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October 1 through December 31, 2010

Threshold Program II (Umbral)

Presented to:

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I. INTRODUCTION

This Quarterly Report, covering the period of October 1 through December 31 of 2010, is presented by Casals & Associates, Inc. (C&A) in compliance with Contract Number DFD-1-02-08-00069-00, Order Number 15; Threshold Program II.

This is the fifth Quarterly Report submitted to USAID under Contract DFD-1-02-08-00069-00, Order 15, and reflects the progress achieved to date in the attainment of Threshold Program II goals and objectives. During the period covered by this report, the general line of progress has continued in the majority of the Components pursuant to the approved Work Plans. In spite of this clear tendency there have also been delays, particularly in Component 3 of the Program, as will be mentioned later in the report.

The most notable qualitative progress that has been made in part of Component 2 has to do with the reforms proposed by the Program becoming the formal resolutions of the participating entities; in this case, the Supreme Court of Justice with the disciplinary Agreement. Also, the training/development of human resources has maintained an intense and dynamic aspect during the quarter covered in this report. Approximately 3200 officials from over 10 public institutions as well as several high schools in different territorial constituencies have been trained in Components 1, 2, 3 and 5. Component 3, with nearly 1900 trained officials, has shown the greatest effort in this area which is so important for the Program's success. Training for officials from the Comptroller General's Office of Colombia in the CGR, AGPE and other institutions participating in the Program has finalized in the absence of the talks for the continuation of this support under the agreement between the CGR of Paraguay and the CGR of Colombia. The talks did not materialize with the change of the Comptroller of Paraguay.

In Component 1, important progress has been made such as the creation of a proposal to modify the Internal Rules of the Public Ministry and the validation of the procedural handbook and supervision handbook with the work group made up of fiscal agents for the Public Ministry's baseline control.

In Component 2, the Supreme Court of Justice's approval of the modified disciplinary Agreement as well as the Judicial Branch Superintendence Council's approval of the Grievance and Complaints Office's modified functions and procedural handbooks.

In Component 4, the Action Plan for the Implementation of an office responsible for processing complaints, suggestions and information likely to generate investigations within the DNA has been completed and validated. The Plan is in the process of being formally approved for its implementation during the next quarter.

In Component 5, the UTE finally recruited staff from the MIC and other Ministries and it is expected that training for the new officials will begin in the following quarter. Also, the proposal for a national policy to reduce informality in the business sector has been submitted and is in the validation process.

In regards to Component 6, the Policies, Procedures and Proposal for the implementation of the National Police Grievance and Complaints Office have been approved and the action plan for strengthening the Ministry of the Interior Citizen Complaints Center has been validated and approved.

In reference to the Communication transverse Themes and Citizen Participation, it is important to point out that after a highly participative process, a strategy for the participation of civil society organizations was developed and 10 projects geared towards citizen oversight and impact that cover the Program's six Components were developed and approved. The majority of these projects are in the execution stage.

Regarding the communication aspect, support was successfully given for the realization of the "Threshold Program Anniversary" event for the dissemination of the principal goals of the first

year of implementation. Also, 7 video testimonials were created with directors from the participating institutions as well as an institutional video of the Program.

As was mentioned in the first part of this introduction, the most worrisome delays can be found in Component 3 in relation to the hiring processes for the MECIP and SIAF which were declared void. In both cases, authorization was requested to conduct direct hiring. In the MECIP, negotiations with the selected firm were halted in the month of December due to reasons beyond the control of Casals & Associate and urgent solutions are being diligently sought in order to comply with the proposed plans and schedules. In reference to the SIAF, we are waiting to answer some technical questions made by USAID in order to obtain approval to directly hire the company selected by Casals.

In reference to UTE, as sure as there is a constituted unit and the steps to strengthen it can be started, Casals & Associates believes that recruiting officials that are administratively designated by other institutions does not guarantee the sustainability of the progress that can be made during the project's life cycle.

During the rest of the execution of the Threshold Program II of Paraguay, Casals & Associates will continue to work with the same professionalism, dedication and effort with the goal of implementing the reforms that form part of our mandate, always seeking the best solutions to obstacles and proposing improvements that are sustainable over time.

II. COMPONENT 1: Strengthening of the investigative capacity of the Public Ministry

MAIN GOALS OF THE QUARTER

- There is a proposal to modify the Internal Rules of the Public Ministry.
- Training in disciplinary investigations and related offenses held for officials from the General Inspectorate.
- Training in risk map creation completed for officials from the Fiscal Management Control Unit.
- The procedural handbook and supervision handbook validated with the group made up of fiscal agents and rapporteurs.

A. Progress Made Based on the Work Plan and Operate Plan (Completed Activities).

Activity 1

- Completion of proposal to modify the Internal Rules.
- Officials from the Public Ministry trained in disciplinary investigations and related offenses.
- Officials from the Fiscal Management Control Unit trained in the creation of risk maps.
- Procedural handbook and supervision handbook validated with the group made up of fiscal agents and rapporteurs.

Activity 2

- Commencement of Information and Resources Center for Development (CIRD) tasks with the project named "**Getting to know the Prosecution: to our prosecutors and other disciplinary and internal control branches of the Public Ministry**".

B. Uncompleted Activities

Activity 1

- Validation of procedural and supervision handbooks with the group made up of Deputy Prosecutors.

C. Results/Goals Achieved (Based on Component Objectives)

Activity 1

- 13 officials from the Fiscal Management Control Unit trained in fiscal management risk map creation.
- 14 officials from the General Inspectorate trained in disciplinary investigation and related offenses.
- Public Ministry Internal Rules with modifications proposal.

Activity 2

- The Information and Resources Center for Development (CIRD) started tasks in the project framework named "Getting to know the Prosecution: to our prosecutors and other disciplinary and internal control branches of the Public Ministry".

D. Future Activities

- Validate the procedural handbook and the supervision handbook with the group made up of deputy prosecutors.
- Commence pilot plans to establish Public Ministry baseline control.
- Training for officials from the fiscal units who will form part of the baseline control pilot plans.
- Commencement of computer technical assistance for the improvement of the Public Ministry General Inspectorate computer system.
- Submission of the proposal to channel grievances and complaints in the Public Ministry.

