administration capabilities for the prevention of corruption.	Municipal Authorities from all 8 municipalities	From August 15 to September 28, 2007	157	113	270
Public Budget and Political Influence Workshop	Public Budget	Strengthen the CSO capabilities for monitoring government actions in their communities. Tools for the analysis of public budgets were provided.	CSOs and journalists from Leon and Chinandega	August 20- 22, 2007	13	11	24

## PANAMA

In compliance with both Contract DFD-I-00-03-00139-00 and Task Order No. DFD-I-00-03-03-00139-00 (Central America and Mexico (CAM) Transparency, Anticorruption and Accountability Program, Casals & Associates, Inc. (C&A) presents this quarterly report, which covers the period July 1 through September 30, 2007.

### I. KEY ACTIVITIES

Following is a description of key activities conducted by the Program this quarter broken down by Sub Intermediate Results and Lower Level Results.

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

##### **LLR 2.1.1: National anticorruption/transparency strategy completed and implemented**

#### **INDICATOR:**

% implementation of National Anticorruption Strategy.

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

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

<b>Component of the Strategy</b>	<b>Progress to Date</b>
1) Adjustments to the Regulatory Framework / Public Policy	14.652%
2) Institutional Strengthening	6.327%
3. Citizen's Participatory Mechanisms	9.5019%
<b>Total</b>	<b>30.48%</b>

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

Coordinating the efforts of GOP agencies and civil society organizations to draft a new Code of Criminal Procedure. The Program dedicated a significant share of its attention this quarter to completing a draft Code of Criminal Procedure. It did so by coordinating the efforts of a small group of specialists appointed by the Judicial Branch to present a revised version of the document to all parties involved in its initial development (the Association of Panamanian Judges (ASPAMAJ), the Judicial Branch, the Attorney General's Office and *Alianza Ciudadana pro Justicia*, the Program's main counterpart in civil society).

Over a six-week period, the Program supervised and provided continued technical assistance to produce a document that met the key elements of an oral and jury trials system. In spite of the challenges of a consensus-reaching process, the resulting Code represents a unified

proposal that builds upon most of the Program's recommendations. In October, the Judicial Branch and the Attorney General's Office will begin preliminary discussions with the National Assembly to advocate for the adoption of this Code. In anticipation of its presentation, the Program will coach representatives from both entities in highlighting its major strengths and improvements versus the Code currently under consideration at the National Assembly. Furthermore, the Program will continue mobilizing support for its adoption among key public opinion makers in the private sector and the media.



Discussion of draft Code of Criminal Procedure

**Reactivating joint activities with the National Anticorruption Council (NAC) and its Executive Secretariat.** Throughout this quarter, the Program carried out the following activities in support of the Executive Secretariat of the National Anticorruption Council:

- 1) Continued the implementation of a four-month training program on Fraud Auditing and Internal Controls for internal auditors and other GOP officials (see attached GDA report for more details);
- 2) Edited the Third Volume of the Council's Anticorruption Journal (*Transparencia y Cambio* - an article in the latest issue is a direct contribution from the Program);
- 3) Offered a course on the "Assessment of Internal Controls" through the use of IT to detect and address areas prone to corruption in the public sector (See LLR 2.1.6 for further details). The course was directed to 77 internal auditors and managers, broken down into two groups. As part of this activity, the Program produced and distributed training material and copies of a software to assess internal controls to all its participants.
- 4) Motivated the participation as speaker of the Secretariat's Legal Director at an anticorruption event held in September by the *Colegio Episcopal de Panamá*.

**OBSTACLES/ISSUES FOR RESOLUTION:**

- The approval of the Judiciary's Anticorruption Plan, developed at the request of the Supreme Court, has yet to materialize despite significant investments in financial and human resources. Discrepancies among Supreme Justices on some of the planned activities account for the stalemate (e.g. judicial appointments system). On multiple occasions, the Program pushed for its adoption by the Plenary Group of Supreme

Justices. Early next quarter, the Program will re-attempt one final time to promote its endorsement and enactment. A positive sign is that a recently appointed Supreme Justice embraced this initiative and is advancing the gradual approval of each of its components. This bodes well for the Plan's eventual execution and sustainability.

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

- Draft a strategy and arguments to advocate—before the National Assembly and other relevant entities (e.g. professional associations)—for the adoption of the proposed Code of Criminal Procedure. This will be done in support of the Program's main counterparts in this task: the Attorney General's Office, the Association of Panamanian Judges and *Alianza Ciudadana pro Justicia*. They will be responsible for presenting the Code to the members of Congress and defending its structure and contents. In doing so, the C&A Program seeks to promote the adoption of legal standards into the Code that will facilitate the prosecution of corruption, such as whistleblower and witness protection, conflicts of interest and plea bargaining.
- If opportunities arise, continues to meet with key public opinion makers in the private sector and civil society to acquaint them with the key elements of the proposed Code of Criminal Procedure and its linkages with a transparent and expeditious oral trials system.
- Explore the possibility to fund selected activities of this year's National Transparency Week, an event visualized and launched two years ago by the C&A Program in support of civil society organizations and the National Anticorruption Council. The Council's Executive Secretariat has taken the lead in its organization, which is scheduled to take place in December.
- Subject to the availability of funds and time, assist the Office of the Comptroller General in training external and internal auditors in risk assessment methodologies and developing a proposal to incorporate this approach (risk assessment) into their operational procedures and standards.
- Organize a close-out event in cooperation with the Program's main local counterparts in government and the private sector to present the main results of the joint initiatives throughout the life of the Program. At this event the Program is planning to release a series of publications compiling lessons learned and best practices in connection with C&A's work with civil society organizations and government.

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

##### **INDICATOR:**

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

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

See LLRs 2.1.1 above on standards for the criminalization of corruption linked to enhancing compliance with international anticorruption conventions subscribed and ratified by Panama.

