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PARAGUAY ANTICORRUPTION PROJECT FINAL REPORT

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PARAGUAY ANTICORRUPTION PROJECT

FINAL REPORT

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1. INTRODUCTION

Starting on October 1, 2000, Management Systems International (MSI) initiated a project for USAID/Paraguay that targeted anticorruption and judicial reform themes. During the initial phase of the project, MSI worked closely with Florida International University and local partners in the mass media and civil society organizations. By 2003, the project was refocused to deal more intensively on anticorruption and judicial reform issues in partnership with various judicial and governmental authorities, as well as with civil society groups.

Overall, the project's goals have been to 1) provide oversight on the performance of the judicial sector and implement judicial reforms through civil society organizations (CSOs) and the media, and 2) promote transparency and accountability in public institutions by addressing national issues through a civic journalism program with the media. The project succeeded in increasing the involvement of CSOs in oversight and advocacy for reforms in the judicial sector, in improving the quality of investigative reporting and coverage of key governance issues, specifically transparency and accountability, and in working with governmental counterparts to implement reforms that will make them more effective in controlling, investigating, and prosecuting corruption.

The project's statement of work specified that eight deliverables be accomplished by the end of the activity in December 2006, including:

1. At least five new policy, legal or regulatory reforms that lead to a more transparent and accountable judiciary and Public Ministry will be developed and implemented through civil society.
2. At least five CSOs will be supported and strengthened in working in the judicial sector.
3. A permanent mechanism to provide judicial oversight, including monitoring and evaluating judicial performance and presenting information to the public, will be established and implemented.
4. Develop and support the implementation of a new strategic plan, including an anticorruption component, for the judiciary.
5. Support the Office of the *Procurador*. Strengthen the Procurador's ability to investigate and confront corruption and to recover stolen public resources.
6. As part of media activities, 5 published or aired programs, on civic journalism investigative or educational reports, and CSO outreach messages will be completed: 2 in print and 2 in radio and 1 in television.
7. Two community radio station associations will be strengthened in programming and public outreach throughout the country. As a result, a small manual in programming and news edition will be designed, published and disseminated.
8. The press office of the Supreme Court will be strengthened by developing a communication strategic plan approved by judicial authorities.

This final report of the project provides an overview of activities accomplished, the results and impacts of these activities (including success stories), a discussion of the final deliverables, lessons learned and best practices, and final recommendations for sustainability of the program objectives and achievements.

2. PROJECT OVERVIEW

From 2000 to 2004, the project worked extensively with journalists and media outlets in Paraguay to promote transparency and accountability in public institutions. The final report for that phase of the project was documented in “Improving Journalists’ Understanding of Criminal Procedures” (December 2004) and is summarized in this report.

From 2003 through 2006, the project provided technical assistance to two independent but related sectors: the public sector and civil society. With regard to the public sector, the project focused on the design and implementation of sustainable institutional reform initiatives with Paraguayan Government (GOP) counterparts. This was combined, where possible, with civil society initiatives designed to constructively support the targeted public sector reforms. In the course of project implementation, MSI worked closely with the Supreme Court and other elements of the judiciary, the Council of Magistrates, the Public Ministry, the Controller’s Office, and the Jury of Magistrates. For implementation of the civil society initiatives, MSI subcontracted with seven civil society organizations: INECIP, Transparencia Paraguay, IDEA, SUMANDO, CIDSEP, DECIDAMOS, and a private university, UNIDA. Each was given specific tasks and products to generate under MSI local team supervision.

3. PROJECT ACTIVITIES AND RESULTS

Activities and results in each of the project’s components are described below. The components include:

- Judicial ethics system
- Council of Magistrates
- Public sector coordination
- Legislative reforms
- Jury for the Prosecution of Magistrates
- Procuraduria
- Civil society initiatives
- Mass media initiatives

3.1 Judicial Ethics System

This component provided the judiciary with a complete Ethics System. An all-encompassing Ethics System was in place by the end of the project. The elements of this system are:

- an **Ethics Code** approved by the Supreme Court;
- an **Ethics Office** with concrete office space, and an organization chart and staffing pattern, employees, a director, and an internal regulatory framework;
- and finally, the two bodies responsible for consultation and sanctions within the system: the **Ethics Council** and the **Ethics Tribunal** that were created by the Code.

The Paraguayan Judicial Ethics System is presently considered a model for Latin America because it is the only system that is completely developed with administrative support by the bodies charged with its implementation.¹

The Ethics Code for Judges

The process of creating a complete system started with the drafting of a Code. One of the initial project activities was to analyze the situation regarding judicial ethics and conduct as well as analysis of the provisions of existing laws and regulations.

Initially, USAID met with the Supreme Court to offer technical assistance with the final objective of establishing a Code. A Memorandum of Understanding was signed in March 2004 between the Court and USAID. Once support from the Court was achieved, several strategies were used to make the Code a reality. Well-respected international consultants were identified at the outset to support the initial activities.²

The project approach covered the full spectrum, from low level magistrates to the Supreme Court. The advice of the primary consultants was to ensure leadership from the Supreme Court and slowly reach the entire pool of magistrates. A workshop was held with the Justices to develop a strategic plan. This plan was approved subsequently by a formal resolution of the Court. The resolution included the Justice responsible for each step of the process of implementing the plan. This was a key aspect because during the life of the component, it served to strengthen the commitment of the Supreme Court to move the process forward. This lesson-learned was applied to the overall strategy so as to successfully implement the plan. Each step of the process was formalized with a resolution.

As part of the strategic plan implementation, a working group was set up. The MSI local team provided technical support to the drafting committee. This working group included a Justice responsible for the working group, judges including the head of the Association of Magistrates, members of a local NGO (INECIP), and the MSI local team.

Parallel to this process, MSI subcontracted two NGOs to provide inputs to the process. This was done in order to initiate a participatory process to reduce the potential for resistance to the process in the future. One NGO worked with the legal community (IDEA) and the other one (SUMANDO) with other actors of civil society. During the process many meetings and workshops were held to get as much input as possible. This input was systematized for the working group to use in the final product (see the Civil Society section below for details on IDEA and Sumando's work).

IDEA held 18 workshops in 9 judicial departments (Circunscripciones Judiciales). In each department, one workshop targeted an audience of judges and another one focused on lawyers. SUMANDO held 592 workshops in different locations throughout Paraguay. Its major target audience was students, teachers, and neighborhood commissions. SUMANDO used the technique of training of trainers to reach the greatest number of people possible. One of its goals was to make civil society aware of the role of the judiciary. In order to do this, they prepared a manual ("Paraguay: How It Is Organized") with IDEA's support and MSI supervision. Seven thousand copies of this manual were printed and distributed.

¹ This was mentioned by Justice Rodolfo Vigo (of Argentina) in a conference with the Paraguayan media on October 23, 2006. Justice Vigo a consultant to the project and provided technical support to the process of designing the Ethics System. At present, he is the Secretary of the Inter-American Commission of Ethics Justice.

² It was very important that the project identified two consultants, Rodolfo Vigo and Silvana Stanga. These consultants have prepared many codes throughout Latin America.

The working group identified and selected one of its members, Dr. Riera Hunter, to write the articles (rules) for the Code. Dr. Hunter, a judge, is well known, reputable and generally considered intellectually well prepared with regard to ethics within the context of the justice system.

The working group produced two working drafts and a final draft. The first working drafts were disseminated and following review, were approved by the Supreme Court. The final draft was the result of a broad and participatory process. It is very important to highlight that the process was successful due to the participation of the Supreme Court in the preparation of the basic work plan prepared by the MSI team and the concrete strategic implementation plan approved by the Supreme Court. The combination of the methodology used, participation, and support by the Supreme Court were some of the key factors in making this Code possible.

Activities:

- Drafting of an Ethics Code: A workshop was held with participation of Justices to develop a strategic plan. The plan included topics such as writing a Code, implementation of a workplan, hiring a civil society organization to give inputs to the working team, systematization of all inputs from civil society and legal community (judges and lawyers), among other tasks.
- Provision of technical and logistical assistance to the Supreme Court and the Working Group in developing and implementing workshops and other activities designed to provide feedback and to build consensus for the developing the Ethics Code
- Provision of ongoing support to two Paraguayan NGOs: SUMANDO for public education and IDEA for legal and judicial community awareness. Obtained feedback from workshops on Ethics Code for Judges. Finalized and distributed manuals on the Ethics Code for Judges to all participants and institutions involved in the process.
- Obtained and compiled feedback from citizens regarding the Ethics Code. Feedback presented to the Supreme Court Working Group.
- Provision of technical and logistical support to the Supreme Court to finalize and promulgate the Ethics Code for Judges
- Dissemination of the Ethics Code: disseminated the first draft to get inputs from different actors, made corrections to the first draft, released a second draft. Prepared all materials for printing and used the web page of the Judiciary for further dissemination. Developed the final draft and presented it to the Supreme Court to obtain their final approval.
- Seven thousand copies of the approved Code were printed and distributed to the public. Other support materials were prepared including brochures and a description of the internal regulatory framework.
- The distribution was preceded by workshops for magistrates to explain the provisions of the Code.