E. Performance Supervision (Based on Component Indicators)

1a. Increase in the number of performance audits per year

105 audits conducted between January and December 2010, 6 of which served as the basis for administrative proceedings.

2a. Increase in citizens' level of knowledge of the Public Ministry.

Technical assistance hired to conduct a survey in order to establish a baseline for citizen's level of knowledge of the Public Ministry's services and reforms.

F. Difficulties/Obstacles (Problems Found)

No obstacles have been verified in this quarter.

G. List of Training Events in the Country.

| Activity | Objective | Participants | Date/Place | Comments |
|---|--|--|---|--|
| Workshop on the reform of the M.P.'s internal rules. | <ul style="list-style-type: none"> • Identify the Internal Rules' procedural weaknesses. • Verify the proposals created by the Program's consultants. • Propose modifications to be introduced in the procedural aspect of the Rules. • Learn the investigation and fact-finding techniques. | 15 officials from the M.P. Inspectorate and the M.P. Discipline Tribunal. | 30 November Public Ministry Training Center | The workshops achieved the established goals |
| Training workshop on Investigations and related offenses | <ul style="list-style-type: none"> • Identify circumstantial evidence of offenses against property, patrimony and documentary proof, public duties and public administration. • Verify the existence of sufficient information to report evidence of referred offenses. | 26 officials from the Fiscal Management control unit, the General Inspectorate, the Discipline Tribunal, | 26, 27 and 28 October M.P. Training Center. | The workshops achieved the established goals |

| Activity | Objective | Participants | Date/Place | Comments |
|----------|---|---|------------|----------|
| | <ul style="list-style-type: none"> Plan measures aimed at confirming or discarding weak evidence of said offenses. | Document Reception Desk, and the Training Center. | | |

III. COMPONENT 2: Strengthening of the Contentious-Administrative Tribunal and the Judicial Branch control and disciplinary systems

MAIN ACHIEVEMENTS OF THE QUARTER

- Approval of modifications to the disciplinary agreement.
- Approval of agreement that established the statistical data collection form (FRIE).
- Approval of adjustments to the functions and procedural handbooks of the Judicial Management General Audit Directorate (DGAGJ).
- Approval of the Grievance and Complaints Office's (OQD) functions and procedural handbooks.
- Dissemination events for the grievance and complaints system in the cities of Coronel Oviedo and Ciudad del Este.
- Implementation of the Judicial Management Audit Directorate computer system.

A. Progress Achieved based on the Work Plan and Operative Plan (Completed Activities)

Activity 1

- Modifications made to the disciplinary agreement were approved.
- Statistical data collection form approved.
- DGAGJ and OQD functions and procedural handbooks adjusted and approved.
- Officials from the Constitutional Guarantees Reception Desk trained in user care techniques.
- DGAGJ computer system implemented.
- Grievance and complaints computer system with users trained and evaluated.

Activity 2

- Works for the physical remodeling of the space meant for the Internal Audit Directorate underway.
- Internal Audit Directorate equipped with new computer equipment.

Activity 3

- Contentious-Administrative Tribunal functions handbook.
- Draft of the procedural manual for the Contentious-Administrative Tribunal submitted.
- Contentious-Administrative Tribunal strengthened with new computer equipment.
- Digitalization and classification of Contentious-Administrative Tribunal sentences underway.

B. Uncompleted Activities

No uncompleted activities have been registered.

C. Results/Goals Achieved (Based on Component Objectives)

Activity 1

- Disciplinary Agreement with modifications approved.
- Agreement that establishes the statistical data collection form approved.

- Judicial Management Audit Directorate functions and procedural handbooks adjusted and approved.
- Grievance and Complaints Office's functions and procedural handbooks adjusted and approved.
- Dissemination events for the grievance and complaints system held at Ciudad del Este and Coronel Oviedo.
- Judicial Management Audit Directorate computer system implemented.
- Grievance and complaints computer system with officials trained and assessed on system use.

Activity 2

- Works for the physical remodeling of the space meant for the Internal Audit Directorate underway.
- New equipment delivered to the Internal Audit Directorate.

Activity 3

- Organization and functions handbooks for the Contentious-Administrative Tribunal validated with judges from said Tribunal.
- Contentious-Administrative Tribunal procedural handbook in the validation process.
- New computer equipment delivered to the Contentious-Administrative Tribunal.
- Contentious-Administrative Tribunal sentences in the process of being digitalized and classified.

D. Future Activities

- Train officials from the different disciplinary offices in the new disciplinary agreement.
- Submit adjustments to the Disciplinary Offices functions and procedural handbooks to the Supreme Court of Justice for approval.
- Disseminate the grievance and complaints system in the interior of the country.
- Train law clerks on how to use the statistical data collection form.
- Complete the remodeling of the Financial Administrative Audit Directorate offices.
- Submit the functions and procedural handbooks to the Supreme Court of Justice for approval.
- Commence remodeling of the Contentious-Administrative Tribunal offices.
- Begin developing the Contentious-Administrative Tribunal management software.
- Training in applied statistics and "coaching" provided to officials from the Judicial Management Audit Directorate and Administration and Finance Audit Directorate.

E. Performance Supervision (Based on Component Indicators)

1a Increase the number of complaints in the interior of the country

1316 complaints filed in the capital.

67 complaints filed in the interior of the country.

Officials responsible for receiving complaints and grievances in the interior of the country and officials from the grievance and complaints office in the capital implementing coordination mechanism.

1b Reduce the time it takes to solve cases in the interior of the county and standardize their duration

Complaints originating in the interior of the country processed in an average of 137 days.

Complaints originating in the Capital processed in an average of 107 days.

2a Number of financial and administrative audits conducted based on the MECIP

No audits based on MECIP have been verified yet. Training for Judicial Branch officials in MECIP.

2b Develop risk maps based on audits

Training plan for Judicial Management General Audit Directorate implemented. DGAGJ computer system implemented.

3a Improvement of public perception of the administrative efficiency of Tribunal services.

Indicator in the process of being modified.

4a Number of communication campaigns implemented

Judicial Branch communication plan approved.