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

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

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

**INDICATOR:**

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

**MAIN RESULTS ACHIEVED:**

***Supporting the implementation of institutional strengthening and civil service mechanisms at the GOP's internal revenue unit.*** The Program continued implementing a project to revamp the internal organization and human resources practices of the National Tax Directorate (DGI). As part of these activities, the Program assisted in drafting an internal resolution specifying the structure, objectives and functions of the National Tax Directorate and all of its units. This document expands on the contents of the Executive Decree granting financial and administrative autonomy to the DGI, scheduled for publication in November.

Furthermore, at the request of the DGI, the Program partially restructured the scope of its support for the design of the Directorate's Human Resources Management System.

Under the revised scope of work, the Program will assist the DGI in conducting the following activities:

- 1) Develop a Recruitment and Personnel Selection subsystem which involves the presentation of three major deliverables: a) a recruitment mechanism with valuation criteria and indicators; b) standards and regulations for directive positions based on merits and professional skills; and c) the preliminary terms of reference to be used in connection with the recruitment process.
- 2) Develop a conceptual framework supporting each of the components of the Human Resources Management System at the DGI.
- 3) Present a plan to transition the DGI's current human resources practices into a revamped system.

The Program also continued to monitor the implementation of training activities organized in support of the DGI by ADEN University, one of the Program's GDA recipients (see attached report). To date, ADEN has trained 401 GOP officials from the DGI (268 women and 133 men) in four major programs: 1.) "Personal and Institutional Process of Change," 2.) "Management Skills," 3.) Training of Trainers, and 4.) Client-Oriented Services.

Additionally, on August 27, the Program co-sponsored a workshop for 71 mid-level staff members of the DGI, where they were exposed to the institutional changes taking place at the Directorate. This activity intended to serve as an incentive to become an active part of this process and obtain their support for its implementation.



Workshop for mid-level staff at the DGI

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

- Support the DGI in the implementation of the three major tasks described above to modernize their Human Resources Management System.
- Finalize the training program organized through ADEN University.

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

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

**LLR 2.1.6: KEY OVERSIGHT AGENCIES STRENGTHENED**

**INDICATOR:**

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

**MAIN RESULTS ACHIEVED:**

***Moving forward key initiatives at the Attorney General’s Office (AGO).*** Below is a brief description of the Program’s major highlights in connection with its work with the Anticorruption Investigations Unit of the Attorney General’s Office.

**a) Training:** On July 27, the Program offered an all day practical workshop on “Teamwork, Effective Communications and Values” for the Attorney General, her top level Prosecutors (including all three Corruption Prosecutors) and other high-level officials at the AGO for a total of 20 participants. This workshop followed a similar exercise implemented earlier (June 2007) for the staff of the AGO’s Corruption Investigations Unit, which also sought to improve team cohesion and efficiency. The first workshop’s feedback and evaluation was

instrumental in the AGO's request for a second exercise of this type involving its highest authorities.

The participation of Corruption Prosecutors at the latest workshop, particularly their normal interaction with the Attorney General, assisted in reducing potential tensions in connection with the pressures imposed on them by influential political forces in Panama openly opposed to some of their investigations.



Team Cohesion Workshop at the Attorney General's Office

In July, the Program offered three workshops (two covering Panama City and the metropolitan area and one at the Provincial level in Santiago de Veraguas) on "Corruption Crimes under the New Criminal Code of Panama." The courses had a two-fold objective: to acquaint public prosecutors and judges with the new chapter on crimes against the public sector under the new Criminal Code of Panama and to strengthen their analytical capacities to identify the elements that constitute a corruption crime in all its modalities.



Course on Corruption Crimes under the new Penal Code

Overall, 97 participants from seven Provinces (Panamá, Colón, Chiriquí, Coclé, Herrera, Los Santos, and Veraguas) attended these courses. The organization of one of them outside Panama City enabled the Program to reach judges and public prosecutors that are not normally exposed to technical training in this subject.

As part of C&A's courses to assess the quality of internal controls (see LLR 2.1.1), the Program conducted two abridged exercises of this type at the AGO's Transportation and Seized Assets Units. This provided on-the-ground training on control assessment methodologies to six internal auditors at the AGO and allowed them to identify major institutional shortcomings and areas prone to illicit behavior at these units. The Program gathered the workshops results into two reports and presented them to the Attorney General, the AGO's Internal Auditor and Administrative Manager, and the heads of the subject Units.

***b) Revamping the organizational structure of the Corruption Investigations Unit.***

Throughout this quarter, the Program assisted the Corruption Investigations Unit of the Attorney General's Office in conducting the following activities: 1) Holding working meetings to monitor the adoption of administrative, legal and operational actions linked to the restructuring process of the Anticorruption Public Prosecutors' Offices; 2) Completing the design of a results-based management process through the development of meaningful performance indicators; 3) Conducting an initial assessment of the results-based management process and drafting a schedule for its future implementation; 4) Revamping and completing the "Investigations Manual of the Corruption Investigations Unit" based on the input and comments received from the AGO; 5) Providing continued overall technical assistance in the implementation of strategies to investigate corruption; and 6) Organizing a closing ceremony of the Certificate Course on Corruption Prosecution Techniques (offered in conjunction with the Institute of Criminology of the University of Panama – see previous Quarterly Reports) with the purpose of disseminating before the media and the public at large the institutional changes undergone by the AGO's Corruption Investigations Unit.

The Program also began the design of a series of publications compiling best practices and lessons learned in the restructuring process of the AGOs' Corruption Investigations Unit. This will include the following titles: 1) Guidelines to Restructure the Corruption Investigations Unit; 2) Administrative Manual for a Corruption Investigations Unit; 3) Corruption Investigations Manual; 4) Performance Management System for the Corruption Investigations Unit; and 5) Corruption Crimes under the New Criminal Code (Comments, Scholastic Doctrine and Jurisprudence).