Implementation of the Ethics Code: Office of Judicial Ethics

The implementation of the Code included technical assistance to the Supreme Court in developing a detailed action plan and timeline for forming the Office of Judicial Ethics. The objective was to create an administrative structure adequate to support the implementation of the Code to be named the Office of Judicial Ethics (OJE). Technical support was provided to the judicial authorities who had responsibility for developing the internal regulatory framework that would underpin the implementation of the Ethics Code.

Another important aspect was to provide technical assistance for the preparation of physical space. The MSI local team supported the process to locate the office. This required generating a basic diagnostic of

needs and infrastructure. This diagnostic helped make the process of locating a suitable space easier. MSI hired an architect to provide assistance in the optimization of the space, and to evaluate the physical conditions needed for equipment and furniture that would allow for the adequate functioning of the office. Part of the equipment and furniture was donated to the project by USAID from materials that were available due to the concurrent closing of another project. The MSI local team coordinated this process. The project also provided Information Technology (IT) support to the OJE as needed. In doing so, the project took advantage of the internal IT department of the Supreme Court which developed necessary IT applications under MSI IT supervision.

Technical assistance was also provided in the selection of human resources. The project supported the process of the selection of the Director of the OJE and the general staffing. The project prepared profiles that were presented to the Supreme Court for review and approval.

Civil servants incorporated into the office received training from the project. MSI prepared a study tour for the OJE Director and Justice Alicia Pucheta to view other similar experiences. This study tour was very successful, because it provided concrete ideas about how to prepare formats, internal regulations and other significant information that is part of the internal regulatory framework of an ethics office. The Justice and Director were motivated by coming to understand that an ethics process in other countries such as the U.S. are successful when operating within a well-designed process. Their understanding and motivation were important since a change of cultural attitudes requires political support and serious commitment by a country's highest authorities.

After this study tour, the MSI local team worked in conjunction with the Director and other principal players to prepare the internal regulatory framework, as well as needed resolutions to complete the process. A communications plan was also developed. MSI hired a specialist in strategic planning and communication to help with this component. He coordinated all the work with the office staff. Part of this plan was starting the office itself with activities throughout the country.

Additionally, MSI provided training to the OJE. A workshop for designing a strategic plan was held for employees of the office. Another training course was held regarding skills to deal with media. They also attended in-depth training courses on ethical matters given by international consultants.

The last part of the implementation was to develop agreements and generate support at the highest levels of the Judiciary so that all the bodies of the Ethics System would become active. By August 2006, this was all successfully achieved by the MSI team and the Council and the Tribunal were established. As a final activity, MSI hired an international consultant to give training to the members of the bodies.

Activities:

- Office space for the Office of Judicial Ethics: A space within the Judiciary structure was located and formal contacts were made to obtain the authorization of the Supreme Court to dedicate the space for the Ethics Office. An architect was hired to optimize the use of space and distribution of personnel and equipment. Equipment was purchased and installed for proper functioning of the office.
- Contact was established with the Court for the nomination of a Director and employees of the office. Profiles were prepared for candidates and presented to the Supreme Court so as to establish these positions within the institutional framework. Finally, contacts were established with the budget office to incorporate the positions into the budget to ensure their sustainability over the long-term.
- Internal regulatory framework of the Ethics Office: drafting the internal regulatory framework, preparation of the draft for the resolution of the Supreme Court, and dialogue to ensure implementation of the resolution.

- Trained civil servants of the Judicial Ethics Office: prepared a training program and hired specialized consultants for providing this training. Provided technical support for development of the strategic plan of the Office and prepared a communications plan for the office staff.
- Supported integration of the bodies created by the Code with the Supreme Court. This included preparation of a list of candidates for the Council and Tribunal, proposals to the Supreme Court regarding different ways to integrate the bodies. Met with the association of magistrates to support the integration of the bodies.
- Designed a program to promote the Judicial Ethics Office with local communities.
- Provided Ethics Code training with the media on consultations and the filing of complaints related to judicial ethics matters.

Implementation of the Ethics Code: The Advisory Council and the Ethics Tribunal

In August 2006, the Supreme Court nominated the individuals who would head the Advisory Council and the Ethics Tribunal. The local team provided technical support to the Supreme Court in carrying out this process.

Activities:

- Contacted the Association of Magistrates and the Supreme Court to integrate the bodies created by the Code
- Prepared a list of candidates for the Council and Tribunal;
- Proposed different ways of integrating the bodies with the Supreme Court.
- Trained of the members of the Advisory Council and Ethics Tribunal

Results and Impacts of the Judicial Ethics System

- A completed judicial ethics system
- Ethics Code drafted and approved
- OJE established
- Office space and infrastructure completed
- Council of Ethics established
- Ethics Tribunal established

Task Outcomes. The direct impact of the Judicial Ethics System is reflected in the *Annual Report* of the Office of Judicial Ethics. The Code was approved in October 2005, and it has been mandatory since January 1, 2006. The OJE started activities on January 1, 2006 and the consultative and sanctioning bodies are functioning since August 2006.

Impact of Task Outcomes. The main impact was reflected clearly in the national media. The Judicial Ethics Code received significant attention by the press. One of the ethics violations a judge may incur is belonging to political parties. The Ethics Office started a campaign to remind judges to request their political affiliation be canceled which generated much attention from the press. The Office prepared statistics that made the front pages of the newspapers showing that 62% of the Judiciary's judges belong to an official political party.

Since the Council started its work it has generated two (2) advisory opinions (*opiniones consultivas*), two (2) private assessments (*dictámenes en consultas particulares*) and 15 assessments for the Ethics Tribunal (*dictámenes en procesos para juicios de responsabilidad ética*).

Remaining Issues. The Judicial Ethics System has been designed and implemented. The remaining issue is to further consolidate the system. It is also important to note that sustainability of the system is dependent upon continued GoP budgetary support at required levels. More dissemination of information and knowledge to the legal community and civil society is needed regarding the functioning of the Ethics System and the role of each of its bodies.

3.2 Council of Magistrates

This component of the project provided technical assistance support for the Judicial Selection Process. The judicial selection process is a key area of the judicial system that in Paraguay is the responsibility of the Council of Magistrates in accordance with the Constitution.

The project at its inception recognized the possibility of providing information technology support to enhance the judicial selection process. The administration of the selection process was being done manually, generating an overload of paper files and creating the necessity for repetitive recordkeeping and inefficiency of file review. The manual system was also open to error and corruption without much possibility of control. A local NGO (INECIP) was hired to manage the development of an electronic registry and the programming necessary to meet judicial selection process needs. INECIP was contracted to work under MSI supervision and select and supervise the subcontractor who actually did the software development work.

In addition to the electronic registry and its implementation tools, this component of the project produced other concrete work products – an analysis of the Council of Magistrates, the preparation of a Manual for the judicial selection process, and a diagnosis of the Judicial School that operates under the Council's authority.

Development and Implementation of the Electronic Registry

An Electronic Registry was designed for the Council of Magistrates. MSI subcontracted a local NGO, INECIP to design and develop this registry. The first task was to develop a model Registry format in electronic form. A work plan was established with the counterpart for every step of the process.

The software was professionally developed based on the needs of the Council. The primary objective was to generate a tool that would increase the transparency and efficiency of the Council. The resulting electronic database of candidates serves not only to make the selection process more efficient but by preventing late candidacies, reduces the possibility of political influence at the moment of decision-making.

The project provided technical support to the Council in developing the internal regulatory framework for implementation of the Basic Registry of Qualified Magistrate Candidates. The local team provided technical support to prepare resolutions and the legal framework for implementing the registry.

After the Registry was designed, testing and implementation were started. This included the purchase of hardware, the installation of the software, and the training of the Council personnel who would have to create, verify and use the resulting databases. The purchase process was done by the NGO with USAID funds and under MSI supervision. As a complement to this process, it was deemed necessary to analyze overall Council IT capacity and staff capacity in order to ensure sustainable support of the Registry.

The Registry was largely finished in 2005 and the process of testing it with real cases was started. The testing will continue into the immediate future until such time as the Council decides to adopt the system (by resolution they decided to use the ER, but the requirement for utilization of the Registry was not adopted until November 2006). There is still a need for members of the Council to provide support for full implementation and use of the system.

Analysis of the Council of Magistrates

An in-depth assessment and analysis was prepared by international and local consultants regarding the current capacity of the Council to meet its responsibilities. Diana Gonzalez and Enrique Sosa, MSI consultants, developed short, medium and long-term recommendations to be implemented within the Council to improve the magisterial selection process. The activities for short-term changes have already started and have continued over the past year. The short term items include the creation of a manual for the selection of candidates. Many steps have been taken regarding the structure and content of the manual for selection which MSI submitted to the Council Chairman and other Counselors at the end of the project.

The Manual of the Selection Process

One aspect that was noted during the analysis was that many rules are unclear or contradictory resulting in an unclear selection process. This lack of order makes the process difficult for candidates and retards meaningful transparency. As part of the project, it was decided to systematize the entire legal framework and condense it into one document, with a previous study of feasibility of its implementation. As a result of this analysis, a Manual was prepared.

The Manual seeks to end confusion in areas that have been somewhat vague up to now. Interviews and tests have been incorporated recently into the selection process. These had never been done previously, even though they are part of the scoring process that the Council has for selection. The Manual is not a document that organizes the functioning of the Council itself; rather it organizes in a systematic way, the selection process utilizing the Electronic Registry as its database foundation.