F. Difficulties/Obstacles (Problems Found)

No uncompleted activities have been registered.

G. List of Training Events in the Country

| Activity | Objective | Participants | Date/Place | Comments |
|--|--|--|--|---|
| Training workshop on user care. | <ul style="list-style-type: none"> Officials from the constitutional guarantees reception desk will improve their user care skills. | 20 officials from the Grievance and Complaints office and the constitutional guarantees reception desks. | 29 October in the Judicial Branch Palace of Justice. | The workshops achieved the established goals. |
| Training workshop on writing and fact-finding techniques relating to exercising disciplinary authority in the Judicial Branch. | <ul style="list-style-type: none"> Identify evidence pertinent to administrative faults subject to the disciplinary authority of the Supreme Court of Justice. Plan measures aimed at confirming or discarding weak evidence of said administrative faults. Verify the existence of sufficient information in order to create reports for the Supreme Court of Justice. | 25 officials from the disciplinary system. | 11 November in the Palace of Justice. | The workshops achieved the established goals. |

H. Other Activities

On 19 November a dissemination event was held for the grievance and complaints system in the city of Coronel Oviedo and was geared towards judges and judicial officials in this city. On 30 November 2010 in Ciudad del Este, a dissemination activity was held in relation to the grievance and complaints system and was geared towards Lawyers from this judicial district.

IV. COMPONENT 3: Strengthening of Control Systems

MAIN GOALS OF THE QUARTER

- **465** CGR and AGPE officials trained in the process of acquiring technical capacity related to Internal Control that supports MECIP implementation in all of the State entities starting February 2011 under the official Internal Control technical exchange between the CGR in Paraguay and the CGR of Colombia.

- **12** entities with direct support from the Threshold Program for MECIP implementation completed the first stage of implementation of said Control Framework.
- **26** officials, among them directors and professionals specialized in External Auditing, work on improving the government auditing process with the goal of improving CGR audit recommendations and the input necessary for an effective Forensic Auditing Process.
- **1500** officials, among them directors and professionals, trained in self-control, self-assessment and management improvement skills, results and fulfillment of objectives of their institutions.
- 9 entities with direct support from the Threshold Program with teams of directors trained in MECIP.
- 10 entities with direct support from the Threshold Program with MECIP teams trained in MECIP with sufficient knowledge to begin effective MECIP implementation.
- Tender for SIAF improvement with an economic and technical offer received, analyzed and in the negotiation process.

A. Progress Achieved based on Work Plan and Operative Plan (Completed Activities)

Activity 1:

- Support provided for the training and technical support processes carried out by the CGR in alliance with the AGPE to expand MECIP application.
- Training for CGR and AGPE auditing officials and professionals to create national capacity in MECIP Internal Control and Technical Assistance.
- Training and technical assistance provided to the AGPE and CGR's teams of auditors for the realization of auditing, assessment and follow up of the fulfillment of audit recommendations.
- Execution of training processes for teams of auditors from the 12 entities participating in the MECIP Project geared towards assessing the project's implementation.
- Commencement of activities for works to be carried out by the CGR Citizen Control Support Office in relation to the awarded civil society projects.
- Training in MECIP geared towards implementation for management teams from 9 of the 12 participating entities.
- Technical assistance for 9 participating entities in relation to MECIP implementation methodology.
- Execution of technical assistance procedures for the CGR Team of External Auditors in order to improve Government Auditing and Forensic Auditing procedures.

Activity 2

- Analysis and negotiation of the proposals submitted for hiring the firm that supports SIAF improvement.

Activity 3

- Promotion of a meeting between MSP and BS and citizen representatives with the goal of assessing the citizenry's view of the effectiveness of the Ministry's media and communication mechanisms proposing improvements and follow up of change indicators.
- Meetings held with MSP and BS representatives in order to learn the needs for strengthening the regional and departmental councils' accountability process.
- Hiring of the consultancy that will work on reformulating the public communication and accountability processes pursuant to the needs of the Ministry and citizen interest groups.

Activity 4

- Coordination of Health Ministry tasks with the John Snow firm, the Threshold Program II Executive Board, and USAID.

B. Uncompleted Activities

- Design, develop and implement the determined software or tool to improve CGR, AGPE and Forensic Auditing management.
- Complete development and launching of the new SIAF.
- Realization of SIAF expansion technical and computer processes.
- Begin consultancy with the citizenry in relation to SIAF's need for information.
- Create reports together with citizenry representatives and the Ministry of Tax.
- Create a Training Plan for the Work Team involved in the MSP and BS Network that will include objectives, strategies, activities and indicators in compliance with the improvement proposals that were approved.
- Reformulate the public communication and Accountability processes pursuant to Ministry and citizen interest group needs.
- Assist the MSP and BS with improving the citizen participation promotion processes and functional areas.

C. Results/Goals Achieved (Based on Component Objectives)

Activity 1

- Completion of the "Creation of National Capacity in MECIP Internal Control and Technical Assistance" project in the CGR and AGPE in support of MECIP implementation in State entities as well as in the ongoing improvement of their Internal Control systems; 440 CGR officials and 25 AGPE officials involved in the project.
- Execution of the "Improvement of Government Auditing and Forensic Auditing Procedures" project in the CGR, for which substantial improvement is expected in regards to the creation of CGR audit recommendations for the supervised entities as well as in the study and reports on evidence and discoveries of possible offenses or administrative acts that put State Patrimony at risk submitted to the Public Ministry and other relevant State entities.

Activity 2

- Technical and economic proposals received for the implementation of specific SIAF improvement pursuant to the objectives of strengthening the Ministry of Tax and the Threshold Program II.
- Evaluation of the technical and economic proposals for the implementation of specific Threshold Program II improvement.

Future Activities

1. Work with the entities participating in the Threshold Program II on planning Self-diagnosis.
3. Perform Self-diagnosis in the entities participating in the Threshold Program II.
5. Validate the Process Management Model in the MEC and MSP and BS.
6. Continue training with the auditing teams from the entities participating in the Threshold Program II.
7. Advise the entities on the creation of implementation plans based on their Self-diagnosis.
8. Hire consultants for MECIP implementation in the entities participating in the Threshold Program II.
9. Hire consultancy to develop improvements for the SIAF.
10. Coordinate and supervise civil society-related projects that are being carried out.