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

- Offer a workshop on "Detection and Investigation of Land Fraud" to detect and investigate corruption schemes in the purchase or concession of undeveloped State land.
- Explore the possibility of organizing a training course on "Fraud in Public Procurement" for public prosecutors and judges.
- Provide technical assistance to expand the capacity of the AGO to assess the performance of its units (judicial audits).
- Conduct full-blown exercises to assess internal controls at the AGO's Transportation and Seized Assets Units while expanding training in this field to a selected number of internal auditors at the AGO. These activities will follow up on the two mock internal controls workshops launched last quarter at both units. Their purpose is to complete the

evaluation of institutional weaknesses, present recommendations to address them and assist the AGO in drafting revised versions of the Internal Procedures Manuals for both units. By providing this additional training to internal auditors at the AGO, the Program expects that they will replicate this methodology in the future as part of their regular procedures.

- Offer additional training courses on the “Oral and Jury Trials System based on the Proposed Code of Criminal Procedure” for public prosecutors and judges in conjunction with the AGO and the Association of Panamanian Judges.
- Organize a close-out event to showcase the results of the Program’s activities with the AGO and release a series of publications on best practices and lessons learned in the restructuring process of the AGO’s Corruption Investigations Unit.

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

- Whereas the Program met with staff from the Solicitor General’s Office and agreed to fund the participation as a speaker of an international expert on government ethics at local events, it seems unlikely at this point that this activity will materialize on account of the perceived lack of interest of C&A’s counterpart to follow up on its implementation.

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

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

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

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

#### **INDICATOR:**

Number of social audits conducted of government programs and performance

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

***Advancing the Program’s small grants component.*** *Alianza Ciudadana pro Justicia*, the Program’s main counterpart in civil society, carried on the implementation of its third grant (“Continued citizen participation in the judicial reform process and the execution of anticorruption initiatives”).

This project seeks to: 1) Monitor compliance with the judicial reform process; 2) Enhance social audit initiatives; and 3) Involve the private sector in the judicial reform debate and in funding civil society’s watchdog role. Below is a list of *Alianza Ciudadana*’s major highlights in connection with the implementation of this project.

- Continued to participate actively at the working table responsible for drafting a revamped Code of Criminal Procedure. The proposed Code will be presented to the National Assembly in October as a unified initiative of civil society, the Judicial Branch and the AGO.

- Continued to monitor the investigation of 20 high-profile corruption cases by the AGO's Corruption Investigations Unit.
- Released a second assessment of the quality of criminal justice in Panama. This activity, conducted in the form of a social audit of the Judicial branch, identified corruption and other related factors (e.g. the lack of effective disciplinary measures) as the most significant obstacles hindering operations at the judicial system.
- Conducted a study to track GOP agencies' compliance with Panama's Freedom of Information Act. The study, released in September 2007, ranked 30 public sector entities based on their observance of the law. Its ulterior purpose is to promote compliance with basic Freedom of Information standards (e.g. having readily available key information on the operations and functions of government) by pinpointing those agencies that fail to meet them.
- Presented the results of a study to monitor the Court's efficiency in resolving Freedom of Information requests (Habeas Data). The study analyzed 62 rulings on the subject matter to identify trends and obstacles in connection with the citizens' right to request and access public records.
- Began the process to compile and document its social auditing methodologies.
- Organized the first *Jures*, a seminar aimed at advising private sector entities on the legal environment and judicial reforms in Panama. The organization of these events is also intended to raise funds to sustain the operations of *Alianza Ciudadana*.
- Launched a consultation process to discuss among civil society organizations and the public at large a bill reforming the administration of justice at the local level.
- Issued a press release to mobilize public opinion support in favor of the AGO's Corruption Investigations Unit in connection with legal actions taken by influential political forces in Panama against their work.
- Held initial discussions to review best practices and mechanisms for the upcoming selection of two new Supreme Justices based on objective and independent criteria.



Release of Study Assessing Compliance with Panama's Freedom of Information Act

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

- With the Program's support, *Alianza Ciudadana* will organize an event showcasing best practices on the independent selection of Supreme Justices. Rodolfo Vigo, former Supreme Justice at the Province of Córdoba in Argentina, will serve as the featured speaker. He will address Argentina's experiences in involving external parties, namely civil society, in overseeing the selection of judges to the Supreme Court. This activity seeks to influence the upcoming selection of two Supreme Justices in Panama based on their technical merits and independence from political manipulation.
- Complete the process to document *Alianza Ciudadana's* social audit practices. By disseminating them in the form of a booklet, the Program seeks to promote the adoption of *Alianza Ciudadana's* watchdog methodologies into other areas linked to the fight against corruption.
- In conjunction with the Association of Panamanian Judges (ASPAMAJ), the Program is planning to publish and widely disseminate, as an insertion at local newspapers, a summary of the objectives, contents and scope of the proposed Criminal Procedure Code. This intends to promote understanding of the Code among the public at large.

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

#### **INDICATOR:**

Number of anticorruption programs funded by the private sector

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

***Advancing the implementation of GDA Initiatives.*** To date, the Program has signed and launched eight grants for the implementation, by the Panamanian private sector, of an equal number of anticorruption projects through the Global Development Alliance (GDA-see attached GDA Report). These grants were awarded to the following entities:

- 1) Panamanian Association of Business Executives (APEDE).
- 2) Foundation for Education on TV (FETV), which received two grants.
- 3) Digital Design/National Environmental Agency.
- 4) University of the Certified Public Accountant (UNESCPA)/Anticorruption Council.
- 5) Computer Clubhouse/Mariano Rivera Foundation.
- 6) Panamanian Credit Bureau (APC).
- 7) ADEN/National Tax Directorate.

USAID's obligations to GDA recipients total \$595,002, whereas their in-kind and financial contributions are expected to equal \$1,040,894 (1:1.75 ratio).

Executing joint projects with the Panamanian Association of Business Executives (APEDE). At their request, the Program held several working meetings with the new Directive Board of APEDE to advise them on the design of an accountability program. As a result of these initial contacts, the Program drew their attention to policy reforms priorities that could benefit from APEDE's support, such as the adoption of a new Criminal Procedure Code. Specifically, on July 26 the Program offered a presentation to APEDE's Legal Commission on the nature of the proposed legislative changes and the relevance to transition to a jury and oral trials system in the administration of criminal justice.