The budget of the council was also analyzed with regard to the possibility of implementing this Manual from a financial and budgetary standpoint. The analysis found that this is possible if the political will from the Council is behind the initiative.

The Manual was presented to the President of the Council in October 2006 to be further distributed to the other members following review.

The Judicial School

The Judicial School is under the Council's mandate. The School provides training to judges, but participation in the School is not mandatory. In its process of strengthening the Council, the project analyzed the needs of the Judicial School and the possibility of providing it with technical support.

MSI local and international consultants prepared a complete diagnosis of the Judicial School and made recommendations for short, medium and long-term initiatives. The fact that the Judicial School is under the umbrella of the Council of Magistrates has made it impossible to implement these recommendations given the current lack of political will to implement recommended initiatives.

Results and Impacts of the Council of Magistrates Component

Task Outcomes

- The Electronic Registry was designed and implemented
- An assessment and analysis of the Council of Magistrates was completed
- A Selection Process Manual that includes the design of a format for interviews and the design for testing was drafted and presented to the Council
- A needs assessment of the Judicial School was completed

Impact of Task Outcomes. Although the overall impact of the project's technical support has been hampered by the lack of consistent counterpart support, the Council is now better prepared to meet its responsibilities as a direct result of project support. It has tools that it did not have before the project: trained personnel and a Manual that defines the selection process. With full implementation and utilization of the Registry and the other project work products, the judicial selection process will be more efficient and transparent.

Remaining Issues. The Council has been the most difficult project counterpart with which to work. Although seemingly enthusiastic and willing to maximize the utility of project support, the institution is politically complex and serves too many masters, given that it is composed of civil servants from the three branches of the Government. Political upheavals and crises have a constant impact on their work and has been a factor over the lifetime of the project. Even within this context, the project has produced concrete products for use by the institution that can be implemented with the right conditions and internal support. The remaining challenge is to ensure full implementation and utilization of project work products.

3.3 Public Sector Coordination

The present section outlines project accomplishments to increase the coordination between the Economic Crimes Unit (ECU) of the Prosecutor's Office and the Controller's Office in order to effectively deal with public corruption and economic crime cases. In the past, the lack of coordination between these two institutions resulted in inadequate reports from the Controller's Office that weakened prosecution of public corruption and economic crime cases. The reports frequently lacked a solid evidentiary foundation for the allegations made or were so complex that overburdened prosecutors could hardly know if crimes had been committed or not.

The project sought to strengthen the link between these two important institutions so as to improve efficiency in the fight against corruption and economic crime. The project designed and implemented a Support Unit inside the Controller's Office in order to strengthen the institutional capacity to investigate indicia of criminal misconduct that resulted from the audit process and to provide advice about the proper presentation of formal findings of criminal misconduct to the ECU.

This element of the project was very effective in meeting its objectives, as amply demonstrated by an increased number of cases forwarded to the Economic Crime Unit from the Controller's Office through the Support Unit and then prepared for prosecution by the ECU. The evidence collected by the Support Unit was essential in moving forward some controversial cases, and the development of an inter-institutional constructive dialogue for the first time have been concrete project results. In addition, the national media highlighted the role played by the Controller's Office and the Economic Crime Unit in advancing important investigations.

Strengthened Capacity of ECU to Investigate and Prosecute Public Corruption

The project started its formal activities with the ECU in 2003/2004 by holding training courses for prosecutors and for auditors. Later on, in November 2004, a retreat for all the prosecutors of the Economic Crimes Unit of the Public Ministry was held. This was the first time that these groups had participated in roundtable discussions that focused on organizational, administrative, resource and institutional coordination issues.

Following this retreat, a report was produced that contained an analysis of the main problems faced by the ECU and solutions to those problems. One relevant problem identified was that prosecutors in the ECU had offices in different locations making development of the ECU more difficult. The report also pointed out the need to improve the ECU's coordination with the Controller's Office and its IT needs. The project, in taking on some of the problems, decided to support the ECU to establish new office space, provide training on targeted IT topics, and prepare software tools that could be used in organizing and developing investigations and case administration.

The project supported the unification of the ECU through a move of the prosecutors to a new building that was equipped through a USAID donation. The MSI local team also assisted with locating the new office. This included generating a basic diagnostic of needs and infrastructure. This diagnostic made the re-location process easier. MSI hired an architect to assist in the optimization of the space, and to evaluate the physical conditions needed, including equipment and furniture, to allow for the office to function properly. Part of the equipment and furniture was donated to the project by USAID from another project that was closing. The MSI local team also coordinated this process. This new building equipped with the technical support of MSI/USAID was an important project achievement. It allows the prosecutors to be more efficient and effective in their daily work, and set the stage for continued improvement of ECU results.

Based on needs identified and priorities established at the evaluation and training event, the project developed and implemented a program to increase the ECU's utilization of existing IT resources. A training program on IT topics was designed and implemented for prosecutors and their assistants.

The Attorney General also created an Anticorruption Unit (AU). This unit is under the supervision of the Director of the ECU meaning both units have the same Director. Therefore, project investments in the ECU benefit the successful prosecution of both economic crime and public corruption cases through specialized units.

One of the most important products developed by the project for the fight against corruption and economic crime was the design and implementation of special software to be used as a tool for the investigation and prosecution of these crimes. It organizes case development around the elements of the offenses prosecuted by the specialized units. In total, the ECU and AU units address 23 different kinds of offenses and the description of 219 typical conducts each with its relevant objective and subjective elements.

The creation of the database was complex and was based on the written format for investigation already used by many of the prosecutors. Many hours of programming and testing were necessary before final implementation within the ECU. The project installed the software in the ECU and AU. The prosecutors will be completely trained in its use by December 2006. The software can be adapted for use with any type of crimes, but at present is limited to economic crimes. It is considered such a useful tool in dealing with corruption cases that it was deemed a key element for use in the upcoming MCC Threshold Program.

In April 2006, the project began to coordinate the work of the AU and ECU at the Public Ministry with other public controlling institutions such as the Sub-Secretariat of State and Taxation (SSET) and the

Customs House. Another activity involved the development of report forms for the Office of the Attorney General. The forms contain the punishable actions that these institutions, as a rule, find in the framework of their control activities (for example: tax evasion for the SSET; black market goods for the Customs House). This coordination also included working meetings with management officials of the ECU and AU prosecutorial units in order to agree on communication mechanisms between the units when coordinating on overlapping and other mutual tasks.

Strengthened Capacity of the Controller's Office to Audit and Investigate Public Corruption and Economic Crime

The Controller's Office was provided technical support for two separate but closely related activities: 1) the preparation of a *Report Form* detailing audit findings alleging criminal code violations, and 2) the establishment of a *Support Unit* to improve institutional capacity to collect and report evidence of criminal violations based on audit findings. Both of these activities produced substantive changes in the internal workings of the Controller's Office and were highly beneficial to the Prosecutor's Office. Through the project work product at the Controller's Office, the ECU and AU received better-prepared cases with stronger evidence of criminal violations. The project established a change in the institutional culture and in work practices, thus strengthening the ties between the Prosecutor's Office and the Controller's Office that improved their capacity to investigate and prosecute public corruption and economic crime cases. The end result has been the prosecution of some public officials that has had an important impact on public opinion through favorable reporting in the local press.

Report Form – *Formulario*

The Controller's Office has the legally-mandated task to present evidence of criminal wrongdoing to the appropriate prosecuting officials, including the Economic Crime Unit. If the auditors find evidences of a crime, they transmit that evidence to the prosecutors in the form of a complaint and accompanying report. In the past, prosecutors frequently had problems understanding the auditors' reports, and the quality of the evidence outlined in the reports was frequently inadequate. To overcome these problems, the project helped design a "Reporting Form" for the Controller's Office. As a result, the material forwarded to the prosecutors is better organized, more relevant to criminal prosecution, and easier to understand. The form also sets minimum standards for filing a complaint with the prosecutors, thus avoiding filing of meritless claims.

First the project made the necessary contacts between the Controller's Office and the Public Ministry to sign a Memorandum of Understanding that made it possible to use the Reporting Form. After the MOU was signed the design, testing, implementation and training phases for the Reporting Form took place. The process was entirely carried out by the MSI local team with the support of an international consultant.

A training program was also developed on how to gather evidence on the assets of persons and legal entities. The training was provided to staff from all the departments of the CGR and to the civil servants of the Support Unit who would be working with the Reporting Form as a result of the MOU between the *Contraloría* and the *Fiscalía*.

In 2005, 336 auditors from the Operational Directorship were trained in 27 workshops held over a two-month period. The use of this Reporting Form started as a pilot project. It is now required in all the Directorships. The project also tested the use of the form with prosecutors. The prosecutors noted that the former reports took at least one month to read. They can now review and understand the facts and evidence in the auditor's reports much more rapidly. The project held several meetings where prosecutors and auditors shared their experiences with this new methodology.

Support Unit

The main activity carried out with the Controller's Office was providing technical assistance to establish and equip a specialized investigations coordination unit called the Support Unit. The project provided technical assistance to the Controller's Office to develop an internal regulatory framework for establishing, staffing, and utilizing the Support Unit. It was also necessary to complete a staffing and resources assessment for the new unit that included a review of administrative issues, training needs, equipment needs, and available IT resources. The project then gave technical and logistical support to the Controller's Office to meet the training and equipment needs of the new unit. An architect was hired to optimize the office space and part of the equipment was donated by USAID while another part came from projects that had closed out. This unit gives technical support to all Directorates in preparing the Reporting Form and ensuring that all available evidence of criminal wrongdoing is included in the material forwarded to the prosecutors.