D. Performance Supervision (Based on Work Plan Indicators)

- 1a Improve the quality and quantity of responses from Paraguay's government institutions to the CGR audit recommendations**

Operative Work plan to improve Government Auditing and Forensic Auditing underway with the participation of directors from Government Auditing, Judicial Directorate, CGR Forensic Audit Directorate, and Sub-Comptroller supervision mission areas.

1b Increase the responses to citizen complaints from 0 (no feedback mechanism in 2007) to 75%

The redesigning of the CGR website is underway for Grievance and Complaints care and the study of the technical proposals submitted for the improvement of Access to CGR Public Information procedures, citizen care, promotion of citizen participation and Citizen Control Support is also underway.

2a 12 Paraguay Government Internal Audit Offices utilizing the new reports generated by the SIAF to conduct audits based on the MECIP

The technical proposals submitted for SIAF improvement which include the supply of a computer solution that guarantees the generation of reports for control and auditing were received and are in the analysis and negotiation process.

2b Daily automatic bank reconciliations of the Paraguay Government's bank accounts. Starting Date (2008)

The technical proposals submitted for SIAF improvement which include interfaces between different systems that guarantee the supply of information necessary for the automatic Bank Reconciliation as well as the generation of reports for control and managerial decision making are in the analysis and negotiation process.

2c 12 civil and social organizations executing supervisory activities based on information generated by the SIAF available on the Treasury Department's website

The technical proposals submitted for SIAF improvement which include the generation of information and supply of reports necessary for citizen participation and control were received and are in the analysis and negotiation process.

2d Increase in the number of responsible politicians that use reports provided by the SIAF for management-level decision making

The technical proposals submitted for SIAF improvement which include an item for the generation of information and supply of reports necessary for managerial decision making on behalf of the Ministry of Tax and the foremost authorities that form part of the SIAF were received and are in the analysis and negotiation process.

3a Increase in the number of public hearings on behalf of the Regional Health Councils

The study of the technical proposal and hiring of supporting consultants currently underway.

3b Increase in responses to citizen complaints on behalf of the Ministry of Health and Social Well Being – MS and BS

The study of the technical proposal and hiring of supporting consultants for communication and computer procedures necessary for this project are currently underway.

E. Difficulties/Obstacles (Problems Found)

- The change of the Comptroller General of the Republic in December 2010 generated a high risk for the execution of the "Creation of National Capacity in MECIP", "Improvement of Government Auditing and Forensic Auditing Procedures" and "Strengthening Access to CGR Public Information, Grievances and Complaints" projects.

- Talks have not been held for the continuation of the agreement between the CGR of Paraguay and the CGR of Colombia.
- MECIP and SIAF hiring procedures were declared void.
- In the MECIP, negotiations with the selected firm were suspended in the month of December.
- A lack of availability on behalf of the directors from some institutions could possibly delay the “Support MECIP implementation in 12 State entities” project.

F. List of Training Events in the Country

| ACTIVITIES OCTOBER 1º. TO DECEMBER 31, 2010 | | | | |
|--|---|---|---|--|
| Activity | Objective | Participants | Date/Place | Comments |
| Training geared towards Internal Control and specialized MECIP management for teams of auditors. | Develop formative processes in Internal Control and specialized MECIP management for Internal and External Auditing officials so as they can act as trainers to other teams, and go along with MECIP implementation standards and make improvements to Internal Control in all public entities. | 425 CGR and AGPE auditors trained in Internal Control and specialization in MECIP. | October 11 to 15, 2010. November 08 to 12, 2010. November 29 to December 03, 2010. Quinta Ykua Sati | The process was carried out with high levels of satisfaction on behalf of the CGR and AGPE Officials were selected per area; an average of 50 officials were trained per group, in two classrooms, 5 days each week. |
| Training geared towards MECIP assessment for teams of Institutional Internal Auditors. | Develop the capacity to assess Internal Control systems and conduct follow-up of MECIP implementation in internal auditors. | 220 auditors from the 12 entities that are directly supported by Threshold Program II in MECIP implementation. | September 27 to October 01, 2010 November 01 to 05, 2010. November 29 to 03 December, 2010 Excelsior Hotel | Institutional internal auditors have been conducting a detailed study of MECIP and training on the necessary tools for MECIP implementation and assessment with a high level of commitment and attendance to training processes. |
| Training in MECIP for directors | Training for directors from the 9 entities directly supported by the Program in MECIP implementation. | 338 officials from the Public Ministry, Customs National Directorate, Ministry of Public Works, Ministry of Agriculture and Livestock, Ministry of the Interior, Ministry of Education and Culture, Ministry of Public Health and Social Well Being, National Congress, and Supreme Court of Justice management teams. | MAG: 10-13-2010 MAG, 11/04/2010 GRANADOS PARK HOTEL, 11/08 y 11/18/2010 MAG, 12/02/2014 GRANADOS PARK HOTEL; MEC: 10/20/2010 (MEC) 11/29/2010 (MEC); MOPC: 10/21/2010 (MOPC), 11/10/2010 (MOPC), 11/15/2010 (MOPC); CN: 10/22/2010, 11/19/2010 CHAMBER OF SENATORS, 12/17/2012 CHAMBER OF LEGISLATORS, 10/22/2010 | MECIP training with the management teams progress without any inconveniences. The level of attendance was 70% and there was also a high level of acceptance of the techniques referenced. |

| ACTIVITIES OCTUBER 1º. TO DECEMBER 31, 2010 | | | | |
|---|-----------|--------------|--|----------|
| Activity | Objective | Participants | Date/Place | Comments |
| | | | 11/19/2010 CHAMBER OF SENATORS, 12/17/2012 CHAMBER OF LEGISLATORS; DNA: 10/13/2010 DNA 11/08/2011 DNA MSP and BS: 10/15/2010, 10/18/2010, 10/11/2010, 11/18/2013, ALL IN THE EXCELSIOR HOTEL; MI: 10/20/2010, 11/03/2010, 11/17/2010 ALL IN THE EXCELSIOR HOTEL; MP: 10/19/2010, 11/09/2010, 11/16/2010, 12/14/2010, ALL IN THE PUBLIC MINISTRY ENTERTAINMENT CENTER CSJ: 10-19-2010 10/21/2010, 11/02/2010 11/09/2010, 11/15/2010 11/30/2010, 12/01/2010, ALL ON THE 8 th Floor – North Tower, Judicial Branch. | |

G Other Activities

- Survey and continuous update of the Database of the officials that are involved in the Component.
- Programming and logistics support management necessary for the realization of Component events.
- Preparation of Training Schedules and Materials for officials.
- Coordination, control and follow-up of Component training procedures and technical assistance.
- Follow-up of Civil Society projects.

