



USAID
DEL PUEBLO DE LOS ESTADOS
UNIDOS DE AMÉRICA

**INDEFINITE QUANTITY CONTRACT DFD-I-00-03-00139-00
Quarterly Performance Monitoring Report No. 4
Period Covering January 1, 2005 to March 31, 2005**

Submitted to:

Jerry O'Brien, Cognizant Technical Officer
U.S. Agency for International Development
DCHA/DG, RRB 3.10-042
1300 Pennsylvania Avenue, N.W.
Washington, D.C. 20523-3100
JO'Brien@usaid.gov@usaid.gov

and

Document Acquisitions
USAID Development Experience Clearinghouse
8403 Colesville Road, Suite 210
Silver Spring, MD 20910-6344
docsubmit@dec.cdie.org

Submitted by:

Casals & Associates, Inc.
1199 North Fairfax Street, 3rd Floor
Alexandria, VA 22314
(703) 920-1234
info@casals.com

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I. General Summary

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

Programmatic Trends:

One new Task Order was signed under the IQC Contract.

Task Order DFD-03-03-00139-00, entitled “Central America and Mexico (CAM) Anti-Corruption, Transparency and Accountability Program,” is a multi-country project to support anti-corruption activities throughout Guatemala, Nicaragua, Panama, and El Salvador. The purpose of the work to be carried out under this Task Order is to reduce the level of corruption that is experienced by citizens in the participating countries, which diverts resources from intended uses or subverts decision-making processes to benefit a few at the expense of the public good, as well as to increase the level of transparency and government accountability.

Unresolved Issues/Constraints:

None to date.

II. Progress/Status of New and Ongoing Awards

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

Task Order No./Country/Project Title	Start Date	Estimated End Date
800: Colombia – Efficiency and Accountability	04-01-2004	10-24-2006
802: Albania- Legal Systems that Better Support Democratic Processes and Market Reforms	07-01-2004	06-30-2007
DFD-I-01-03-00139-00: America’s Accountability/Anti-Corruption Project	09-08-2004	09-30-2006
DFD-03-03-00139-00: Central America and Mexico (CAM) Anti-Corruption, Transparency and Accountability Program	01-24-2005	03-29-2009

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

Task Order No. 800

Colombia: Efficiency and Accountability

During this period, C&A continued to work with its key counterparts at the national level such as the Anti-Corruption Office in the Office of the Presidency, Office of the Comptroller General, Office of the Accountant General and Office of the Auditor General. At the subnational level, C&A worked with the governments of Antioquía, Atlántico, Bolívar, Nariño and Valle del Cauca.

Activities Carried Out

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

At the national level, significant progress was made by the project as the Presidency of the Republic officially adopted the Internal Control Model developed by USAID/C&A as the model to be used throughout all government agencies. At the sub national level, C&A conducted training sessions targeted towards public officials in the Technical Professional Level Group and Internal Controls Offices from the different Departments. Training sessions focused on the implementation of Quality Management Systems with an emphasis on management processes, and on the implementation of the Internal Control Systems Framework. In addition, C&A provided a training course (utilizing the Train-the-Trainer methodology) to a pre-selected group of public officials known as "change agents". The objective was to create competencies within this specialized team based on the Internal Control Model developed by USAID/C&A in order to certify them as instructors on this model so that they in turn can train other teams of "change agents" in national public organizations. A second training was provided on Ethics and Public Communication.

C&A also initiated procedures for processing public communications tools in territorial level agencies, starting with those in Bolívar. Surveys, analysis and consolidation on technological and administrative inventories were gathered from 19 territorial agencies. As a result, C&A implemented procedures to harmonize the tools currently in use by entities that manage information systems. Additionally, progress has been made in the development of new software for the proper implementation of the internal control systems. A design has been approved.

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

To begin local implementation of the component, C&A held meetings with the Pasto Chamber of Commerce and Cali Chamber of Commerce, Corporación Región, Protransparencia, and Funcicar. Work plans and monitoring plans for local partners were approved and the first disbursements for coordination, education and participation activities were made. A workshop was conducted to determine training needs, and to revise and define the structure and contents of the New Citizen Oversight and Control Plan. Citizens voiced their concerns about Law 850, and explained that although they must conform to the law, it contains regressive elements and may cause problems for the groups that wish to exert citizen control through other mechanisms.

Furthermore, C&A in accordance with USAID clarified the terms under which C&A must carry out the Component's communications actions. An agreement was made to hold a new feedback meeting when the component's Communications Strategy is designed. The Citizen Control Component operations guideline was adjusted to include local partner and USAID contributions and recommendations. Approval from USAID on the guidelines has been granted. However, there are a few pending matters with regard to the Donations Fund portion of the guidelines.

The Citizen Control Component was launched throughout various events. Mayors, Governors, and territorial Comptrollers from Pasto, Medellín, Cali, Barranquilla, and Cartagena attended. Local authorities took advantage of the events and voiced their political willingness and commitment to facilitate oversight and citizen control.