Furthermore, on July 19, USAID organized, in conjunction with APEDE, a conference on “The Criminal, Administrative and Civil Liabilities of Ministers, Heads of Government Units and Members of the Board of Government Entities.” Ivan Meini, former Anticorruption Prosecutor of Peru and Criminal Law Specialist, served as the featured speaker. Attending the event were private sector representatives and high-level government officials, such as the Attorney General and the Ombudsman. By quoting legal principles and comparative law, the speaker offered a conceptual model that identifies the cases in which the head of a government unit is also liable for the criminal offenses or administrative misconduct committed by his/her subordinates. By and large, the presentation of this topic was motivated by the medicine poisoning scandal at the *Caja de Seguro Social* and the private sector’s interest in clearly identifying the level of responsibility of all of those linked to this case. This presentation spun the idea of publishing a booklet on this topic to be widely distributed across GOP agencies.

Supporting the organization of the First International Congress of Fraud Examiners. In August, the Program sponsored the participation of an international speaker (Edison Estrella) at the First International Congress of Fraud Examiners, organized by the Panamanian Association of Fraud Examiners. There, he offered a presentation on “Fraud Auditing: Objectives, Scope and Tools.”

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

- Complete the execution of all eight GDA initiatives (see GDA report attached).
- Re-approach APEDE and other private sector associations to promote their involvement in supporting the adoption of a new Code of Criminal Procedure.

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

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

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

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

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

<b>Training Program</b>	<b>Field of Study</b>	<b>Relationship to the objectives of the Contract</b>	<b>Date</b>	<b>Estimated Cost</b>	<b>Female Participants</b>	<b>Male Participants</b>
Corruption Crimes under the recently approved Penal Code of Panama	Corruption Prosecution	LLR 2.1.6	July 8 – 21, 2007	\$21,376.41	46	51
Control Self-Assessment Workshops	Internal Controls	LLR 2.1.4	Aug. 9 – 25, 2007	\$26,546.25	31	46
Teamwork, Leadership and Communications at the Attorney General's Office	Ethics, Team Cohesion	LLR 2.1.4	July 27- 28, 2007	\$2,612.29	13	12
"Personal and Institutional Process of Change" and "Management Skills"	Management	LLR 2.1.4	Several sessions throughout this quarter	\$45,000	<b>117</b>	<b>82</b>
Certificate Course (Diplomado) on Fraud Auditing	Fraud Auditing	LLR 2.1.6	Several sessions throughout this quarter	\$15,000	31	46
Ethical Values, Human Rights and Social Leadership for Children and Teenagers	Ethics	LLR 2.3.2	Four sessions throughout this quarter	\$95,462	189	106

**CONSULTANCIES:**

<b>Consultant</b>	<b>Main Activity/Activities</b>	<b>Type of Contract (LOE or Fixed Price)</b>	<b>Period of Execution</b>	<b>Counterpart / Beneficiary</b>	<b>Relationship to the objectives of the Contract</b>
Ivan Meini	Acquainting public prosecutors and judges with the new chapter on Corruption Crimes of the recently approved Penal Code of Panama.  Offering a presentation on Administrative, Civil and Criminal Liabilities of GOP officials	LOE	July 8-21	Attorney General's Office, Judicial Branch  Panamanian Association of Business Executives	LLR 2.1.6  LLR 2.3.2
Cesar Solanilla	Assisting in drafting a new Code of Criminal	LOE	July 22–27	Attorney General's Office,	LLR 2.1.1

Consultant	Main Activity/Activities	Type of Contract (LOE or Fixed Price)	Period of Execution	Counterpart / Beneficiary	Relationship to the objectives of the Contract
	Procedure			Judicial Branch, Civil Society Organizations	
Diomedes Leiva	Workshop on Teamwork, Leadership and Communications	LOE	July 27-28	the Attorney General's Office	LLR 2.1.6
Guillermo Jorge	Completing the design of a results-based management process and a Corruption Investigations Manual	LOE	Aug. 6-10,	Corruption Investigations Unit at the Attorney General's Office	LLR 2.1.6
Cesar Solanilla	Providing continued technical assistance in the preparation of a draft Code of Criminal Procedure	LOE	Aug. 8-24	Attorney General's Office, Judicial Branch, Civil Society Organizations	LLR 2.1.1
Edison Estrella	Offering two workshops on the evaluation of internal controls and providing field assistance in the implementation of control self assessment methodologies in selected government institutions.  Supporting the organization of the First International Congress of Fraud Examiners.	LOE	August 9-25	40 GOP agencies plus the Attorney General's Office  Panamanian Association of Fraud Examiners.	LLRs 2.1.6 and 2.1.4  LLR 2.3.1
Ileana Golcher	Documenting <i>Alianza Ciudadana's</i> social auditing methodologies.	FP	July 9–Sep. 30	Alianza Ciudadana pro Justicia and Civil Society Organizations	LLR 2.3.1
Ivan Meini	Drafting a booklet on “The Criminal, Administrative and Civil Liabilities of High-Level Government Officials and Board Members of Government Agencies” and a “Manual of Corruption Crimes under the New Penal Code of Panama.”	FP	Aug. 6–Sep. 30	Attorney General's Office, Judicial Branch and GOP agencies	LLR 2.1.6
Cesar Solanilla	Drafting a strategy and arguments to defend the proposed draft Code of Criminal Procedure at the National Assembly	LOE	Oct. 15-19	Attorney General's Office, Judicial Branch, Civil Society Organizations	LLRs 2.1.1 and 2.1.6

**OTHER ACTIVITIES:**

Other project activities throughout this quarter included the following:

***Promoting ethical values among university students.*** At their request, the Program agreed to fund an event organized by high school students from the *Colegio Episcopal* to debate the monitoring mechanism of the IACC. To stimulate a debate and the discussion of ideas, the event simulated an OAS session of the IACC's Committee of Experts. Furthermore, the Program served as a liaison to invite a member of the Executive Secretariat of the National Anticorruption Council to participate at this event as keynote speaker.

**II. ADMINISTRATIVE UPDATE**

One copy of the previous two quarters' performance reports was submitted to USAID's Development Experience Clearinghouse.