V. COMPONENT 4: Strengthening of the Customs National Directorate (DNA)

MAIN ACHIEVEMENTS OF THE QUARTER

- Plan of action for the implementation of a department responsible for processing complaints, suggestions and information likely to generate investigations within the DNA validated and in the process of being formally approved.
- Formal submission of the work plan and schedule for the project presented by the TIERRA NUEVA organization (Access to Customs National Directorate public information as the 1st step in achieving citizen participation) and commencement of activities with the DNA.
- Formal submission of the work plan and schedule for the project presented by the CERI organization (Citizen Advocacy to reduce evasion and customs corruption in the Ñeembucú Department in the District of Pilar) and commencement of activities with the DNA.
- Communication materials on DNA reforms designed and in the process of being approved.

A. Progress Made Based on the Work Plan and Operative Plan (Completed Activities)

Activity 1

- Approval of the plan of action for the implementation of a department responsible for processing complaints, suggestions and information likely to generate investigations within the DNA.
- DNA approval of the plan of action for the implementation of a department responsible for processing complaints, suggestions and information likely to generate investigations within the DNA.
- Creation and validation of the terms of reference for the Customer Care office functions and procedural handbooks.

Activity 2

- Creation and design of communication materials on the DNA's new services and reforms.
- Support for the dissemination of training courses and events regarding the DNA's new services and reforms.

Activity 3

- Grant awarded to the TIERRA NUEVA organization for its project "Access to DNA public information as the 1st step in achieving citizen participation."
- Grant awarded to the CERI organization for its project "Citizen Advocacy to reduce evasion and customs corruption in the Ñeembucú Department in the District of Pilar."

B. Uncompleted Activities

- Design a tool for the reception and follow-up of complaints.

- Creation of Complaints Office functions and procedural handbooks.
- Organization and realization of a national meeting with government authorities and key players of the private sector about problems that affect Customs and their alternative solutions.

C. Results/Goals Achieved (Based on Component Objectives)

Activity 1

- Plan of action for the implementation of a department responsible for processing complaints, suggestions and information likely to generate investigations within the DNA submitted and in the approval process.
- Terms of reference for the creation of Customer Care Office functions and procedural handbooks created, validated and in the process of being formally approved.

Activity 2

- Communication materials on the DNA's new services and reforms created and in the approval process.
- Training courses and events regarding the DNA's new services and reforms provided by the DNA with dissemination and technical assistance.

Activity 3

- The project presented by the TIERRA NUEVA organization awarded and activities started.
- The project presented by the CERI organization awarded and activities started.

D. Future Activities:

- Design of a tool for the reception and follow-up of complaints, suggestions and information likely to generate investigations within the DNA.
- Hiring of a consulting firm for the creation of functions and procedural handbooks for the Complaints Office.
- Creation of Customer Care Office functions and procedural handbooks.

E. Performance Supervision (Based n Component Indicators)

1a Increase the percentage of complaints processed in a period of time

Plan of action for the implementation of an office was validated and is in the process of being approved by the DNA.

2a 2 (two) communication campaigns implemented

VUI Positioning Campaign implemented

F. Difficulties/Obstacles (Problems Found)

There have been delays in the approval of communication materials as well as in the terms of reference for the Customer Care Office. These delays seriously affect scheduled Work Plan activities.

G. List of Training Events in the Country

No training activities have been registered.

H. Other Activities

Continuous coordination with the U.S. Government Treasury Department technical group and DNA authorities.

VI. COMPONENT 5: Strengthening the Protection of Intellectual Property Rights

MAIN ACHIEVEMENTS OF THE QUARTER

- Group of trainers from the DGPI trained in intellectual property as well in school and university didactics.
- 800 high school teachers from Asunción, Gran Asunción, Alto Paraná and Itapúa trained in intellectual property-related subjects.
- Comic strip about trademarks named “Anselmita and Agustín learn about the world of trademarks” approved and published.
- UTE has new staff.
- Documents pertinent to the proposal for a national policy to reduce informality in the business sector are in the validation process.

A. Progress Made Based on the Work Plan and Operative Plan (Completed Activities)

Activity 1:

- Signing of the new UTE decree regarding the operation, mission, structure and hierarchical dependence of the UTE (No. 5446 date 17 November 2010).
- Technical assistance through polygraph tests for the appointment of new staff to the UTE.
- Creation and approval of terms of reference for training course in intellectual property.
- Creation and approval of terms of reference for training course in criminal procedural law.
- Creation and approval of terms of reference for training course in customs procedures.
- Creation and approval of terms of reference for training course in investigation techniques.

Activity 2:

- Documents relating to consultancy for a national policy proposal to reduce informality in the business sector submitted to MIC experts and the validation process was started.
- Training in school and university didactics for officials that form part of the DGPI’s group of trainers.
- Approval and publishing of the Comic Strip about Trademarks named “Anselmita and Agustín learn about the world of trademarks”.
- Approval of the Comic Strip about Patents named “Anselmita learns about the world of patents”.

Activity 3:

- Consultancy for the assessment of the mechanism used to file complaints regarding intellectual property crimes in the MIC pending approval.
- Grant awarded to the FUNDACION EN ALIANZA organization for its project “Being original has its reward.”
- Grant awarded to the ALTERNATIVA organization for its project “Legal e’te, students against piracy and counterfeiting.”
- Grant awarded to the APEP organization for its project “Strengthening the Industrial Property Directorate.”