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

C&A has developed a Technical Cooperation Agreement with DNP and the Mayor's Office in Pasto. The Agreement is intended to implement measurement indicators of the Municipal Development Plan in Pasto based on the SINERGIA Methodology System developed by the GOC. A document containing modifications and recommendations to improve the SINERGIA methodology was provided to the DNP. The document has been approved. Following this, all the necessary information was uploaded into the system's database and a final user's manual was disseminated.

January 31, C&A presented a proposal for the operation of institutional oversight:

Microdonations Oversight - are intended to encourage citizen control through strengthening and promotion of citizen groups by involving them in the specific oversight of projects undertaken with public resources in areas or places of a specific interest for the group of inspectors, creating a social control infrastructure. These amount to a maximum value of \$2,000.

*Medium Oversight*s - seek to generate value for the results of micro oversight through the involvement of specialized oversight groups in specific topics. These amount to a maximum value of \$5,000-\$6,000.

Component IV - Strengthening of Budgetary Processes

On March 9, the USAID Contracts Office granted approval to proceed with the Fedesarrollo contract, which amounted to USD 697,513.00. The project technical team, which had previously been approved by USAID, was contracted and execution of activities contained in the work plan was initiated.

On March 11, USAID approved the DNP submitted proposal for the design and implementation of the budget-by-results project to be developed simultaneously in two cities, one being Pasto and the other one to be selected through the application of the 'Learning-by-Doing' methodology. Such methodology is intended for the construction and approval of the 2006 fiscal period budget, which should be undertaken before Municipal Councils in order to incorporate this new policy in the budgetary process.

Current and Potential Problem Areas

Some of the difficulties encountered during this last quarter were the suspension of activities with the Governor's Office of Valle del Cauca under Component I. This was due to additional adjustments that needed to be made to the team of Change Agents to be trained by C&A. Other issues that contributed to the suspension of activities with the Governor's Office were the approach, scope and scale of the program in the agency and specific supporting requirements coming from the Governor. In addition, C&A also faced difficulties in consolidating the teams to be trained in the Municipality of Medellín due to the director's lack of knowledge of the program and lack of clarity on the scope.

The various fluctuations of the representative market rate (TRM) produced a deficit in resources needed for Component II's local operation. The initial agreement made with local partners established that they be paid at the TRM on the day on which the payment is made. However, they were paid with the negotiated rate that C&A has with the bank, which is lower and causes an increase in the deficit explained above. Also affecting Component II was the lack of definition of the donations fund cycle. The lack of political willingness to regulate law 850 of 2003 by the GOC institutions belonging to the National Support Network to oversight has caused implementation of activities under Task B to be delayed. This will continue to be a problem. Suggestions to work out an agreement and/or resolve this issue will be made in the near future.

The main problem related to project performance under Component IV was the lack of quality of information delivered by agencies involved in the budgetary processes. As a result, collection of information, as well as its analysis and reliability was time-consuming, thus making compliance with established timetables difficult.

Time constraints experienced by senior officials pose the same problem. The availability of workspaces initially offered by the Ministry of Treasury, and the equipment, did not meet generated expectations. Therefore, the task carried out by consultants is difficult to perform. In addition, the equipment delivered is old and does not allow for analysis of the information required. The purchase of portable equipment is necessary, but contract regulations require purchase of U.S. manufactured equipment, which is difficult to find.

Future Activities

- Delivery of Ethics Management and Public Communications tools to national and territorial level agencies that are beneficiaries of the program.
- Continue with training processes on internal control, process-oriented quality management, public ethics, organizational communication and government online for public officials of the various agencies that are beneficiaries of the program.
- Continue providing technical support to the Train-the-Trainers Team on Ethics Management, and on the processes to be carried out with the Change Agents Teams at national and territorial level.
- Continue with the training processes for the Train-the-Trainers Team on internal control.
- On a monthly basis, submit to the territorial agencies' program committees a progress report regarding implementation of internal control models, quality management, public ethics, and organizational communication. Likewise, hold workshops on these core topics.
- Presentation of the communications strategy to USAID.

Task Order No. 802

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

I. Technical Activities

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

During this third quarter, the Program conducted frequent meetings with both Inspectorates to produce joint missions statements to clarify their institutional relationships in order to perform better thematic inspections. The workshop was intended to identify problems and lead to technical and professional discussion on solutions to these issues. The Program also produced a draft agenda, list of participants, talking points for high-level officials, and a press release. Later discussions with USAID officials proved that further postponement of the high-level workshops in favor of working level training sessions would be more prudent.

Aiming toward promoting linkages between HCJ and MOJ Inspectorates, the Program worked closely with World Learning to organize the Participant Training Program and prepare the list of participants. This study tour/training is critical for identifying the main elements of effective inspection of judges including 1) What can be inspected; 2) the roles of the two Inspectorates, 3) the ideal balance between the number of court administration and judicial inspections conducted annually; 4) identification of guidelines/regulations/procedures regarding inspection of judges and courts including division of labor within a dual system, limits of inspection, procedures for violations found outside the scope of the inspection; 5) identification of the main elements of an effective annual or longer term plan for inspections including dealing with complaints and red flags that indicate the need for an inspection; 6) identification of means for dealing with overlapping competencies between institutions; and 7) identification of means of working effectively with other institutions to ensure effective inspection of judges and courts subject to inspection.