Development of the Support Unit was based on a methodical and well-organized work plan. An organizational diagram was prepared for the unit followed by the establishment of criteria and terms of reference for the civil servants that would be incorporated into the Support Unit structure. In June 2005, the Controller General designated 15 people to receive two months of in-depth training from which a group of the nine best were selected as Support Unit staff. Also during this time, the design of the regulatory framework of the unit was established.

On September 20, 2005, a cooperative agreement was signed between the Public Ministry and the Controller's Office to improve coordination between the two institutions. The Controller's Office committed to implementing the actions necessary for the proper functioning of the Support Unit and to cooperating closely with the Prosecutor's Office. Both institutions agreed on the use of the Reporting Forms. On September 30, 2006, the Controller General signed the resolution that made the use of the Reporting Form obligatory for all the institution's directorships. At the same time the Support Unit was established on an experimental basis working with just one of the internal directorships. In October, it became a fully functioning office within the Controller's Office.

The Support Unit has produced nine reports, four of which established a lack of sufficient evidence (hence, diminishing the Prosecutor's Office workload) while two cases were presented for prosecution and were widely reported in the national press. The other three cases are still under investigation.

A meeting was held between the Controller's Office and the Prosecutor's Office to evaluate all the work that was carried out. This evaluation resulted in the improvement in the quality of the reports received by the prosecutors. The prosecutors indicated their concurrence on the use of the Reporting Forms and provided more suggestions on ways to improve inter-institutional relationships.

The project also provided training courses to the Director General, the Area Directors, and the heads of teams from all the Directorships of the Controller's Office. Two study tours were also part of the training. The Support Unit is presently providing ongoing technical support, monitoring and evaluation on the use of the Reporting Forms by the different departments, and on the actions taken.

Inter-Institutional Commission

The inter-institutional commission was created with three staff from the Controller's Office and three from the Public Ministry. This commission will evaluate the actual performance of the Project.

In addition, MSI organized a study tour to observe the work of the Texas Special Investigation Unit, a unit in the Texas State Auditor's Office that does similar work, and another study tour to Puerto Rico.

Results and Impacts of the Public Sector Coordination Component

Task Outcomes

- ECU and AU staff unified with well-designed and equipped office space
- ECU case administration capacity significantly increased
- Increased IT capacity for ECU and AU staff
- Case management software developed and implemented for the ECU and AU
- An investigative Support Unit is fully functioning within the Controller's Office to give that institution increased capacity to investigate economic crime and public corruption allegations and prepare meaningful reports for prosecution referral
- A standardized referral form for the Controller's Office was designed and implemented and staff trained to use it
- A solid foundation for inter-institutional cooperation between the Controller's Office and the Public Ministry was established

Impact of Task Outcomes. The overall impact of project accomplishments in this component of the project is a significant advance of the capacity of the Controller's Office and the Prosecutor's Office to investigate and successfully prosecute economic crime and public corruption cases. Of most significance, for the first time these two critical institutions are cooperating to meet common objectives through methodologies and institutional reforms designed and implemented by the project.

Remaining Issues

- Full implementation of the case management software at the ECU must be assured
- Continued programming in both the Controller's Office and the Prosecutor's Office should be encouraged to fully institutionalize the methodologies and reforms implemented by the project to ensure their maximum utility

3.4 Legislative Reforms

MSI's technical team provided technical assistance for the elaboration of the Penal Code modification and for the reform of the Procedural Penal Code and of the Penitentiary System. USAID asked that this activity be added to MSI's work plan in the last year of the project.

The Penal Code

MSI's technical team provided technical assistance for the elaboration of the Penal Code modifications as part of the Commission's task (National Commission for the Study of the Penal and Penitentiary System Reform). The proposed legislation is presently in the National Congress for legislative review and processing.

The task covered the analysis of 320 articles corresponding to the current Penal Code and several proposed legislative initiatives presented by numerous sectors of society. The team's effort focused on ensuring that the proposed modifications are constitutional and treated relevant conduct and offenses not specified under the existing legislation. Particularly as concerns the latter item, success was achieved due to the updating of the money laundering laws so as to meet international standards. Acts of terrorism and terrorist financing were specified (previously, these items were nonexistent). At the same time, legislation that allows for a frontal assault against public corruption was improved.

Results and Impacts of the Penal Code Reforms

Task Outcomes. The task covered the analysis of 320 articles corresponding to the current Penal Code and to several legislative proposals presented by numerous sectors of society.

Impact of Task Outcomes. These modifications are relevant because they provide basic tools for the fight against organized international crime and public corruption. The modifications coincide with the efforts by the U.S. Embassy to obtain national legislative reform on those points.

Remaining Issues. Given the importance of these achievements, it is imperative to continue to follow through with the Congressional Commissions until final approval of the proposed legislation.

Criminal Procedure Code

To date, 322 articles of the Criminal Procedure Code were analyzed. The technical team proposed the basis for legal modifications that would allow for substantial movement toward a truly adversarial procedure, taking into account that this procedural design constitutes a very efficient tool and efficient procedure for processing criminal cases.

This team obtained positive and observable results. Contrary to what was expected, a consensus with respect to several of the proposed modifications was obtained. The achievement of this consensus was assisted by U.S. Embassy support that provided Commission members the opportunity to visit the City of San Juan, Puerto Rico. The visit provided the opportunity to observe judicial system operations. Members of MSI's technical team accompanied the delegation from the Commission.

Results and Impacts of the Criminal Procedures Code Reform

Task Outcomes. 322 articles of the Criminal Procedure Code were analyzed.

Impact of Task Outcomes. If the proposed reforms in the law are achieved, the investigation of complex cases will be simplified. The reforms will help to unclog the system with its more informal investigation procedures. Once the procedures are simplified, it will be possible to decide cases more expeditiously. To summarize the series of modifications would reduce the level of impunity.

Remaining Issues. It will be necessary to continue to follow through with Congress' Commissions until the final approval of the legislation.

3.5 Jury for the Prosecution of Magistrates

The Jury for the Prosecution of Magistrates is a governmental institution whose main function is to provide disciplinary oversight of the judicial system. It is an institution with a single constitutional mandate: to decide whether or not judges should be removed from office for misconduct. After performing a technical analysis, MSI's local team decided upon a two-pronged approach for working with this institution.

One part of the approach was to have a civil society organization research and analyze all the sentences given by the Jury since its inception in 1993 through December 2005. The main goals were to quantify and review the work done by the Jury during the time period studied. Doctrine and legislative aspects were also studied.

The second part of the approach was to manage a donation from USAID consisting of hardware, a database containing all the Jury's jurisprudence entries, and a web page. Minimum infrastructure needs were provided so as to establish a database containing all of the Jury's sentences. The general public can access the information on the web page.

As a result, all sentences passed by this institution are now processed and organized, keeping the Jury up to date with current information. Transparency is also increased since the general public now has access to the information through the web site.

Activities

- Compilation of all the sentences of the Jury from its establishment in 1993 through December 2005.
- Analysis of the Jury's doctrine, legislation, and jurisprudence.
- Design of a database.
- Web page design that includes the database.
- Publication with a full analysis report.

Results and Impacts of the Jury for the Prosecution of Magistrates Component

The results, as indicated above, are an ordered jurisprudence and public access to the information. Public access is an important transparency tool.

Task Outcomes

- An analysis of the Jury's jurisprudence.
- A functioning database.
- A web page that provides public access to the database.
- Publication containing a full analysis report.

Impact of Task Outcomes. The Jury's jurisprudence is systemized for the first time and it is also the first time that this information is available to the public. The information in the database and the analytical report will be useful tools in the ongoing effort to develop and implement a unified disciplinary system for the judiciary.

Remaining Issues. The main task left is to assure that the database is sustained and to assure that civil society and groups interested in the Jury's work (judges, lawyers, etc.) provide enough public pressure to sustain the progress made.

3.6 Procuraduria (the Legal Representative of the Executive Branch)

Initially, the Procuraduria seemed to be an institution that should receive support under this Project. MSI performed a diagnosis which, in the end, indicated that the institution's deficiencies were so great that working with them would require more time and resources than were available to the Project. Therefore it was decided – with the approval of the USAID Cognizant Technical Officer (CTO), to focus the project's human and financial resources on other areas such as the Public Ministry, the Supreme Court, and the Magistrate Council. In addition to the Procuraduria's lack of infrastructure, organization, and operational capacity, the institutions lacks the necessary political will to justify the Project investing its resources at this time. The Procuraduria needs support, but through a long-term development investment with sufficient time and resources to be able to build the necessary foundation to achieve results.

3.7 Civil Society Initiatives

Project activities in the civil society component naturally separate themselves into two categories. The first category includes those activities implemented by Florida International University's International Media Center from 2000 to 2004 (see Section 3.8 below). The second includes small-scale projects implemented by seven Paraguayan CSOs from mid-2004 through 2006³, all of which were designed and implemented to complement public sector project activities. This section gives a brief overview of the general civil society project approach for the small-scale projects.