- Completion of the training project on intellectual property rights geared towards teachers from High Schools in Asunción, Gran Asunción, Encarnación and Ciudad del Este.

B. Uncompleted Activities

Activities 1 and 4:

The tasks that correspond to Activities 1 and 4 resumed on 15 November 2010 with the signing of the new UTE decree.

Activity 3:

The activities that correspond to the design and implementation of a website for complaints regarding intellectual property rights were paralyzed due to lack of definition pertaining to UTE's functioning

C. Results/Goals Achieved (Based on Component Objectives)

Activity 1:

- New UTE decree regarding the operation, mission, structure and hierarchical dependence of the UTE signed and in effect.
- New UTE staff selected.
- Terms of reference for the training course on intellectual property rights created and approved. Consultant selected.
- Terms of reference for the training course on criminal procedural law created and approved. Consultant selected.
- Terms of reference for the training course on customs procedures created and approved. Consultant selected.
- Terms of reference for the training course on investigation techniques created and approved. Technical assistance selected.

Activity 2:

- Documents pertinent to consultancy for a national policy to reduce informality in the business sector submitted to MIC experts and in the validation process.
- Officials that form part of the DGPI's group of trainers trained in school and university didactics. Group created to start training and awareness seminars.
- Comic strip about trademarks named "Anselmita and Agustín learn about the world of trademarks" designed, approved and published.
- Comic strip about Patents named "Anselmita learns about the world of patents" designed and approved.

Activity 3:

- Consultancy for the assessment of the mechanism used to file complaints regarding intellectual property crimes in the MIC selected and in the process of being approved.
- Project presented by the FUNDACION EN ALIANZA organization awarded and activities started.
- Project presented by the ALTERNATIVA organization awarded and activities started.
- Project presented by the APEP organization awarded and in activities started.
- Training project on intellectual property rights geared towards High School teachers in Asunción, Gran Asunción, Encarnación and Ciudad del Este completed and 800 teachers trained.

D. Future Activities:

- Resume training seminars on intellectual property rights in schools and universities.
- Resume tasks scheduled in Activities 1 and 4.

E. Performance Supervision (Based on Component Indicators)**1a Increase in the average annual value of counterfeit goods seized in operations**

New UTE staff selected. New decree in effect.

1b Increase in the number of operations

New UTE staff selected. New decree in effect.

2a Improvement in the percentage of students' educational level in regards to intellectual property rights

Baseline was determined (77,9% unfamiliarity with intellectual property rights).800 High School teachers trained in intellectual property rights. DGPI's group of trainers created.

F. Difficulties/Obstacles (Problems Found)

The delays in defining the UTE's viability and the selection of the UTE's new staff seriously affect the scheduled Work Plan tasks.

G. List of Training Events in the Country

| Activity | Objective | Participants | Date/Place | Comments |
|--|---|---|--|--|
| Intellectual Property rights training course | <ul style="list-style-type: none"> • Heighten the level of knowledge of intellectual property rights. • Provide more information on the prevailing norms in this field. • Provide information on cases regarding the violation of these rights and the harm that this creates. | 10 officials from the Intellectual Property General Directorate | August 11 to October 11, 2010. Intellectual Property General Directorate | This training started last quarter. |
| Seminar on intellectual property rights | <ul style="list-style-type: none"> • Heighten the level of knowledge of intellectual property rights. • Report on the harmful effects of the violation of these rights. | 25 High school education teachers from Central | October 4, 2010. High School Education Board. | The MEC had expected 50 people to attend |
| Seminar on intellectual property rights | <ul style="list-style-type: none"> • Heighten the level of knowledge of intellectual property rights. • Report on the harmful effects of the violation of these rights | 25 High school education teachers from Central | October 6, 2010. High School Education Board | The MEC had expected 50 people to attend |
| Seminar on intellectual property rights | <ul style="list-style-type: none"> • Heighten the level of knowledge of intellectual property rights. • Report on the harmful effects of the violation of these rights | 25 High school education teachers from Central | October 11, 2010. High School Education Board | The MEC had expected 50 people to attend |
| Seminar on intellectual property rights | <ul style="list-style-type: none"> • Heighten the level of knowledge of intellectual property rights. • Report on the harmful effects of the violation of these rights | 25 High school education teachers from Central | October 13, 2010. High School Education Board | The MEC had expected 50 people to attend |
| Seminar on intellectual property rights | <ul style="list-style-type: none"> • Heighten the level of knowledge of intellectual property rights. • Report on the harmful effects of the violation of these rights | 25 High school education teachers from Central | October 18, 2010. High School Education Board | The MEC had expected 50 people to attend |

| Activity | Objective | Participants | Date/Place | Comments |
|---|---|--|---|--|
| Seminar on intellectual property rights | <ul style="list-style-type: none"> Heighten the level of knowledge of intellectual property rights. Report on the harmful effects of the violation of these rights | 25 High school education teachers from Central | October 20, 2010. High School Education Board | The MEC had expected 50 people to attend |
| Seminar on intellectual property rights | <ul style="list-style-type: none"> Heighten the level of knowledge of intellectual property rights. Report on the harmful effects of the violation of these rights | 25 High school education teachers from Central | October 25, 2010. High School Education Board | The MEC had expected 50 people to attend |
| Seminar on intellectual property rights | <ul style="list-style-type: none"> Heighten the level of knowledge of intellectual property rights. Report on the harmful effects of the violation of these rights | 25 High school education teachers from Central | October 27, 2010. High School Education Board | The MEC had expected 50 people to attend |
| Seminar on intellectual property rights | <ul style="list-style-type: none"> Heighten the level of knowledge of intellectual property rights. Report on the harmful effects of the violation of these rights | 50 High school education teachers from Alto Paraná | October 28, 2010. Alto Paraná Regional Center | The MEC had expected 50 people to attend |
| Seminar on intellectual property rights | <ul style="list-style-type: none"> Heighten the level of knowledge of intellectual property rights. Report on the harmful effects of the violation of these rights | 50 High school education teachers from Central | October 29, 2010. Alto Paraná Regional Center | The MEC had expected 50 people to attend |
| School and university didactic course | <ul style="list-style-type: none"> Provide officials designated by the PGD with better tools to ensure training and awareness of intellectual property rights among students | 8 DGPI officials. | November 23 to December 20, 2010. Intellectual Property General Directorate | The seminar met the set objectives, achieving broad participation of attendees |

VII. COMPONENT 6: Strengthening the National Police

MAIN ACHIEVEMENTS OF THE QUARTER

- Policies, procedures and proposal approved for the implementation of a National Police Grievance and Complaints Office.
- Plan of action approved and validated for the strengthening of the Citizen Claims Center in the Ministry of the Interior.
- Hiring of the company for the survey of the citizenry's level of knowledge regarding Public Ministry and National Police services.