In February, Ms. Adriana Fullani, the Head of the School of Magistrates, invited the Program to participate in the Second Conference on Legal reform organized in Durres by the School of Magistrates and its Board. One of the main topics that relates to Program objectives is how to promote judges' careers and how to evaluate their judicial performance. During March, the Program conducted follow-up meetings with Ms. Fullani to organize low-level meetings with judges and inspectors on judiciary performance.

ii. Technical Assistance to High Inspectorate for the Declaration and Audit of Assets

The first calendar quarter is the period during which HIDAA prepared for the declaration process ending March 31. Consequently, the SACS assisted with the preparation of guidelines, upgrade of the website, installation of scanners and the finalization of the new declaration form. USAID funded the printing of 8,000 declaration forms, which were then distributed during a round of seminars to train the low inspectorates. The seminars were well received and the new form completed and determined to be easier to complete and more clear. The form was also designed to form a more robust basis for potential prosecutions.

A second prosecution file was submitted to the General prosecutor. The SACS has continued to review the investigation files, which are generally of a poor quality due to a lack of investigative training techniques and inadequate information sources. Consequently, the workshop program has been rescheduled to prioritize training in interviewing procedures and investigation techniques. The first workshop will take place in April. Ongoing advice continues to be provided.

The three principal documentary deliverables under the Task Order, specifically the Strategic Review, Training Needs Assessment and Technical Needs Analysis, were drafted during the month of March. Translation of the documents has been completed and the Program is awaiting comments from HIDAA.

The Program continued working to improve inter-agency liaison and HIDAA now has access to the motor vehicle registry on-line and have been promised assistance from the State Intelligence Service. The SACS also met with the money-laundering agency and provided technical assistance in website development. The accuracy and quality of information received from the banks and land registry continues to be a problem. The SACS also had discussions with an advertising agency in respect of a publicity campaign during March and April, which will include television and press promotion.

The revised website is ready to go online, but updating has been delayed by the relocation to the new premises and resulting disconnection of the internet service, as well as delay in obtaining funding for the necessary security equipment. The case management system is complete and data entry commenced during this period.

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

The Program has assisted the CAO in designing and submitting project proposals to different funding sources according to short- and medium-term action plans which were established with the support of the Program and will contribute to the sustainability of the CAO. These include applications for assistance from the American Embassy and other USAID-funded projects. Examples of applications include: 1) Political Parties and Elections Campaign Monitoring (submitted to DGA/USAID in February 2005), which seeks to increase public awareness of corruption in political party financing through the development of a new tool – the Index for Transparency of Political Party Financing; 2) Veterans' Initiatives – Forums of Third Age

Experts (submitted to Democracy Commission Public Affairs Section of the American Embassy in January 2005), whose aim is to create an inclusive anti-corruption framework that will involve the contribution of veterans as well as professionals in the fields of economics, medicine, construction, technology, and law; and 3) Anti-Trafficking Program (submitted to Coordinated Action Against Human Trafficking/USAID, January – March 2005).

Assistance outside of the Program could potentially amount to \$300,000 with additional funds possible from the British Embassy.

With the assistance of the Program and USAID representatives, CAO launched the Pre-legal Youth Center and Youth Action Against Corruption in January 2005. With this initiative, CAO will spark the interest of the younger generation in both legal ways to combat corruption and the means to improve transparency. An exemplary activity is CAO's organized protest on the politicians' failure to declare sources of funding for their children studying abroad, again, which reinforces the Program effort to increase transparency. Specifically, a forum with hundreds of participants from the main universities and pre-university groups gathered to discuss on the strategy of the anti-corruption youth. In the coming months, the Pre-legal Youth Center will gather the already established structures of Youth Mission for Justice, Law School Project, and Students Initiatives from various universities across Albania. The main areas of intervention of the Pre-legal Youth Center are:

Center for Students Rights, Law, Judiciary monitoring/court watch system, FOIA, citizens-public administration interactions, corruption in issuing of construction permits and licenses, urban regulation breeches and environment, etc. All of these activities support the strategic objectives defined in the Work and Performance Monitoring Plan.

The Program produced a report with short term technical assistance for the CAO and USAID comment in order to ensure the organizational and financial sustainability of the CAO post the project activity completion date. Among the recommendations included in this report was an 'Advisory Board' to contribute outside ideas and resources to the growing organization once USAID financing is curtailed.

This activity, an integral part of the Work and Performance Monitoring Plan, resulted in the formation of an event scheduled on March 2005, where representatives of international organizations, businesses, and diplomatic missions met to discuss the creation of a Board of Friends for the CAO. Members of the donor and business communities were invited to become part of this civil society initiative. Ambassador of the United States, Mrs. Marcie Ries, U.S. Agency for International Development Mission Director, Harry Birnholz, and the Director of Transparency International, Catherine Woollard, spoke at the event. The establishment of the Board of Friends aims to institutionalize the support of the donor and private sector community to civil society. The Board of Friends will not only have influence on the strategies for fundraising and the setting of priorities, but also increase CAO's access to information and visibility, and ultimately ensure its prolonged financial independence and transparency. To date, eleven organizations and businesses expressed their interest in signing a Pledge Card to participate in the CAO Board of Friends.