## EL SALVADOR

In compliance with both Contract DFD-I-00-03-00139-00 and Task Order No. DFD-I-00-03-03-00139-00 (Central America and Mexico (CAM) Transparency, Anticorruption and Accountability Program, Casals & Associates, Inc. (C&A) presents this quarterly report, which covers the period July 1 through September 30, 2007.

### I. KEY ACTIVITIES

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

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

###### **INDICATOR:**

Number of activities promoting greater transparency in the justice sector

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

***Transparency and Judicial Indicators:*** Upon reviewing the Spanish and Argentinean experience in the building of judicial transparency indicators that use perception studies as the basis of its methodology, the TAG Program selected as a model the Panamanian experience, which uses the Inter-American Convention against Corruption (IACC) and the United Nations Convention against Corruption's (UNCAC) objectives and commitments to define the Judicial Transparency Indicators for El Salvador. These indicators include prevention, detection and sanctions as integral elements for its successful application in the administration of justice.



Maity Alvarez, during a conference to share Panamanian experience on developing Transparency Indicators for Judicial Sector of Panama.

A technical expert from the TAG Program in Panama was invited to train a group of experts of five judicial institutions in the methodology and tools used in Panama to define and implement these indicators. A workshop and conference were held for judicial operators to identify key personnel from each institution who will eventually be in charge of creating these indicators.

***Coordination with other areas of the Justice Sector:*** The Program continued to support the Coordinating Commission of the Justice Sector during the ongoing process of preparing the draft of a new Criminal Procedural Code. Mr. Hector Quiñones, Advisor to the Attorney General of Puerto Rico, and Mr. Jaime Bautista were brought to the country to provide sound advice on incorporating rules of evidence as an integral part of the draft in order to promote greater transparency and delivery of justice and to reduce the discretionary power of the judges. Since this draft is very important to the Justice Sector, it is expected that it will be submitted to the General Assembly for approval.

**Training Plan for the Anticorruption Unit of the Attorney General's Office:** The ToR for the planned consultancy for the Design of a New Crimes Training Plan was finalized and approved by the chief of the Anticorruption Unit of the Attorney General's Office (Fiscalía General de la República FGR). Additionally, a Colombian expert from FGR/Guatemala reviewed the draft and provided sound recommendations to be incorporated into the Training Plan. The issues included money laundering, corporate fraud, financial crimes, forensic auditing, and terrorism. Currently, the draft is being sent for review to USAID. Also assistance is being considered to acquire money laundering and corruption tracking software, which is being used successfully in Guatemala to strengthen the investigation capacity of the FGR Anticorruption Unit.

**Support to the Supreme Court of Justice for the Judicial Ethics Code:** The Chairman of the CSJ submitted to the TAG Program a request to review the newly created Judicial Ethics Code to identify possible loopholes and incorporate ethical values and principles for judges. The Colombian expert Mr. Teodoro Perez has been selected to undertake this task and is expected to finish and deliver the updated version during the next quarter.

The Program sensitized the justice sector to the importance of the Transparency and Efficiency Judicial Indicators and trained a selected group of individuals from the Statistics and Informatics units of different justice sector institutions who would take lead in preparing these indicators through the CNJ.

The Program provided valuable input to the newly created Criminal Procedural Code through the technical assistance of international experts. This included the revision of the current draft and incorporation of solid definition of rules of evidence and alignment with good international principles.

Due to the Program's impact, the justice sector institutions were sensitized to these issues (including the Supreme Court of Justice). A Judicial Ethics Code was created and will be reviewed by TAG experts.

**OBSTACLES/ISSUES FOR RESOLUTION:**

- Judicial Transparency still needs greater effort to convince citizens that the Justice Administration is more open and provides better services to citizens.
- Adoption of the Ethics Module as an important subject for training at the Judicial School.
- Greater acceptance of the importance of the Transparency and Efficiency Judicial Indicators.
- Adoption of the Judicial Ethics Code by the CSJ.

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

- Prepare new ToR for the Transparency and Efficiency Judicial Indicators according to USAID recommendations and select methodology and consultants.
- Identify experts to design the New Crimes Training Plan for the FGR.
- Support the FGR in organizing a meeting to expose good practices (Guatemala, Panama, etc.) in tracking money laundering and corruption cases.

- Continue providing support to the Coordinating Justice Sector Commission in preparing the new Criminal Procedural Code and submitting it to the Legislative Assembly.

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

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

#### **INDICATOR:**

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

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

- ***Support the design of a proposal for “local development financing through municipal property tax”:*** The Municipal Property Tax proposal, containing new provisions, was submitted by CONADEL to the Presidency of the Republic for approval, and a political dialogue at the General Assembly was begun.
- ***Technical Support for the implementation of the National Agenda for Local Development and Transparency:*** The AGA Consulting Firm was selected to design the communication strategy on advances of local development and decentralization. A series of interviews, data analysis, and validation with key institutions was done to obtain the baseline information and to identify the best means for sharing CONADEL’s strategy. Also, the production of a popular version of Title IX of the Municipal Code is in progress. Since it was difficult to meet with government representatives, the firm requested extra time to finalize this product. Although Mr. Rommel Sandoval was chosen to review the secondary legislation, for personal reasons he declined the offer and the job was assigned to Ms. Ligia Sandoval. Ms. Sandoval has been working intensively to review the Secondary Legislation and to link it to municipal legislation (such as the Municipal Code) as well as to identify loopholes and similarities within local and national jurisdictions.
- ***International Forum on Transparency at the Local Level:*** The program took the lead in organizing the upcoming forum on municipal transparency that aims to place this topic on the national agenda and to share best practices in the region. Great effort was made to secure the commitment of high-level international experts from various countries and to share unique municipal and civil society experiences. The original date of the event was changed to November 14 in order for President Saca to attend. Since the Program was very interested in the participation of key international organizations, the World Bank expressed interest in allowing former mayor of La Paz, Mr. Ronald MacLean, to be the keynote speaker. Other international organizations (such as GTZ and PNUD) will participate in the event. It is important to mention that other CONADEL intuitions (FSDL, COMURES, ISDEM, Technical Secretary of the Presidency and the Office of Democratic Governance) participated in this effort.