A. Progress Achieved Based on the Work Plan and Operative Plan (Completed Activities)

Activity 1

- Approval of the document containing the policies and procedures for improving the PN grievance and complaints system.
- Approval of the document containing organizational and operative measures geared towards improving the PN grievance and complaints system.
- Approval of the document containing the implementation plan for the improvement of the PN grievance and complaints system.
- Creation and approval of the terms of reference for the strengthening of the Citizen Claims Center in the Ministry of the Interior.

Activity 2

- Creation and approval of the dissemination materials for the new National Police admissions system (posters, flyers, radio spots).
- Selection of equipment to be donated to the National Police in the framework of the Communication Plan.
- Support for the dissemination of training courses and events.

Activity 3

- Submission and approval of the form for surveying citizens on their level of knowledge regarding National Police services and reforms with the goal of determining a baseline.
- Grant awarded to the ALTERNATIVA organization for its project “Form part of your neighborhood’s security.”

B. Uncompleted Activities**Activity 1:**

- Creation of functions and procedural handbooks.

Activity 3:

- Promote works with universities and high schools that focus on work done by the PN.

C. Results/Goals Achieved (Based on Component Objectives)**Activity 1**

- Report on the current situation of the Ministry of the Interior and National Police grievance and complaints system approved.
- Documents containing the policies and procedures, proposals and implementation plan for improving the PN grievance and complaints system submitted and in the validation process.

Activity 2

- Dissemination materials on the PN’s new admissions system designed and in the approval process.

Activity 3

- Work strategy with civil society organizations approved.

D. Future Activities:

- Determine the functions, structure, organization, and procedures of the Grievance and Complaints Office.
- Start OSC project(s) geared towards the PN.
- Promote works with universities and high schools that focus on work done by the PN.

E. Performance Supervision (Based on Component Indicators)**1a Increase in citizens’ level of knowledge of the National Police.**

Selection of the tool to conduct citizenry surveys.

F. Difficulties/Obstacles (Problems Found)

There have not been any difficulties or obstacles.

G. List of Training Events in the Country

No training events have been registered

H. Other Activities

Continuous coordination with the U.S. Government Treasury Department technical group and authorities from the PN and MI.

VIII. TRANSVERSE COMPONENT: Citizen Communication and Participation**MAIN GOALS OF THE QUARTER**

- “Threshold Program Anniversary” event held to disseminate the main achievements of the first year of implementation.
- Completion of the first stage of organizational communication training for officials from the institutions participating in the Program.
- Creation of 7 (seven) video testimonials from authorities about Threshold Program achievements.
- Creation of Threshold Program institutional video.
- Creation, approval and publication of the comic strip about Trademarks named “Anselmita and Agustín learn about the world of trademarks”.
- Creation and approval of the comic strip about Patents “Anselmita learns about the world of Patents”.
- Grants awarded to 10 (ten) projects presented by civil society organizations.
- Start of activities and submission of work plans for 9 (nine) projects awarded in 5 (five) components.

A. Progress Made Based on the Work Plan and Operative Plan (Completed Activities).**COMPONENT 0**

- Support for the coordination of the Threshold Program Anniversary event (database, concept of the event, logistics, materials, etc.).
- Coordination and realization of 14 (fourteen) interviews with institutional authorities as well as other related individuals (CDE customs dispatcher and musical group Paiko).
- Creation of 8 (eight) video testimonials for the Threshold Program Anniversary.
- Creation of a Threshold Program institutional video.
- Support for the continuous updating of the Threshold Program website.
- Creation of a 2011 Threshold Program Calendar.
- Update of the Program’s image bank.
- Implementation of coordinated press communication actions to position the reforms of the different components. Over 40 press releases in ABC Color, 19 in La Nación, 19 in Ultima Hora and more than 17 articles published on online news and radio sites as well as institutional websites.
- Support for the selected OSCs in the dissemination and communication of projects.
- Analysis of the eventual implementation of a movement called “Paraguay as we are”.

COMPONENT 1

- Support for dissemination of training courses and events.
- Activities scheduled with the DirCom for the year 2011.
- Adjustments to the creation of a magazine about the Forensic Laboratory geared towards Prosecutors.
- Selection of equipment to be donated to the Public Ministry Communications Directorate in the framework of the Communication Plan.
- Support for the creation of baseline surveys to determine the citizenry's level of knowledge regarding Public Ministry services and reforms.
- Award of the CIRD Organization project named "Getting to know the Prosecution: to our prosecutors and other disciplinary and internal control branches of the Public Ministry."

COMPONENT 2

- Support for the dissemination of training courses and events.
- Creation and approval of the dissemination materials for the Grievance and Complaints System.
- Submission for the general campaign plan with recommendations for the dissemination of the Grievance and Complaints office.
- Support for the dissemination of the Grievance and Complaints System (meeting with judicial facilitators and PJ Attention center).
- Diagnosis of the current website and proposal for categories and information levels for the redesigned site. Delivery of 80% of the equipment for the PJ Communication Directorate.
- Activities scheduled with the DirCom for the year 2011.
- Award of the SEMILLAS PARA LA DEMOCRACIA organization project named: "An active Superintendence for more transparent justice."