Based on pilot experience during the last year supported from the US Embassy, CAO has reopened its office in Durres. Meetings and forums with stakeholders including local government, law enforcement agencies, the judiciary, local business companies and unions have been organized in order to precede the opening of the office, to ensure larger support and cooperation as well as to raise awareness on the necessity of establishing anti-corruption initiatives based on the needs evaluated

during last year's experience. Moreover, CAO has strengthened its network with local actors to ensure ongoing cooperation on fighting corruption and aiding victims of corrupt practices. The preparatory phase, occurring in February and March 2005, included a media campaign in cooperation with the local TV AlbNet and Teuta TV and consisted of weekly media publicity. The event is scheduled for the next quarter and complies with the Program's Strategic Objective for promoting legal institutions that better enhance transparency and good governance. Note that the Plan anticipated that the first regional office would be in Elbasan; however, with USAID approval, CAO advocated the location of Durrës as one with particular interest in fighting corruption.

iv. Assistance to the National Chamber of Advocates (NCA)

The Program has conducted several successful meetings with the General Secretary of the NCA and has done the planning regarding the order of steps for activities to be performed with the NCA. Thus, during the first month of this quarter, Program team members participated in the Strategic Planning Workshop held in Vlora, organized from ABA CEELI. The NCA identified some attorneys who were serious and willing to contribute to the drafting of a strategic planning for Chamber. These attorneys can also help the working groups planned to be established to work with strategic planning, revision of Code of Ethics of the NCA and the revision of the bar exam. The meeting highlighted the idea of having a Project Coordinator who helps the small staff to run activities of the NCA in compliance with the Work and Performance Monitoring Plan and NCA objectives. The Program selected and sent for approval to USAID a highly qualified candidate through a selection process and in cooperation with NCA. The NCA Project Coordinator is expected to start work in April with a commencement of a national NCA conference in Vlora. Anticipated project activities will include finalization of the draft Statute of the NCA, planning project activities, bar exam revision and implementation of a new code of ethics. The approval of the Statute will improve the legal basis of the organization and functioning of NCA, including scope of activities, organizational structure, rights and obligations of the members, disciplinary procedures, disciplinary body, and an improved bar exam.

v. Assist in the Preparation of Implementation Acts for Freedom of Information

Law and Administrative Procedure Code

The reinvigoration of the implementation of the Code of Administrative Procedures is a pillar of the USAID portfolio given its anticorruption angle and the potential of the Code as an instrument in the fight against corruption. To this end, the Program and IPLS conducted and distributed 'A Short History and the Problematic of the Administrative Procedure Code' preliminary study, information and academic explanation on APC as well as expectations from public administration in regard to a better implementation of APC. This material was delivered to stakeholders in advance in order to prepare for a meeting to be conducted specifically on APC. Thus, on February 28, the Program organized a stakeholders' meeting on the Code of Administrative Procedures with the attendance of over 50 participants. The meeting was an opportunity for all members of the public and private sectors to voice their concerns and ideas on how to implement the Code and pursued the following objectives:

- Analyses of the potential of the Code as an instrument to be used in the fight against corruption
- Analyses of the factors that have determined the apparent relative failure of the Code

- Conceptualization of a set of actions and measures for the reinvigoration of the implementation of the Code

At the end of several contributions delivered by representatives of USAID, the Program, the Ombudsman, the Ministry of Justice (the Vice Minister and Director of the Codification Department), the Department of Public Administration, the Anti-Corruption Monitoring Unit of the Ministry of State and several other stakeholders, the meeting arrived at the several important conclusions that will lead the further work on this component.

To further work on sub regulatory acts necessary for the implementation of FOIA, the Program team has continued to contact the Ombudsman Office and staff as well as continue follow-up work with the joint ABA-CEELI-CAO FOIA study.

vi. Assist in the Preparation and Implementation of a Conflict of Interest Law

During the past reporting quarter, the Program continued its active role in supplying expert legal advice on a newly-drafted Conflict of Interest Law, translating new draft to promote public awareness as well as attempted to coordinate the efforts of various donors, including the World Bank, OSCE, Council of Europe, and USAID to submit joint comments on the new draft to the Parliament and the Government of Albania. To this end, serious consideration was given to the actual implementation of the law, the regulatory institution charged with enforcing the law (HIDAA), and country-appropriate reporting mechanisms for conflicts of interests.