#### **Enhancing local government capacity to undertake current and future responsibilities in a more transparent manner.**

- **Design of a Social Recognition Award for Good Practices in Transparency and Accountability at the Local Level:** Discussion continued amongst the CONADEL key institutions to decide the best approach to undertake this initiative to ensure greater sustainability and institutionalization of the award.
- **Institutional Strengthening for Transparency and the Promotion of Ethical Practices, and Open Government at the Municipal Level. COMURES:** A series of 14 conferences and workshops were held in the 14 departments across the country in conjunction with the Government Ethics Tribunal. The workshops were to train municipal councils and workers in the Ethics Law, the Municipal Code and the Law of Municipal Administrative Career. Additionally, under the MOU signed with COMURES the design of the Explanatory Version of Title IX is in progress and is expected to be finalized during the next reporting period. Also, 5 guides on the Municipal Transparency Systems of COMURES were designed, reviewed and finalized, and 1,000 units are ready to be distributed to the municipalities.



Dr. Marulanda held various meetings with different business associations to share work experiences of the private sector in alliance with local governments.

- **Strengthening citizens' awareness in regards to Transparency and Accountability at the local level: Pilot Project to Broadcast Municipal Council Meetings:** Although the executives of the Universidad Francisco Gavidia (UFG) had expressed interest, this task did not advance due to the current reorganization of the studio facilities. The Program expects to work on this again during the course of the next quarter.
- **Policy Dialogue on the formulation of decentralization and local development instruments and policies. RECODEL:** In preparation for the upcoming elections in 2009, discussions were held to assess support for decentralization and the local governments. The Program hired Dr. Hector Silva to carry out a diagnosis to forecast possible scenarios for decision-making. This will also help RECODEL to assess the existing situation in the country and the impact of international assistance in areas of decentralization, territorial ordering and political will towards local development.
- **Decentralization of the State, Participation and Transparency Coalition:** During this reporting period, this coalition for the decentralization of the state, participation and transparency was very lackadaisical due to an internal reorganization. The TAG Program will seek opportunities for supporting this coalition.
- **Sharing international experiences in Local Development and the Private Sector:** On July 19, the Program brought Dr. Eugenio Marulanda, Chairman of the COFECAMARAS in Colombia to El Salvador. He shared valuable experiences in working for the private sector in alliance with the Government in Colombia. He participated as the guest speaker at the Annual Convention of the Salvadoran Association of Engineers and Architects (ASIA). He delivered a speech on "Ethics and Transparency as the Productivity Engines" and on "Public Efficiency and Wealth Raising in Colombia." He also met with the Chamber of Commerce and the National Assembly.

- Through 14 seminars and workshops organized by COMURES and the TEG, 207 municipal council members and workers of 262 municipalities were trained in Ethical Values and Transparency.
- The study of Identification of New Mechanisms for Local Development Financing, supported by the TAG Program, was submitted to the Presidency of the Republic.
- CONADEL acquired relevant commitment to address the issue of Municipal Transparency in the national agenda, promoting an international forum on Local Transparency with the participation of international and national experts.

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

- The slow response from COMURES has made it difficult to implement the agreement under the MOU.
- The political parties' announcement of candidates for the upcoming elections accentuated the volatile political environment.
- The Universidad Francisco Gavidia was unable to come to a decision to carry out the proposal for a TV program with local government participation.

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

- Follow up on the implementation of the Communication Strategy for CONADEL aimed at making their work more public and transparent.
- Follow up and evaluate the consultancy to harmonize the legal framework of the new Municipal Code.
- Hire a consultant to design a social recognition award for good practices of transparency and accountability at the local level.
- Support CONADEL in having an international forum on transparency at the local level.

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

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

##### **INDICATOR:**

Number of civil society organizations participating in transparency activities

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

***Defenders Associations Coalition:*** A group of consumer associations, whose main objective was to defend the rights of consumers in their localities, took the initiative to form a coalition to have greater impact at the national level. The Consumer Defender's Office supported this idea and together with the TAG Program provided training on different aspects of the Consumer Law. After a series of meetings and discussions, this association has developed a Strategic Plan and is in the process of finalizing its legal representation.

During this reporting period, the coalition prepared a Sustainability Plan to allow for a long-lasting existence without depending exclusively on donors' funds. This plan includes building a Convention Center. A donation of 14,000 square meters from the Santiago Texacuangos

Municipality was given to them for this purpose. This coalition is composed of 11 consumer defenders associations.

**Small Grant Fund Program:** Implementation of the grants awarded continued as follows:

- **Improving accountability in the Salvadoran Public Sector (UCA):** During the current reporting period, this project worked mainly on three activities: 1) Analysis and compilation of the data gathered during the interviews of public servants and CSO representatives; 2) Planning and production of an educational video on government accountability aiming to sensitize youth and local organization members (final version is being prepared as per recommendations received from USAID); 3) Public awareness to reach out to the general public by creating two radio programs interviewing public officials (such as a member of the National Assembly and the Deputy Attorney General). This project was granted a 30-day extension.
- **Participatory and transparent budget process focused on gender of the Office of Public Defender (PGR), implemented by the Organización Empresarial Femenina (OEF):** This particular project funded by the sub-grant fund achieved the commitment of the Public Defender to incorporate gender considerations in the preparation of the PGR's annual budget. The proposal they received from the OEF included strengthening the PGR by sensitizing and training its key staff members on gender and budgetary transparency issues. A supplementary budget of \$5M is currently being prepared for the first budget that includes gender considerations. A public event was held by the grantee with the assistance of PRG key staff, NGO representatives, the media and members of international organizations. The OEF leaders briefed the audience on the progress reached while working closely with the PRG for ten months. A publication containing this information is being prepared to document the findings and conclusion of this unique effort.
- **Survey to measure the perception of transparency in El Salvador from the perspective of public officials (IUDOP):** A focus group was conducted to validate the findings of the research. The conclusion was that the product contained very important and valuable data, and for some cases it would be necessary to incorporate a new set of variables. The new version of this product will be delivered during the next reporting period and submitted to USAID for final approval.
- **Support Program for the Implementation of Government Ethics Law (FESPAD):** After a meeting with TEG and receiving feedback, FESPAD incorporated changes in the final product. To support its report, FESPAD consulted several jurists seeking legal interpretation. FESPAD delivered the final versions of the three products under the understanding that the TEG could still have a different point of view on its interpretation.
- **In Line with Transparency (ISD):** The process of completing the webpage template with corresponding information about the four selected municipalities continued. During the practical implementation of this website, several processes had to be defined in order for the proper information to be collected. Training was provided by the grantee to facilitate the adaptation of the mechanism into the normal workload. Unfortunately, for reasons beyond the control of the grantee, the municipality of San