MSI's scope of work calls for "increasing the involvement of CSOs in oversight and advocating for reforms of the judicial sector and improving the quality of investigative reporting and coverage of key governance issues, specifically transparency and accountability" in support of judicial sector reform goals. MSI's modified scope of work for 2004 foresaw a substantial role for Paraguayan CSOs in implementing project activities designed to strengthen Paraguayan governmental institutions. This approach was to include the use of Paraguayan CSOs to implement both direct capacity building within the government and complementary oversight activities. However, low technical capacity, overt politicization, in some instances, and, especially, acute lack of administrative capacity in local CSOs led to a modified strategy. Project initiatives—*public sector* and *civil society*—were separated in 2004 to address the issue of the low capacity on the part of CSOs. Civil society projects took on a more limited scope after the MSI project office was created and the MSI staff focused on direct institutional strengthening (discussed in the "Project Management" and "Local Management" sections below).

The goals for the civil society component, especially as they applied to CSO activities from 2004-06, became twofold: The first goal was to fund and supervise Paraguayan CSOs to implement projects supporting institutional reform activities in the Judiciary (e.g. the Judicial Ethics Office), the Controller General's Office, the Prosecutor's Office, the Council of Magistrates, the Jury for the Prosecution of Magistrates and general public orientation on the roles and functions of judicial sector government institutions. The projects included outputs such as studies, dissemination of study results and citizen education and outreach activities. Given the CSO organizational limitations mentioned above, there was considerable variability in the quality of the products delivered in this area.

The second goal of the civil society component was the strengthening of the sector itself. This goal had three facets. The first was organizational strengthening that took the form of direct organizational development through workshops, inclusive project proposal development and direct technical assistance provided by MSI's local office during project implementation. Previous low donor involvement in CSO project implementation created certain challenges in this area. MSI's high level of engagement with the CSOs and higher standards for work product ultimately benefited the CSOs. For example, in more than one proposal contest, MSI rejected deficient project proposals. MSI was able to use time and material contracts, which are much more transparent and administratively demanding than grants, with three CSOs. The second facet was the constructive engagement on the part of CSOs with the GoP under MSI auspices. Decidamos, for example, has traditionally had strained relations with the GoP due to its confrontational style.⁴ In its MSI project, Decidamos collaborated constructively with the Controller General's Office to implement a citizen oversight project in 2006. The final facet is the shifting of organizational capacity toward addressing reform initiatives that reflect greater public demand. IDEA, for instance, is a local NGO with an environmental focus. It implemented a relatively effective legal reform project with MSI in 2005 for the first time. In other Latin American countries, CSOs have gradually shifted toward public demand issues. For example, CDL, a USAID-funded CSO in Ecuador,

³ INECIP, IDEA, Sumando, Transparencia/Paraguay, Decidamos, CIDSEP, UNIDA

⁴ It bears mentioning that Decidamos played an important role in citizen education on voting during the transition from authoritarian rule in the early 1990s.

was established in the early 1990s and changed its focus early in its existence from the narrow specialty of environmental law to broader legal reform aimed at consolidating the legal system.⁵

Civil Society Projects

This section gives a thematic and descriptive overview of the seven civil society projects carried out in the 2004 to 2006 period. Annex I “Summary” identifies these projects and Annex II “Civil Society 2004 – 06” gives more detailed information on each sub-project, including recommendations for further actions on each project.

The seven CSO projects can be classified under three categories based on their inception. The first category includes projects that were designed collaboratively between MSI and a given CSO. UNIDA’s investigation of the judicial sector’s handling of 81 economic crimes cases and CIDSEP’s investigation of the performance of the Jury for the Prosecution of Magistrates fit into this final category. The second group of projects was identified and substantially delimited programmatically by MSI. Sumando and IDEA’s work on the judicial ethics code and INECIP’s work on the electronic registry are among this group. A third group includes projects that the CSOs designed independently and presented to MSI. Transparency’s assessment of corruption susceptibility in various GoP institutions and Decidamos’s investigation of the Controller General’s Office’s follow-up audits fit into this group.

Higher levels of analytical sophistication characterized projects by UNIDA and CIDSEP. **UNIDA** analyzed 80 economic crime and corruption cases that reached the level of accusation and oral trial during the 2001-2005 period. Data from individual case files were entered into a database that will be accessible for other investigators through an Internet portal hosted by UNIDA. This investigation yielded robust results. UNIDA found that the lack of compliance by criminal courts with timeframes established by the procedures code, and consequently the application of statute of limitations, is of the main causes of acquittals of officials and private citizens who are allegedly involved in corruption cases. This study was conducted with the support of USAID, and it is the first study of this nature conducted in the country since the enactment of the new criminal procedures legislation. The analysis measured the time spent in each of the steps and procedures for every single case. The study is very compelling and exposes the fact that inaction from the judiciary is the main cause for impunity. Following are some relevant findings:

- 54% of all defendants indicted and accused for allegedly committing economic and/or corruption crimes during the 2001-2003 period, were or inevitably will be acquitted due to the statute of limitations. This percentage increases to 77% if only cases where prosecutors filed a formal request for an oral trial are considered;
- The preliminary hearing that should be conducted within 20 days, takes an average of three months;
- Submission of files/dossier of criminal suits from the Support Office of the Preliminary Step to the Coordinating Office for Oral Trials should be carried out within 48 hours. On average, submission of files - that is a prerequisite for moving the case on - takes five months (in one case it took 15 months just to submit the dossier);
- The so-called “Intermediate Step” that has the only purpose of conducting the preliminary hearing, on average lasts 18 months;

⁵ Consider as well, Bob Warneke, the assistant director of the Texas State Commission on Judicial Ethics, who began his career as in environmental law and shifted to judicial ethics. Warneke participated actively in the 2006 study tour of the Paraguayan Office of Judicial Ethics to the Texas SCJC.

- In 93% of the cases under analysis there was lateness from the part of the presiding tribunal in setting up the public hearing;
- On average, it took 6 months for the Penal Chamber of the Supreme Court to resolve “casaciones” petitions (requests for repeal or nullification of a lower court decision on the ground of incorrect interpretation of laws); and,
- On average, it took 8 months for the Constitutional Chamber of the Supreme Court to resolve petitions for unconstitutionality.

CIDSEP analyzed approximately 470 cases brought before the Jury for the Prosecution of Magistrates against judges since the institution’s creation in 1992. It is widely suspected that the Jury has actually removed a very low number of judges, but no systematic analysis of the issue exists.

The two CSOs that worked within tightly specified program requirements from MSI produced targeted results in the judicial ethics component. **Sumando** and **IDEA** collaborated to disseminate information on Paraguay’s new judicial ethics code in 2005. Project activities focused on both the legal community and on popular audiences. IDEA conducted 18 judicial ethics workshops for approximately 250 judges and 350 lawyers in 9 judicial districts (Circunscripciones Judiciales). SUMANDO held 592 workshops in different locations throughout Paraguay. Its major target audience was students, teachers, and neighborhood committees. SUMANDO uses the technique of training of trainers, to reach the greatest number of people possible. One of its goals was to make civil society aware of the role of the Judiciary. To accomplish this goal, Sumando prepared a manual (“Paraguay: How It Is Organized”) with IDEA’s support and MSI supervision. Seven thousand (7,000) copies of this manual were printed and distributed. Both CSOs presented information from civil society surveys conducted during dissemination activities to the judicial ethics code working group during the drafting of the ethics code.

Two CSOs designed their own projects independently. **Decidamos** carried out an investigation of the effectiveness of the Controller General’s Office’s follow up audits in the Ministry of Public Works (MOPC) and SETAMA, the government institution that regulates transportation unions. Decidamos disseminated selected portions of the preliminary report to popular audiences. General orientations to the roles and functions of the Controller General’s Office complemented these activities. **Transparency International/Paraguay** interviewed 66 officials from the judicial sector, including 41 from the Administrative Unit and 25 from the Jurisdictional Area, to create a corruption “risk map”. This study ranks 27 risk areas in public institutions in Paraguay. Overall, these projects suffered from diffuse and overly ambitious project goals. However, in the case of Decidamos, there was perhaps a greater sense of project ownership than was seen in some of the jointly and MSI-designed CSO projects.

One final civil society activity that was accomplished toward the end of the project was provision of technical support for a new legal sector NGO. The purpose of this NGO was to provide a permanent sustainable mechanism to monitor judicial performance and present information to the public. With the concurrence of the USAID CTO, the MSI project provided assistance to a particular NGO – **Instituto de Estudios para la Consolidacion de Derecho (ICED)** – in the form of strategic, organizational, and resource planning.

Results and Impacts of the Civil Society Initiatives Component (see Annex II for recommendations on specific CSO projects)

- Some CSOs in Paraguay do not have a strong conception of their role vis-à-vis government. This lack of conceptual clarity extends from highly abstract project goals such as ‘transparency’ and ‘accountability’ to those that are very explicit. While CSOs are quick to agree on the desirability of such abstract goals, their approaches to implementation suggest that conceptual alignment has not been achieved.