In addition, the SACS attended meetings with the Conflict of Interest workgroup and Anti-Corruption Monitoring Group. The SACS worked closely with HIDAA and submitted detailed comments on the law, which were discussed extensively amongst HIDAA staff at several internal meetings. As a result, HIDAA made a formal submission to the Law Commission, and submitted a draft amendment law aimed at strengthening the present HIDAA legislation.

vii. Assist in the Preparation and Implementation of a Press Law

During this third quarter, the Program has performed in-depth analysis of the current press law and its amendments. It has conducted meetings with the Head of the Albanian Parliamentary Commission of Mass Media, Mr. Musa Ulqini and other members of this Commission. The Program has worked on the comments on the draft Press Law and submitted them to the Albanian Parliamentary Commission of Mass Media. After carefully studying the comments submitted by the Program, in his declaration aired by well-known Albanian TV stations, the Head of the Albanian Parliamentary Commission of Mass Media appreciated USAID's remarkable support on this draft law. At the end of March, the legal report prepared by the lawyers of Albanian Parliamentary Commission of Mass Media expressed that the Program's comments on the draft law were included on the final draft to be submitted to the Parliament. In addition, the Program is trying to build up relationships with the Dean of Faculty of Journalism of the University of Tirana, Mr. Bashkim Gjergji, who expressed his interest and good will to cooperate with the Program on the media issues.

viii. Assist in the Implementation of Intellectual Property Laws

During this quarter, the Program submitted for USAID approval resumes for three short and medium term advisors to work on Intellectual Property Law issues. Program team members also met with the Head of the School of Magistrates to collaborate on IPR training, materials

preparation, and sources of local expertise. Implementation and public awareness on IPR legal matters will help promote both economic growth and market reform.

Task Order No. DFD-01-03-00139-00

America's Accountability/Anti-Corruption Project

Activities during the quarter were focused on defining with USAID missions program support that will be provided to them in this calendar year and putting in place the mechanisms that will enable the project to meet its deliverables commitments.

PERU - In February the project director, Patricio Maldonado, and Democracy and Governance Adviser, Dr. Gerardo Berthin, met with mission personnel to discuss design of a regional activity on political party finance, including the participation of *Transparencia Peru* and IDEA as co-sponsoring organizations. Meetings were held with the two groups to explore this possibility; with *Participa-Peru* the team also explored the potential for designing activities related to the follow-up mechanism of the Inter-American Convention against Corruption (IACC), as well as to identify successful social auditing activities at the municipal level, which can be documented and replicated by the project. The team also met with leaders of the NGO *Grupo Propuesta Ciudadana* to discuss social auditing and budget transparency activities related to extractive industries. In addition, the mission was asked to consider hosting for mission and embassy personnel the two-day workshop on designing cross-sectoral anti-corruption strategies being developed by the project.

RESULT - IDEA and *Asociación Civil Transparencia* will submit to USAID/AAA a proposal for sponsoring the political party finance activity. Also, the *Universidad del Pacífico* is to present to USAID/AAA a proposal to analyze transparency issues in the country's forest sector.

EL SALVADOR - The team traveled to San Salvador in March to begin finalizing arrangements for the two-day workshop on designing cross-sectoral anti-corruption strategies to be held in early May. While there they met with the NGO *Probidad* on that organization providing technical assistance and training to USAID/Paraguay partners for the design and implementation of a corruption cases tracking system.

RESULT - The mission training has been scheduled for May 11-13, 2005. Plans for the Paraguay technical assistance are in process.

PANAMA - At the end of March the team shared with mission officials and *Transparencia Panamá* the current USAID/AAA scope of work and discussed potential activities that could be undertaken in the country, including the two-day mission workshop. Explored specifically with *Transparencia* was the potential for it providing technical assistance and training to Paraguay NGOs on developing an impunity index.

RESULT - Discussions continue.

PARAGUAY - In mid February the team met with mission officials on the two-day workshop; a program to improve budget transparency in the environmental sectors, and adapting the Colombia internal-control model to Paraguay, something in which the Vice Comptroller General of Paraguay has expressed interest. There were also meetings with NGOs about cross-border support for development of an impunity index and a corruption tracking and reporting system.

RESULT - Discussions are proceeding with *Ciudadanos Contra la Corrupción* on assistance from *Probidad* El Salvador to develop the corruption tracking system and with Transparency International/Paraguay about support from *Transparencia/Panama* for design of an impunity index. The project also is developing a scope of work for supporting the Comptroller General in adapting the Colombia internal control model.

ECUADOR - In late February the project director discussed the two-day workshop with the mission. He then met with CLD on activities for promoting compliance with the IACC and about social auditing activities at the municipal level, which can be documented and replicated. Discussions were also held with the Economic and Social Rights Center (CDES), a local NGO, about social auditing and budget transparency in extractive industries.

RESULT - Discussions continue.

COLOMBIA - In early March meetings with mission staff explored the two-day workshop, model social auditing activities at the municipal level for replication and how to replicate the Colombian internal-control experience in Paraguay.

RESULT - As noted earlier plans are proceeding on the internal-control proposition.

BOLIVIA - In late February Dr. Berthin met with mission staff on the two-day workshop, model social auditing activities at the municipal level for replication and accelerating country compliance with the IACC. Meetings also were held with CSOs and the mission expressed interest in other activities, the results of which are described below.