Isidro decided not to continue with the initiative, leaving only 3 municipalities for this pilot phase (Santiago Nonualco, Sacacoyo, and Cuyultitán). To obtain greater support for the use of this webpage, ISD invited all the municipal councils and key personnel of the three municipalities to a general meeting at ISDEM and received valuable feedback and recommendations to enhance the product.

On August 30, ISD called for a meeting to officially launch the Municipal Transparency Website to promote citizen participation, transparency and accountability at the local level. The participants at this event were mayors, council members and representatives from the private sector, universities, cooperation agencies, government entities and civil society organizations. The event raised interest among other municipalities, and they have already expressed interest in adopting the software.

- ***Building institutional capacity to implement transparency reforms to the municipal code (FUNDE):*** During this phase, FUNDE trained municipal councils, technical staff and local leaders (about 100) on issues of transparency and accountability, including Title IX of the Municipal Code. Additionally, the grantee held discussions with the 11 local government councils to assess the amount of basic technical support needed to implement at least one mechanism of transparency and accountability. At least five municipalities were included in the process of conducting public sessions of the municipal councils, and developing the rules necessary to regulate these sessions.

### ***Small Grant Projects Systematization***

The work of systematization by consultant Claudia Solis continued satisfactorily. There was a series of meetings with representatives of the TAG Program, grantees, roundtable discussions and workshops at the end of each Project.

As originally planned, the first issue of an information bulletin was produced to be distributed among CSO representatives. The bulletin is entitled “Transparency Learning Clues” and includes information on the grant projects, success stories, accomplishments, lessons learned and general information about the TAG Program.



ISD carried out a public forum to present the main achievements during the first phase of its project

***Transparency and Ethics Values Week:*** In September 2007, the TAG Program supported the initiative of FUSADES and FUNDE to organize a full week of activities promoting ethics across different sectors of the society and strengthening the newly created Government Ethics Tribunal. Both FUSADES and FUNDE committed to institutionalizing the event to be held annually. These think tank organizations started planning the events to be held from December 3 to 9, this last day being International Anticorruption Day that is celebrated worldwide.

The week will include activities on Judicial Transparency, Access to Information, Political Finance Transparency and Municipal Transparency. Seeking greater support from different sectors, FUSADES and FUNDE

gathered various representatives from key government institutions, civil society and international organizations to promote the week and invited them to be a part of this traditional series of events. So far the response has been positive.

**III Central American Congress of Political Sciences:** As previously reported, on July 18 to 20, five of the Program's grantees were invited to participate in the III Central American Congress of Political Sciences. At a panel on "Citizen Participation as a Mechanism of Transparency and Support to Public Work," ISD, FESPAD, OEF, IUDOP and the Political Sciences Department of the UCA exchanged preliminary findings from their projects and encouraged a debate among the participants.

**Second round of grants:** The TAG Program is still waiting for the final decision on the following grant proposals submitted to USAID for approval:

1. **CAMSEC:** "Evaluation of Transparency and Competitiveness of the Public Procurement System"
2. **PADECOMS:** "Strengthening citizen participation for transparency and access to public information of local government for the northern zones of Morazan"
3. **FUSAI:** "Application of Reforms to the Municipal Code related to Transparency and Access to Information in four municipalities of La Libertad"
4. **SACDEL:** "Building capacities and coordinating mechanisms for transparency and social auditing"
5. **IDCC:** "Transparency and Access to Information"
6. **ISD:** "In Line with Transparency"
7. **UMA:** "The right of access to judicial information and transparency in the justice office of El Salvador"

**Support civil society alliances that work on transparency initiatives in El Salvador:** Following a public announcement inviting civil society organizations interested in creating alliances to promote transparency, the TAG evaluated those who expressed interest and held meetings to discuss a way to accomplish this initiative. Among those organizations were the National Association of Private Enterprise (ANEP), the Forum of Democratic and Independent Judges, the Alliance for Democracy, the Journalist Association of El Salvador (APES), and the Coalition for Decentralization, Transparency and Citizen Participation.

From the discussions and bilateral meetings held, the following actions were recommended to support the creation of these alliances:

- Technical support to the alliance for the design and implementation of a Strategic Plan.
- Training in Project Management.
- Support and training for the drafting of an Access to Information Law.
- Training for journalists on Access to Information, rights and responsibilities.
- Support ENADE (National Encounter of Private Enterprise) during its annual meetings by bringing international guest speakers.
- Lobbying and Advocacy Training.

Discussions will continue and the TAG will include this assistance in its Annual Work Plan for 2007-2008.

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

- Need to revise final output of OEF grantee and obtain authorization from USAID to make this a public document
- Need approval from USAID on pending grants
- Approval of IUDOP report pending

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

- From December 3 to 7, FUNDE and FUSADES will lead the organization of the Transparency and Ethical Values Week.
- Public presentation of the GOES and Civil Society Report on the ICAC in El Salvador.
- Start the implementation of new grant projects approved by USAID.



Representatives of CSO presented their experiences executing projects of Transparency with the support of the TAG Program

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

#### **LLR 2.4.1: ACCOUNTABILITY OF APPOINTED OFFICIALS IMPROVED**

#### **INDICATOR:**

Number of USG-supported anticorruption measures implemented

### **MAIN RESULTS ACHIEVED:**

***Memorandum of Understanding signed with the Office of Public Defender (PGR):*** For the implementation of the PGR Internal Control Project, a coordinating commission was established with public defenders deputies and technical staff of the Child Support and Public Defender Services units. Additionally, ToRs for the design of the PGR Webpage and Internal Control System were prepared, and the recruiting process started by identifying potential candidates for both consultancies.