- Utilizing procedures and contractual mechanisms that promote transparency and a higher level of accountability is feasible with CSOs in Paraguay. Competitive, open project bidding for CSO projects and the use of time and materials contracts are examples. This approach, however, entails a substantial tradeoff in terms of timely project implementation as the supervising contractor (MSI, in this case) must teach and continually reinforce basic project design and proposal skills, administrative skills and expectations regarding contractor/contractee collaboration. This approach can be effective in teaching concepts such as ‘accountability’ and ‘transparency’ through doing.
- CSOs are generally open to suggestions from the contracting organization on how to improve their organizational efficiency and on how to better align their goals with those of donors. On the other hand, CSOs are sometimes reticent to provide constructive criticism for the supervising contractor.
- The dual local MSI office supervision / USN civil society specialist supervision model works well. Periodic USN civil society specialist visits help assure that both local office staff and CSOs have the necessary guidance and impetus to advance project activities while USN absence between visits promotes greater local ownership.
- Non-public administration-focused NGOs can implement highly focused projects. e.g., IDEA’s and Sumando’s work on judicial ethics code (and CLD, for example). Positives of this approach include shifting CSO resources and thinking toward public administration priorities. Negatives, in some cases, include lower level of CSO enthusiasm for project activities.

Best Practice Recommendations

- Lay out large conceptual frameworks when initiating project activities—for example, the role of civil society vis-à-vis government, understanding of what ‘transparency means—and plan to revisit and reinforce them throughout project. Elicit specific examples of transparent practices to assure understanding.
- In USAID/contractor interactions, explicitly recognize that civil society goals are twofold: 1) delivery of certain product that advances overall project goals and 2) strengthening of CSO capacity. In contractor/CSO or USAID/CSO interactions, maintain focus on project goals.
- Formalize feedback mechanisms for CSOs to promote constructive criticism of contractor. This includes feedback for proposal process and feedback during and after project activities.
- Strike the right balance for USN involvement in project activities. If the priority is on timely project implementation, increase frequency of USN visits.
- Look for opportunities where there is a reasonable overlap in public administration priorities and CSO capacities/interests. Don’t be afraid to suggest a shift in CSO priorities if the gap between the two is not too great. Say ‘no’ if the gap is too large.
- Conduct analytical writing and report workshop with certain CSOs that have analytical products at the core of their projects. Themes covered could include report structure, methodology, proportionality and general do’s and don’t’s (e.g., ‘Do offer specific observations to support general statements.’)

3.8 Media Initiatives

During the 35-year government of Gen. Alfredo Stroessner, the news media were corrupted and became allies of the government. Those who defied or questioned the government ran the risk of closure. As a result, more than a generation of Paraguayan journalists came of age without knowing the role and the responsibility of the news media in a free society. Loyalties were often given to political parties, the government and colleagues, rather than to the public: their readers, listeners and viewers.

FIU's International Media Center designed its journalism activities in response to these realities and to accomplish the contract deliverable "promote transparency and accountability in public institutions by addressing national issues through a civic journalism program with the media." Objectives of the FIU media project included the following:

- To improve anti-corruption coverage by the news media, especially community radio
- To develop in the journalists the necessary investigative, reportorial and writing skills
- To improve public affairs skills of the Supreme Court and of justice sector press officers

FIU used the methodology that it had developed since 1988 when it first started to train Latin American journalists in Andean countries. Training was based on practical experiences from experienced journalists rather than theory. All FIU instructors were active journalists or former journalists who have worked extensively in Latin America. Specific project activities included journalist training workshops, selection and supervision of mini-grants to community radio programs, strategic planning activities with GoP judicial sector and a study of attitudes and opinions of a representative sample of Paraguayan journalists.

Results and Impacts of the Media Initiatives Component

- 37 workshops for journalists plus training in the newsroom and work sessions, such as those with community radio participants. These activities were attended by more than 300 journalists.
- Ten investigative reports were approved and mini-grants awarded to nine community radio stations.
- FIU conducted a survey of 106 journalists from 15 print and broadcast media about their personal and professional background and the problems they face. These interviews included journalists from both Asunción and the interior. The posts they held included reporter, producer, section head, announcer, columnist and editor. The questionnaire that FIU used was identical to one it used in 1992-93 in a report on journalists in the Andean Pact countries. Results of the two questionnaires are compared in FIU's analysis.
- Communications Action Plan for the Supreme Court/

Recommendations:

- FIU's final report, "Improving Journalists' Understanding of Criminal Procedures" (December 2004) provides excellent background and baseline information and should be consulted for any future media sector activities.

4. ACHIEVEMENT OF CONTRACT DELIVERABLES

MSI either fulfilled or surpassed most contractual goals in its scope of work. The deliverables, as they appear in MSI's contract, are italicized below in the section "SOW Deliverables." Whether the deliverable was achieved or whether it was modified appears in bold. The project activities that satisfy each deliverable appear below each respective deliverable. In one instance, that of the *Procurador*, MSI completed a diagnostic study of the institution, but did not act on the recommendations in the study due to a lack of political will on the part of the *Procurador*. This modification to the deliverable was agreed upon with USAID. Finally, the section "Additional Deliverables" includes items that MSI achieved in the media reform component that were not specifically called for in its SOW.

SOW Deliverables:

- A. *At least five new policy, legal or regulatory reforms that lead to a more transparent and accountable judiciary and Public Ministry will be developed and implemented through civil society* (**Achieved: Strengthened 10 GoP agencies through 8 general project interventions**)
- 1) Supreme Court
 - i. Judicial Ethics
 - Creation of Code of Ethics
 - Implementation of Ethics Office
 - 2) Prosecutor's office
 - i. Creation and strengthening of Economic Crimes Unit
 - 3) Controller General's Office
 - i. Creation and strengthening of Support Unit
 - 4) Public Sector Coordination (i.e., increased inter-institutional coordination among state agencies):
 - i. Prosecutor's Office (Economic Crimes Unit)
 - ii. Controller General's Office (Support Unit)
 - iii. Sub-Secretariat of State and Taxation
 - iv. Customs House
 - v. Controller General's Office (through Inter-Institutional Commission)
 - vi. Public Ministry (through Inter-Institutional Commission)
 - 5) Council of Magistrates
 - i. Electronic Registry of Candidates
 - 6) Council of Magistrates and Judicial School
 - i. Diagnostic Study
 - 7) Jury for the Prosecution of Magistrates
 - i. Creation of website
 - ii. Analysis of decisions
 - 8) Congress
 - i. Technical assistance for Criminal Procedural Code and Criminal Code
- B. *At least five CSOs will be supported and strengthened in working in the judicial sector.* (**Achieved: Strengthened 7 Paraguayan CSOs**)
- CSOs strengthened:
- 1) INECIP
 - 2) Sumando
 - 3) Transparency/Paraguay
 - 4) IDEA
 - 5) Decidamos

- 6) UNIDA
 - 7) CIDSEP
- C. *A permanent mechanism to provide judicial performance and to present information to the public will be established and implemented. (Achieved: Created ICED, a local legal sector NGO)*
 - D. *Develop and support the implementation of a new strategic plan, including an anticorruption component, for the judiciary. (Achieved)*
 - E. *Support the office of the Procurador. Strengthen the Procurador's ability to investigate and confront corruption and to recover stolen public resources. (Goal modified by USAID. Diagnostic study of Procurador completed.)*
 - F. *As part of media activities, 5 published or aired programs on civic journalism investigative or educational reports, and CSO outreach messages will be completed: 2 in print and 2 in radio and 1 in television. (Achieved: Mini-grants awarded to nine community radio stations for investigative reports)*
 - G. *Two community radio station associations will be strengthened in programming and public outreach throughout the country. As a result, a small manual in programming and news edition will be designed, published and disseminated. (Achieved)*
 Radio stations:
 - 1) Trinidad FM
 - 2) Radio Nacional
 - 3) Channel 9
 - 4) Jakuéke
 - H. *The press office of the Supreme Court will be strengthened by developing a communication strategic plan approved by judicial authorities. (Achieved: communications action plan for Supreme Court completed)*

Additional Deliverables:

- Survey of Paraguayan journalists completed
- 37 workshops for journalists completed.

5. LESSONS LEARNED AND BEST PRACTICES

5.1 Project Design and Implementation

Following discussions with USAID and initial Project counterparts, MSI prepared a detailed Project design and a work plan to meet Project objectives. From the outset, there was both USAID and counterpart support for a Project design that identified tangible and sustainable institutional reform work product for each of the Project components. This meant that Project success would be measured by delivery of the identified work product, the quality of the work product, and the extent to which the delivered work product was likely to advance overall Project objectives. There was collective understanding from the outset that this approach had inherent risks that a less ambitious Project with less expectation of tangible work product was not likely to have.

As discussed above, the Project has to a large extent delivered the tangible quality work product that was intended. To do so required flexibility in Project implementation that permitted Project personnel to adapt projected output to changing circumstances and to take advantage of opportunities for success when presented. The issues of counterpart support and USAID support will be discussed more fully below, but both counterparts and USAID maintained implementation flexibility throughout the Project that greatly enhanced the likelihood for Project success.

A key aspect in designing each component of the Project and in developing design and implementation alternatives for discussion was the initial use of institutional assessments as a baseline guide for each institution that was to receive Project assistance. These assessments not only yielded valuable information about what was possible, but provided both USAID and Project management with an early indication of counterpart support and targeted access to each counterpart institution.