RESULT - The project is following up on a mission request for more information on Mexico's model for a Study of the Costs of Corruption and the potential of technical assistance being provided by a Mexican NGO to a counterpart in Bolivia for design and implementation of such a study. Also in process is the design of a workshop on coalition building in which two Bolivian NGOs, *Probidad* and *Proetica* have expressed interest. The project will attempt to engage the Paraguay NGO *Redde Contralorias Ciudadanas* in the program. The project has approached Partners for Democratic Change, in Washington, D.C., about providing the training.

In addition to the above activities, the project is in discussion with the U.S. embassy/mission in Venezuela about developing targeted programs there and it is continuing to explore programming options with the Open Society Institute about transparency in extractive industries and with the Inter-American Bar Foundation about a program to address impunity.

Observations - It is obvious from the warm reception the project has received from missions that they welcome and need the kind of cross-program, cross-border synergies that a regional project offers. It is interesting to note that emails to missions asking them for input on the kind of support the project can provide to them receives spotty responses. On the other hand, when project staff visits with missions, the energy is palpable, and the range of ideas explored is quite impressive. Project staff brings knowledge about program approaches successfully being implemented throughout the region, which expands options for missions and feeds their creativity. The capacity of the project to facilitate training in one country by indigenous experts from another not only builds sustainability but it also encourages the development of cross-border coalitions with similar agendas, that in the long run, reinforces the importance of government transparency and accountability in any given country.

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

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

I. Multi-Country General Information

This quarterly report covering the period January 24 through March 31, 2005 is being presented by Casals & Associates, Inc. (C&A) in compliance with both Contract DFD-I-00-03-00139-00 and Task Order No. DFD-I-03-03-00139-00, Central American and Mexico (CAM) Anti-corruption, Transparency and Accountability Program.

II. Start-Up Implementation Activities

The Task Order, which covers the period of January 24, 2005 through March 29, 2009 was effectively signed on January 24, 2005 marking the obligation of funds for Guatemala. Funding for Nicaragua was obligated on January 28, 2005 and for Panama on March 1, 2005. Technical and administrative actions were quickly undertaken by both C&A headquarters and field personnel.

i. CAM Meeting in Guatemala

As agreed with USAID, in a conference call on January 31, 2005, the C&A CAM team traveled to Guatemala City to meet with USAID and present the planned technical and administrative approach to project implementation.

ii. Meeting Logistics

The meeting was held at the Westin Camino Real Hotel in Guatemala City, Guatemala. The agenda included Status of Initial Start-Up Activities, Staffing, Field Mobilization, Review of TO/SOW, Structure of Work Plan(s) and M&E Plan(s), Administrative and Budgetary matters, and Group and Individual Meetings with USAID Officials.

Representatives from USAID:

Sharon Vanpelt, CAM Multi-Country CTO
Braden Enroth, Regional Contracting Officer
Telma Paz, Contracting Specialist
Carla Aguilar, Guatemala CTO
Sepideh Keyvanshad, El Salvador, D&G Officer
Mauricio Herrera, El Salvador CTO
Maria Nite Leal, ODI Guatemala

Representatives from C&A:

Sergio Díaz-Briquets, Sr. Vice President
Sally Taylor, Program Director, Nicaragua
Eduardo Flores, Program Director, Panama
Carlos Guerrero, Program Director, El Salvador
Cara Zalcborg, CAM Program Manager
Vivian Mack, Sr. Technical Expert, Guatemala
Steven Liapis, Sr. Consultant

iii. Review of TO/SOW

The participants reviewed the TO/SOW through a handout that C&A prepared listing all Sub-IRs and LLRs, with principal focus on the methodology to be used for monitoring and implementing the activities. Question and Answers were raised to clarify issues regarding the coordination and timetables of report submission. The RCO was present to answer all questions and provided guidelines for administrative and financial matters.

iv. Intranet

C&A shared a sample of the CAM Intranet being designed for the use of sharing resources among all CAM participating countries. Several ideas were shared including having a calendar of consultant travel, project documents and country-specific organizational charts and share of success stories and best practices at each country. C&A will continue to develop this concept and as the project gets underway, C&A will discuss with the Multi-Country CTO how this resource will be utilized.

v. Development of Initial Outline of Work Plan

The status of the work plan for Guatemala was presented and C&A shared templates with USAID and reviewed the proposed work plan format in both chart and narrative form. The discussion of due dates for each country's work plan was also discussed. Due dates for the work plans would be arranged with each individual country CTO but to be set no later than 30 days from the time that the Program Director enters the country. In the case of Guatemala, the work plan would need to be presented within 30 days after contract signature. Additionally, it was agreed that C&A Headquarters would be providing assistance to field offices for the start-up operations such as the development of work plans, and other deliverables. Administrative and Technical assistance would be assigned as needed.

GUATEMALA

I. Start-Up Activities and Progress

i. USAID Launching of CAM Program

USAID/Guatemala (USAID/G) informed the C&A CAM/Guatemala Team (CAM/G) that the Mission had decided to hold a launching presentation of all the programs of the Office of Democratic Initiatives including CAM.