***Technical Assistance to the Ministry of Public Works (MOP):*** Mr. Isidoro Nieto from the Ministry of Public Works (MOP) submitted a request to the TAG Program to sign a MOU with the Program to evaluate the efficiency of the organizational structure of the Ministry.

***Presidential Commission for the Defense of the Consumer:*** Technical assistance for the design of ten Letters of Rights continued on schedule. Currently seven out of the ten letters have already been prepared for hospitals (Metapán, Ahuachapán, San Bartolo, Psiquiátrico, Neumológico, Rosales and Apopa) where discussion with proper authorities took place and official agreements were reached. The materials for public information and display (poster, leaflets, etc.) are being printed. The other three Letters of Rights, to be developed for three municipalities, are in process of being completed (Antiguo Cusclatán, Atiquizaya and Cuyultitán).

***Government Ethics Tribunal (TEG):*** The Program provided support to the TEG in the following areas: Design of the Strategic, Training and Annual Plans was completed and they are currently being reviewed by the Program's technical staff; Design of an Ethic Law

Regulation prepared by FESPADE was submitted and is currently being reviewed by TEG; and a study tour to Puerto Rico for five members of the TEG. The purpose of the study tour was to visit various government institutions and civil society organizations (the Office of Government Ethics, the Office of the Comptroller General, Secretary of Justice, Congress, Governor's Office, Universidad de Puerto Rico, the Independent Public Defender, and think tanks) to see how ethics applies to their duties as public servants and how civil society can play an important oversight role. During these visits, it was agreed that a MOU would be signed between the Office of Government Ethics of Puerto Rico and the Government Ethics Tribunal of El Salvador.

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

- Lack of definition of duties and responsibilities among the Consumer Defender's Office to coordinate properly on the assistance provided by the Program to this institution.
- Lack of interest of the original three municipalities selected to establish Letters of Rights. The subsequent selection of three new municipalities created a delay for the project.
- Slow response from the MOP to the technical assistance offered by the Program.

#### **OTHER ACTIVITIES:**



The TAG Program received recognition from the President, Antonio Saca, for the support given to the Consumer Defender's Office.

The TAG Program received an award from the Consumer Defender's Office for providing technical assistance to this institution. The USAID Office in El Salvador, the United Nations Development Program, the Interamerican Development Bank and GTZ were also given similar recognition. The plaque was handed out by the President of the Republic, Mr. Antonio Elias Saca.

**LIST OF IN-COUNTRY TRAINING EVENTS**

<b>SUB IR 1.1 LLR 1.1.1 PROMOTE TRANSPARENCY, EFFICIENCY AND UNDERSTANDING OF JUDICIAL PROCESSES</b>	<b>MALE</b>	<b>FEMALE</b>	<b>DATE / 2007</b>
Judicial Indicators Workshop	17	10	22, 24 August
Judicial Indicators Conference	95	105	23 August
<b>SUB IR 2.3 LLR 2.3.1 STRONG CIVIL SOCIETY PARTICIPATION AND OVERSIGHT</b>			
Municipal Code and Ethics Law Training to Municipalities in Sonsonate	62	29	16 July
Municipal Code and Ethics Law Training to Municipalities in San Vicente	17	20	24 July
Municipal Code and Ethics Law Training to Municipalities in Usulután	47	25	25 July
Municipal Code and Ethics Law Training to Municipalities in Santa Ana	22	11	26 July
Municipal Code and Ethics Law Training to Municipalities in Cuscatlán	38	25	15 August
Municipal Code and Ethics Law Training to Municipalities in La Libertad	43	15	16 August
Municipal Code and Ethics Law Training to Municipalities in San Miguel	20	14	17 August
Municipal Code and Ethics Law Training to Municipalities in La Unión	22	16	22 August
Municipal Code and Ethics Law Training to Municipalities in Santa Ana	22	7	24 August
Municipal Code and Ethics Law Training to Municipalities in Morazán	37	24	30 August
Municipal Code and Ethics Law Training to Municipalities in San Salvador	12	19	31 August
<b>SUB IR 2.4 LLR 2.4.2 ACCOUNTABILITY OF APPOINTED OFFICIALS IMPROVED</b>			
Consumers Defenders Association Meeting	10	3	5 July
Exchange of experiences in grants with CSOs	5	6	14 Sep
<b>TOTAL PER GENDER</b>	<b>516</b>	<b>361</b>	
<b>GRAND TOTAL</b>	<b>877</b>		
<b>Government Officials</b>	<b>501</b>	<b>352</b>	
<b>Non-Government Officials</b>	<b>15</b>	<b>9</b>	

## II. ADMINISTRATIVE UPDATE

- In order to prepare the Work Plan for FY 2008, the technical and administrative team held a two-day retreat to review the old Work Plan and prepare a more realistic and feasible set of activities. Some of the activities remained the same and activities like electoral transparency were incorporated due to the upcoming elections and the early start of the political campaign.
- Due to the resignation of the Program's Finance and Administrative Manager, the Program began the process of finding her replacement. After announcing the position fifty applicants responded, and Mr. Gustavo Carcamo was selected as the new Finance and Office Manager.
- As reported in the previous quarter, one of the administrative assistants resigned around the end of June. USAID approved the promotion of the current receptionist/secretary who had been supporting the administrative assistants. Various candidates were interviewed for the position of receptionist/secretary among which one was selected.
- Acquisition of goods and services has been a challenge again during this quarter for the purchase of two vehicles for the Government Ethics Tribunal. After a thorough search among the limited car dealers for U.S.-made vehicles, GEVESA was selected as the provider for the purchase of two Ford Escape XLS 2008 vehicles.
- One copy of the previous two quarters' performance reports was submitted to USAID's Development Experience Clearinghouse.