At an early stage of Project design and in conjunction with finalization of the initial Project work plan, there were extensive discussions with USAID about the specific work product that was to form the core of each component of the Project. These discussions included both anticipated benefits consistent with overall Project objectives and the risk factors that could make delivery of a specific work product more difficult. These discussions and the agreements reached at the outset established the framework for the constructive, honest and mutually beneficial dialogue that followed throughout Project implementation.

Written work plans were developed as the principal tool for guiding Project implementation. In addition to the overall Project work plan, Project personnel and counterpart institutions developed agreed-upon supplementary work plans to drive implementation of specific elements of each Project component and to enumerate both Project and institutional responsibilities. Both the Project work plan and the counterpart work plans were viewed as implementation tools for use in measuring progress, identifying problems and seeking constructive solutions. No one (USAID, counterparts, Project personnel) viewed the work plans as fixed timetables that predicted implementation failure when not fully realized. In fact, perhaps the most constructive feature of Project implementation was the collective willingness to view the work plans as living documents that needed frequent adjustment, but that nonetheless provided a multiparty agreement to work toward written agreed-upon objectives with specific agreed-upon responsibilities.

One other feature of Project design and implementation that bears noting was the use of pilot projects as a means to concentrate limited project resources on achievable objectives, test Project design and implementation methodologies, and overcome counterpart reluctance when applicable. Of course, all elements of a Project do not lend themselves to development as pilots (e.g. development of the electronic registry at the Consejo), but even in those instances, staged implementation can prove useful to meet the same objectives.

Finally, the relatively modest sums of money allocated for this project—\$3.2 million over six years—facilitated the focus from the outset on tangible and achievable project goals. The Project was able to focus on developing human and organizational capital in a way that was proportionate with material resources. In addition, program objectives and strategic concerns—not financial imperatives—drove relatively modest expenditure decisions on hardware, such as IT equipment. These financial considerations potentially affect local ownership as well (see section below).

Lessons Learned:

- Project design that focuses on tangible work products and identifies concrete institutional reform objectives provides a solid foundation for seeking both counterpart and USAID support

- Early benefit and risk analysis, based on targeted institutional assessments, establishes confidence that identified work products and institutional reform objectives are technically viable
- Understanding that the Project workplan and component implementation workplans are living documents that guide Project activities, instead of a rigid timeline, provides the implementation flexibility necessary to achieve project success as circumstances change.
- Modest budget levels can have a positive impact on project implementation and local ownership

Best Practices:

- Developing specific agreed-upon workplans with counterpart institutions that drive implementation of specific elements of each Project component and clearly identify responsibilities of both Project personnel and counterpart personnel
- Use of pilot projects and staged implementation of project elements can be effective tools in concentrating limited project resources on achievable objectives, testing project design and implementation methodologies, and overcoming counterpart reluctance when encountered.
- Assign overall project financial resources with realistic understanding of timeframes for public administration reform and an emphasis on developing human capital.

5.2 Counterpart Support

For just about any project, the level of actual counterpart support is a critical factor in overall project success. That is especially true in a project like this one where tangible work products have been identified that simply cannot be achieved without meaningful counterpart support. It is one thing to plan and execute an ethics conference where there is lukewarm counterpart support, but quite another to draft and implement an ethics code without substantial counterpart support. Since there was early agreement with USAID concerning Project objectives and the means to achieve them, as well as adequate Project funding, the wild card in Paraguay was the extent to which counterparts would meaningfully support specific institutional reform objectives, and more importantly, the focused Project elements/activities. Again using the ethics code as an example, institutional support for a judicial ethics code as an objective is different than the targeted institutional support necessary to actually draft and implement an ethics code.

In this Project, the counterpart support varied a lot from institution to institution and from one moment to the next. Project implementation timetables and overall results reflect these variables to a significant extent. For example, development and implementation of the ethics code for judges got an enormous boost mid-way through the Project when the new President of the Supreme Court decided to use his year in office to develop and implement an ethics code, using Project technical and material resources as the focal point for the process. Without question, his consistent and enthusiastic support turned a slow and uneven process into a coordinated effort that resulted in development and adoption of an ethics code for judges and application of court resources to the implementation process. It also helped that key local Project personnel had direct experience working within the Supreme Court structure and were known and trusted by key institutional power brokers.

In contrast, in the effort to develop and implement the electronic registry for the Council of Magistrates, a much less demanding task, the lack of consistent counterpart support resulted in development of a tool that has yet to be fully used. In this instance, the counterpart routinely praised the effort, was always willing to meet with USAID and Project personnel, but never seemed able (willing) to deliver on the

institutional responsibilities to which Council leadership had committed itself and which were essential for full implementation of the registry.

Perhaps the best example of the positive role that counterpart support can play in producing true and sustainable institutional reform is provided by experience with the public sector coordination component of the Project. Project design for this component required the collaboration of two independent public institutions that historically had not collaborated on anything – the Public Ministry and the Contraloria. In fact, with USAID support and under Project auspices, high level officials from these critical law enforcement institutions met in 2004 for the first time to begin discussing a coordinated effort to confront public corruption. A series of meetings followed, some with USAID and/or Project personnel present, culminating in a Memorandum of Understanding signed by the Attorney General and the Controller General that specified commitments by both institutions to coordinate anti-corruption measures. This Memorandum of Understanding laid the foundation for the institutional reform developments supported by USAID and the Project that are outlined above.

Although there was general support for elements of the Project from within the management ranks of both institutions, strong support from the top proved crucial in pushing elements of the Project to full implementation. From the outset, the Attorney General and the Head of the Economic Crime Unit were involved in the design, planning and implementation of the component elements necessary to realize Project objectives with the Unit in the Public Ministry. (It bears noting that the Project hired a former prosecutor from the Unit to spearhead the institutional reforms at the Public Ministry, a factor that greatly contributed to the overall success of this component.) On the other hand, the Contralor in power at the outset of the Project was a reluctant and inconsistent ally, although his legal staff and some other personnel became advocates for implementation of the Project design, and there was some meaningful progress from the outset. However, when the Contralor was changed at the end of the second year of the Project, the enthusiastic support of the new Contralor energized the reform process and resulted in greatly accelerated implementation of the reforms that were underway.

As further proof of the role that committed institutional leadership can play in project development, the Attorney General was replaced at about the same time as the Contralor, and the new Attorney General has yet to develop the focused support that had previously been given to elements of the Project. This has caused some reevaluation of the extent to which original Project objectives for the Public Ministry can be fully realized. At the close of the Project, genuine substantive results have begun to occur from the institutional reforms at the Public Ministry and the Contraloria. It is hoped that these positive results will spur both institutions to continue with the work started under the Project.

As noted in the previous section, identification of certain elements of the Project as pilot projects proved useful in diminishing institutional resistance to the implementation of reforms. For example, the Project designated development of the Office of Judicial Ethics as not only a necessary element of ethics code implementation but as a pilot laboratory for developing replicable judicial administration methodologies. This not only made it easier for the Project to target resources on a needed institutional reform, but also to engender broader counterpart support for administrative reform in general without requiring that those reforms be made across the board from the outset.

Lessons Learned:

- Identifying tangible work product and specific institutional reform objectives at the outset of the Project increases the extent to which counterpart support is critical to overall project success
- Project facilitation of inter-institutional collaboration at the highest levels of cooperating institutions is more than worth the effort, if project design is to result in maximum impact, even when political and practical obstacles make success seem unlikely

- Where institutional leadership at the top is lacking, focusing collaborative efforts on institutional elements that will most benefit from the intended reforms can provide the foundation for limited but significant project progress and serve to develop the institutional allies that can prove extremely useful when there are leadership changes of either a positive or negative character.

Best Practices:

- When possible, hire/utilize local professionals who are known to and trusted by the leadership in the institutions where reform efforts are concentrated
- Use pilot projects as implementation tools when counterpart resistance to project design is encountered or as tools to spur institutional interest in reform without the threat imposed by across the board reform from the outset.

5.3 USAID Support

From the outset, this Project was the beneficiary of a genuinely cooperative effort between USAID and Project staff that immeasurably improved the chances of Project success. There quickly developed a relationship of mutual trust that resulted in a true collaboration throughout the Project design and implementation process. While this type of collaboration should be a foregone conclusion in the implementation of any USAID-funded project, the process is not always as consultative and constructive as it should be. This Project, however, could be studied as an example of the results that can be achieved when this collaboration is maximized and used to constructive operational advantage.

In the context of this Project, it would be a mistake to overlook or minimize the positive impact of the substantive support of USAID/Paraguay personnel. Starting with the Mission Director and reflected throughout the Democratic Governance staff, there was a consistent interest in Project development and progress. Problems were openly discussed and constructive resolutions sought. When additional resources could make a difference, USAID found additional resources of their own and/or sought further commitment from the Government of Paraguay (GOP). Perhaps of most importance, there was a clear understanding of the diplomatic/persuasive role that USAID could play in reinforcing GOP institutional commitments to Project technical objectives and a willingness to constructively intervene.

The trust developed between Project staff and USAID personnel encouraged forthright discussion of technical issues and political/economic realities that could impact Project progress. As design and implementation of Project elements progressed, USAID confidence in Project technical capacity and the implementation capacity of local Project staff increased, creating a team approach to achieving Project objectives. The Project workplan became a living document that guided Project activities and was the starting point for regular review of Project progress, while at the same time providing the framework for adjustments to the Project in accordance with changing technical, political, and resource realities.