The CAM/G staff participated in various implementers' meetings to discuss the format, context and materials to be presented during this event. The event was scheduled for April 11, 2005 and would be held at the Intercontinental Hotel in Guatemala City. CAM/G, with the help of C&A HQ, gathered information and materials relevant to the subject and drafted the presentation.

ii. Work Plan Status

On February 24, CAM/G submitted the Year One work plan corresponding to the 2nd Quarter of FY2005 for Guatemala for the period of Jan 2005 through September 2005. It was understood that this dynamic document would be subject to several changes and updates. On March 10, Ms. Mack made an official presentation of the work plan to USAID and met with Health and Education CTOs to discuss crosscutting issues that may exist between the two programs. The work plan was still under revision by the Multi-Country and Guatemala CTOs as of March 31.

iii. Visits and contacts with potential partners

During this period, several potential partner organizations were visited by CAM/G to reassess the level of interest and to update and inform them about the new USAID program, at the same time learning of their plans and expectations in search of opportunities for cooperation. Among those contacted are; *Comisión Presidencial por la Transparencia*, *Grupo de Apoyo Mutuo (GAM)*, *Asociación Guatemalteca de Investigadores de Presupuesto (AGIP)*, *State University of New York (SUNY)*, *Comisión de Probidad del Congreso de la Republica*, *Acción Ciudadana*, *CIEN*, *Coordinadora SI Vamos por la Paz* and *Coalición por la Transparencia* and the former director of *Programa de Sociedad Civil*. In addition, Ms. Silke Pfeiffer, Transparency International's (TI) Regional Director of the Americas, visited C&A HQ to discuss potential collaboration between C&A's USAID-funded projects and local TI chapters throughout the CAM participating countries as well as throughout the region.

iv. Staffing

Upon receipt of approval from USAID, Mr. Carlos A. Guerrero was assigned the position of Interim COP. Mr. Guerrero relocated to the CAM/G office on March 20 and will remain in

country until a new COP is approved. On March 8, C&A submitted a request for Patricio Maldonado to take over as permanent COP. A decision is still pending as of March 31.¹

II. Remaining Matters for Next Quarter (April 1- June 30, 2005)

i. Technical Activities

- Program support and participation in the Launching Ceremony on April 11, 2005.
- Work Plan review and approval.
- Task Order Modification.
- Support for the Presidential Commission for Transparency bi-weekly meetings.
- Short-term consultants for the Presidential Commission for Transparency for: Organization for the TI Conference in 2006; Strengthening the Presidential Commission; and Public Information Campaign about Public Administration Transparency.
- Sub-contract with *Centro de Investigaciones Economicas Nacionales (CIEN)* for producing the “Budget Transparency Index”.
- Evaluate *Acción Ciudadana* upcoming proposals.
- Support to three participants to the Access of Information Conference in Argentina to be held April 28 and 29, 2005 and the Anti-corruption Forum in Brazil from June 7 through June 10, 2005.

ii. Administrative Activities

- Finalize recruitment process to fill remaining local positions.
- Obtain Internet service for the office.
- Purchase necessary furniture not included in the USAID MOU.
- Activate the Intranet site for CAM providing access to C&A and USAID CAM staff.
- Continue the discussion of the need to register or keep current status in Guatemala.

NICARAGUA

A. Start-Up Activities and Progress

Upon mobilization to Nicaragua on February 21, the CAM/Nicaragua team (CAM/N) began exploring coordination opportunities within the Government of Nicaragua’s (GON) Reform and Modernization Program (Fortaleciendo la Transparencia y Luchando Contra la Corrupcion). The CAM/N Work Plan was developed in contemplation of activities not covered by other donors or in support of their efforts in promoting the GON’s Anti-Corruption initiative. Several opportunities allowed for CAM/N’s participation in donor coordination meetings that will be of great value in the early months of implementation to ensure that CAM/N avoids duplication of efforts.

Consultations were initiated with organizations working toward implementation of the IACC commitments and passage of an Access to Public Information law. Just prior to the CAM contract award, a bill was presented for consideration to the Nicaraguan National Assembly. This bill is being evaluated under other programs and CAM/N is seeking ways to assist supporters of its passage and in laying the groundwork for its implementation which will be a long and arduous process requiring a major public awareness effort, another opportunity for CAM/B involvement. Some of the organizations working on these issues and visited by the team are: *Fundación Violeta Barrios de Chamorro, Ética y Transparencia, Grupo FUNDEMOS, Hagamos Democracia and Centro para Programas de Comunicación.*

¹ As per Ms. Casals’ letter to Mr. Enroth dated February 2, 2005, C&A’s originally proposed COP, Mr. David Valenzuela was no longer available at signature of the CAM/Anti-Corruption Program.

CAM/N began a review and collection of public awareness materials related to anti-corruption to assess the effectiveness and use of media resources including local experts in this area. CAM/N also conducted meetings with the Facultad de Ciencias Jurídicas of the Universidad Centroamericana (UCA), which included a presentation by their team of current and planned programs in the area of anti-corruption. A visit was made to the Asociación de Municipios de Nicaragua (AMUNICA) to obtain an update on municipal issues and implementation of the new Ley de Transferencias.