COMPONENT 3

- Technical Support to set up categories on the Ministry of Public Health and Social Well Being's new website.
- Activities scheduled for the year 2011 with the MSP and BS DirCom.
- Activities scheduled for the year 2011 with the CGR DirCom.
- Award of the CDIA organization project named: "Advocacy for transparency in Public Policies for Children and Adolescents in five municipalities in Paraguay."
- Award of the CEAMSO project named "Citizen Oversight for Integrity II."

COMPONENT 4

- Tracking the approval of the proposal for communication actions and materials.
- Support for the dissemination of training courses and events.
- Award of the TIERRA NUEVA organization project named: "Access to the Customs National Directorate public information as the 1st step in achieving citizen participation."
- Award of the CERI organization project named: "Citizen Advocacy to reduce evasion and customs corruption in the Ñeembucú Department in the District of Pilar."

COMPONENT 5

- Support for the dissemination of training courses and events.
- Production, approval and publication of the Trademarks Comic Strip.
- Production and approval of the Patents Comic Strip
- Award of the FUNDACION EN ALIANZA organization project named: "Being original has its reward."
- Award of the ALTERNATIVA organization project named: "Legal e'te, students against piracy and counterfeiting."

- Award of the APEP organization Project named: “Strengthening the Intellectual Property Directorate.”

COMPONENT 6

- Support of the dissemination of training courses and events.
- Creation and approval of dissemination materials for the National Police admissions system (posters, flyers, and radio spot).
- Selection of the equipment to be donated to the National Police Communication Directorate in the framework of the Communication Plan.
- Award of the ALTERNATIVA organization project named “Become part of your neighborhood’s security.”

B. Uncompleted Activities

- Creation of a quarterly newsletter (on behalf of the Executive Board)
- Implementation of the proposals in the DNA.

C. Results/Goals Achieved (Based on Component Objectives)

- News being spread regarding the reforms taking place in the institutions with the support of the Threshold Program.
- The Threshold Program website up and running with updated information.
- Dissemination material on intellectual property rights.

D. Future Activities

- Agreement on the need for tools and key resources to optimize work carried out by the Communication Directorates in the participating institutions.
- Delivery of the agreed grants and tools to the Public Ministry and Ministry of the Interior.
- Printing and distribution of material on the Forensic Laboratory geared towards prosecutors. Launch of the Judicial Branch redesigned website.
- Implementation of the positioning campaign for the DNA’s new image.
- Distribution of comic strips about DPI.
- Proposal for Intellectual Property Week.
- Support for dissemination projects and creation of materials for Civil Society Organizations in the framework of the Threshold Program.
- Creation of Terms of Reference and hiring of consultancies for the implementation of activities established in the institutional Communication Plans.

E. Performance Supervision (Based on Component Indicators)

The indicators are detailed in each of the components.

F. Difficulties/Obstacles (Problems Found)

The organizational communication training course is conceived as one of the strategic tasks of technical support for the institutions. However, institutional commitment is unequal as some institutions are taking advantage of the space and making positive changes through new ideas contributed by their officials while others, namely the Judicial Branch, Customs National Directorate or the Ministry of Industry, are not demonstrating any interest in participating since there is low attendance in some and a high turnover of assistants in others.

G. List of Training Events in the Country

| Activity | Objective | Participants | Date/Place | Comments |
|---|--|---|---|----------|
| Organizational communication course Module I: Institutional image and communication Subject: Institutional communication and organization. | Provide declarative knowledge of institutional image and communication emphasizing the image of public institutions and their public communication practices | 40 officials from the 8 entities participating in the Program | 10/11/2010 18:00-21:00 Catholic Universidad (UCA) | |
| Organizational communication course Module I: Institutional image and communication Subject: Corporate image | Provide declarative knowledge of institutional image and communication emphasizing the image of public institutions and their public communication practices | 38 officials from the 8 entities participating in the Program | 10/18/2010 18:00-21:00 UCA | |
| Organizational communication course Module I: Institutional image and communication Subject: Communication management | Provide declarative knowledge of institutional image and communication emphasizing the image of public institutions and their public communication practices | 36 officials from the 8 entities participating in the Program | 10/25/2010 18:00-21:00 UCA | |
| Organizational communication course Module II: Communication Diagnosis Subject: Organizational communication diagnosis | Provide key tools to diagnose and assess institutional communication in terms of internal climate (identity) and public perception (image) | 28 officials from the 8 entities participating in the Program | 11/1/2010 18:00-21:00 UCA | |
| Organizational communication course Module II: Communication Diagnosis Subject: Public communication | Provide key tools to diagnose and assess institutional communication in terms of internal climate (identity) and public perception (image) | 27 officials from the 8 entities participating in the Program | 11/8/2010 18:00-21:00 UCA | |
| Organizational communication course Module II: Communication Diagnosis Subject: Institutional image auditing | Provide key tools to diagnose and assess institutional communication in terms of internal climate (identity) and public perception (image) | 29 officials from the 8 entities participating in the Program | 11/15/2010 18:00-21:00 UCA | |
| Organizational communication course Module II: Communication Diagnosis Subject: Information auditing | Provide key tools to diagnose and assess institutional communication in terms of internal climate (identity) and public perception (image) | 38 officials from the 8 entities participating in the Program | 11/22/2010 18:00-21:00 UCA | |

| Activity | Objective | Participants | Date/Place | Comments |
|---|--|---|----------------------------------|----------|
| Organizational communication course Module III: Internal communication management Subject: Internal communication | Provide conventional, electronic and alternative concepts and tools applicable to the management of internal communication in public organizations; includes organizational climate management and knowledge management. | 25 officials from the 8 entities participating in the Program | 11/29/2010 18:00-21:00 UCA | |
| Organizational communication course Module III: Internal communication management Subject: Internal communication tools and media | Provide conventional, electronic and alternative concepts and tools applicable to the management of internal communication in public organizations; includes organizational climate management and knowledge management. | 21 officials from the 8 entities participating in the Program | 12/6/2010 18:00-21:00 UCA | |
| Organizational communication course Module III: Internal communication management Subject: Internal communication management | Provide conventional, electronic and alternative concepts and tools applicable to the management of internal communication in public organizations; includes organizational climate management and knowledge management. | 25 officials from the 8 entities participating in the Program | 12/13/2010 18:00-21:00 UCA | |