The major technical effort was making the consultations necessary for preparation of the Work Plan and its proposed activities.

i. Work Plan status

According to the negotiated agreement for delivery of the preliminary Work Plan to be 30 days from the PD's arrival in country, the document was submitted to the Multi-Country CTO on March 22. CAM/N awaits USAID/N review and comments on the work plan.

ii. Mobilization

Dr. Díaz-Briquets and Ms. Taylor arrived in country on February 21. Mr. Guerrero and Ms. Zalberg, technical and administrative representatives from C&A HQ, joined the CAM/N team for a period of two weeks and one week respectively, to assist in the development of the work plan, recruitment and hiring.

B. Remaining Matters for Next Quarter (April 1- June 30, 2005)

i. Technical Activities

- Once USAID/N and USAID/G comments are received on the work plan, a revised version will be presented for approval.
- The CAM/N team will continue updating donor program support data for the National Integrity System.
- Implementation activities will begin in earnest reflecting USAID/N's priorities.

ii. Administrative Activities

- Arrive at a solution regarding the registration of C&A in Nicaragua.
- Finalize recruitment process to fill remaining local positions.
- Office space will be identified and contracted.
- Program vehicle will be shipped from the U.S and office equipment and furniture purchased locally.

PANAMA

A. Start-Up Activities and Progress

The CAM/Panama Team (CAM/P) focused most of its efforts this quarter towards laying the groundwork to open an office in Panama and preparing the Work Plan for Year One. To conduct these tasks, Mr. Eduardo Flores, Panama's Program Director, made a preliminary trip to Panama from March 7 through March 19, 2005. Accompanying him in the earlier part of his visit were David Cohen, C&A's Vice President of International Programs and François Vezina, C&A Sr. Programs Manager.

i. Visits and contacts with potential partners

To prepare the Work Plan and pinpoint potential launching activities, the Program Director held interviews with GOP officials, members of the local NGO community and international donor organizations. These included the following:

- Executive Secretariat of the National Anticorruption Council – *Consejo Nacional de Transparencia contra la Corrupción*
- Spanish Cooperation Agency - *Agencia Española de Cooperación Internacional*
- *United Nations Development Program*
- Solicitor General's Office - *Procuraduría de la Administración*
- Accountability and Human Rights Unit at the Attorney General's Office - *Procuraduría General de la Nación - Secretaría de Responsabilidad Institucional y Derechos Humanos*
- *Alianza Ciudadana pro Justicia*
- *Fundación para el Desarrollo de la Libertad Ciudadana*

ii. Work Plan Status

According to the negotiated agreement for delivery of the preliminary Work Plan to be 30 days from the PD's arrival in-country, the document is in the process of being prepared and will be submitted to USAID/P on or before April 6, 2005.

iii. Mobilization

Mr. Cohen traveled with Mr. Flores Panama for the initial presentation of the CAMPN team to the USAID Mission. Mr. Vezina, technical representative from C&A HQ, joined the CAM/P team to assist in the development of the work plan. Mr. Flores will formally relocate to Panama on April 4.

B. Remaining Matters for Next Quarter (April 1- June 30, 2005)

i. Technical Activities

Planned activities under 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).

- Advise the Executive Secretariat of the National Anticorruption Council in the design of a strategic plan aimed at defining the nature and scope of its functions. The program will support the Executive Secretariat in designing and presenting the main features of the plan before the Council, composed of cabinet ministries and civil society representatives, at its monthly session on April 15, 2005. As a following step, the program expects to cooperate with the Secretariat in conducting one-on-one interviews and a one-day workshop with all of the members of the council. These efforts will seek to unify public policy criteria, allocate responsibilities, and maintain the political will to fight corruption.
- Furthering individual contacts with members of the National Anticorruption Council (e.g. Ombudsman's Office and Comptroller General's Office).
- Funding the participation of the National Anticorruption Council's Executive Secretary and an NGO representative at the event "Women against Corruption", to take place in Ecuador in June 2005. To take full advantage of this seminar, the program will arrange meetings for the Executive Secretary and the NGO representative with local counterparts. It will also ask for their commitment to replicate learnt experiences in Panama.
- Support the preparation and presentation of the National Anticorruption Council's plan of action before international donor organizations.

- Support the participation of government officials in distance learning courses offered by the Open and Participatory Government program organized by the World Bank Institute and the Tecnológico de Monterrey.
- Following up on the potential participation of GOP officials at a regional event on government innovation to be held in Mexico in November.

Planned activities under Sub-IR 2.1: 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 of national government decision-making).

- Work with *Alianza Ciudadana pro Justicia*, a network of Civil Society Organizations that promote justice sector reforms, in exploring areas of potential collaboration. USAID/Panama expects to define a joint project with *Alianza Ciudadana pro Justicia* to promote transparency in the judiciary early next quarter.
- Assess and present comments on the two proposals submitted by the Panamanian affiliate of Transparency International.

ii. Administrative Activities

- Finalize recruitment process to fill remaining local positions.
- Program vehicle will be shipped and office equipment and furniture purchased.