It bears noting that as the Project drew to a close and the GOP and USAID developed Paraguay's plan for participation as an MCC Threshold Country, significant elements of the Threshold Plan represent continued commitment to institutional reforms based on this Project's success.

Lessons Learned:

- Constructive collaboration between USAID personnel and project personnel can have a very positive impact on meeting project objectives
- Judicious use of USAID's diplomatic/persuasive influence with counterpart institutions can result in reinforced government commitment to agreed-upon institutional reforms

- Development of a project workplan as a living document can provide the framework for adjustments to project design and implementation that are consistent with changing technical, political and resource realities.

Best Practices:

- Early development of a forthright and constructive collaborative relationship between USAID personnel and project personnel that is focused on Project design and implementation necessities and realities.

5.4 Project Management Structure and Technical Support

The original Project proposal was structured to include significant LOE for a US-based technical expert to manage and provide technical support to all of the components of the Project and a second US-based technical expert to provide technical support to the civil society elements of the Project. These technical experts were to receive initial logistical and local technical support from a Paraguay-based NGO. In addition, the Project was authorized to hire a local individual to coordinate the civil society grants envisaged in the original proposal.

In the course of initial Project design and work plan development, USAID, MSI, and the US-based technical expert responsible for overall Project management determined that a more significant local presence would be necessary if tangible Project work product was to be realized. That is to say that more was needed on the local level than someone to coordinate the civil society grants. This determination resulted in an initial change in the local position to add substantive legal qualifications to administrative capacity, and the job title was changed to Project Coordinator. At about the same time, limitations in existing local NGO capacity to provide the logistical and technical support required to meet work plan objectives became apparent.

The result was an early restructuring of the local staffing of the Project that permitted development of a Project implementation team and the opening of a Project office (see Local Team discussion below). When fully developed, the overall Project management was the responsibility of the US-based substantive technical expert working with approximately half-time LOE, including ten days to two weeks of regular in-country time every six to eight weeks. The day-to-day Project management responsibility was carried out by the local Project Coordinator/Director who was in regular e-mail and telephone contact with the US-based technical expert and who was responsible for the day-to-day activities of the local Project staff. When needed, additional technical support was contracted and managed within this structure. Finally, to meet the needs of the civil society components of the Project, the US-based technical expert in this area made regular coordinated visits to Paraguay and maintained regular contact with the Project Coordinator/Director who was responsible for coordinating the Project's civil society activities.

The Project team developed a methodology that ensured both technical continuity and work product quality control. Each visit by the technical expert/manager was preceded by development of a detailed agenda and followed by a detailed list of tasks that were to be accomplished before the next visit. Each visit also included an entrance and exit conference with USAID personnel and frequently included joint Project activities.

The task list that resulted from each visit was divided by Project component and identified who was responsible for completing each task (including the technical expert). The task list became the internal control for ensuring that Project workplan objectives were being met. During the visits of the technical expert, supplementary workplans were developed and modified with the counterpart institutions that spelled out both Project and counterpart commitments and the timeframe in which the each of the

commitments was to be met. Finally, all draft work product was reviewed by the technical expert, followed by discussion with Project staff (and counterparts) and completion of agreed changes and updates.

Despite some initial misgivings related to the ability to technically manage a multi-component project without a full-time technical expert in country, the above methodology resulted in a Project management structure that functioned well and that ensured quality work product without the cost of maintaining a full-time technical expert in country.

Finally, the inclusion of non-attorney USNs complemented the technical strengths of the legal specialists, both USN and local, employed by the project. This can be particularly important for a project that has an integral civil society component. Specialists from other fields can also contribute important observations about organizational efficiency and tradeoffs not unique to the administration of justice.

Lessons Learned:

- Using a US-based technical expert with sufficient LOE to permit regular travel to the project country can succeed in a multi-year project when a solid local project team is formed to provide day-to-day project management and ongoing in-country technical support
- Developing a consistent and rigorous methodology for project management and technical input is critical to meeting project objectives, especially in a project where critical technical expertise is based outside the project country.
- Balancing legal expertise that is obviously relevant to the core activities of a project with other specialties that are relevant for public administration can yield positive results.

Best Practices:

- Carefully planned pre-visit agendas and post-visit task lists can serve as the foundation for overall project management from outside the project country
- Use of supplementary workplans with counterpart institutions not only helps to ensure counterpart commitment, but also provides a foundation for ongoing monitoring of project progress.

5.5 Local Management and Technical Team

Much of the success of this Project is a byproduct of the formation and development of an effective and highly capable in-country Project team. As described in the preceding section, there was an early evolution in the Project to the formation of a team of Paraguayan professionals to provide the day-to-day management of the Project and the logistical and technical support necessary to meet Project objectives.

At the outset, it was intended that local logistical and technical support would come from an existing NGO that worked on legal and judicial reform issues, frequently with USAID support. As the Project began to take shape and the work product became defined in more concrete terms, it became apparent that arrangements with this NGO would not serve to meet either local management or technical requirements for the long term. In this context one issue bears particular note – an NGO with a significant portion of its efforts directed at advocacy and/or outside criticism of public institutions has an inherent conflict of interest in attempting to provide technical assistance on the inside to the very public institutions of which it is critical from the outside. Further, in this instance, it became apparent that the NGO in question could not provide the local management and logistical support on a consistent basis, nor could they provide from within the required technical expertise. (During the Project, however, the NGO in question did

work under contract to the Project to provide specific technical assistance needs and the development of one piece of critical software.)

As a result, MSI and the US-based technical expert recommended that USAID consider adjustments to the original Project proposal and budget that would permit formation of a team of local professionals to be employed as Project staff by MSI. USAID agreed, and a Project team was built during the course of Project implementation that eventually included the following personnel:

- Project Coordinator/Director (attorney)
- 3 full-time attorneys
- 1 criminal investigator
- 1 information technology specialist
- 1 office manager
- 1 secretary/receptionist
- Numerous part-time personnel to meet specific project needs, including some assessment work and some of the Project software development needs.

A Project office was opened that included office space, necessary office equipment, and a conference room.

Selection of individuals for the local Project team was critical. In this instance, there were available skilled local professionals seeking to work toward institutional reform objectives in the context of a USAID development project. The budget permitted reasonable wages and working conditions, so applicants were not hard to find. MSI had the good fortune to choose individuals whose skills and dedication proved absolutely critical to Project success. (The individual selected as Project Coordinator/Director was the first person hired directly by the Project, and much of the rest of development of the team and office is owed to her extraordinary management and organizational skills.)

In putting the team together, an effort was made to find individuals who had direct experience working within or with the counterpart institutions. Both the Project Director and one of the other attorneys had worked within the judicial branch with the Supreme Court and much of their professional skills were directed at drafting and implementing the ethics code for judges, including the development of the Office of Judicial Ethics. The other two attorneys had worked as prosecutors with the Economic Crimes Unit at the Public Ministry. Their direct experience with the investigation and prosecution of economic crime cases and the institutional weaknesses that retarded the law enforcement process proved invaluable not only in working within the Public Ministry, but with the Contraloria as well. The Project criminal investigator worked for the Economic Crimes Unit in the Public Ministry, giving added credibility to the effort to reform the investigative function in that Unit. Finally, the original Project information technology specialist had worked in that capacity at the Public Ministry, giving him insight into both IT advances and problems in that institution and the judiciary.

The governmental experience of the individuals above was complemented by receptiveness to reform ideas in public administration. Three had spent time in the US and benefited from the US Embassy's International Visitor (IV) Program.

The formation and development of the local professional team dramatically improved the quality and quantity of Project work product. More than that, however, has been the development of an effective team of technical advisors in Paraguay capable of assisting the GOP in realizing ongoing legal and judicial reform objectives. As this Project ends and the MCC Threshold Plan is executed, the local professional Project team is being contracted to provide valuable local support in Threshold Plan implementation.

Furthermore, the absence of a fulltime USN COP forced the MSI local project team to develop as a cohesive and relatively autonomous unit. This organizational growth included developing local solutions for time sensitive project and personnel issues as well as developing organizational leadership and decision making processes. ICED—the new local NGO composed of many of MSI’s local project staff—is a result of this relative autonomy. Ultimately, favoring local ownership was as much a financially driven decision as it was a conscious program decision. The modest resources allocated for this project would have made it difficult to justify allocating such a large portion of the project budget to COP salary and benefits.

Lessons Learned:

- Development of a local implementation team with relevant professional experience will greatly improve the likelihood of overall project success
- Selection of local professionals from within the ranks of the institutions that are the subject of project reform efforts provides the local knowledge and credibility essential to developing counterpart confidence in project design and implementation
- A project that effectively develops and uses local professional talent leaves behind a team of professional technical advisors that will be available to further develop and sustain institutional reforms long after the project has been finished.
- Modest budget levels can have a positive impact on project implementation and local ownership.
- Proper balance of characteristics that might promote receptivity to reform (e.g., youth, international experience) and technical experience are important factors in selecting local staff.

Best Practices:

- Integration of local professionals into the technical design and implementation of all project elements to add local knowledge and credibility and to develop a sustainable technical resource for the project country
- Selection of local project personnel from institutions that are to be the subject of project institutional reforms.
- Coordinate with US Embassy and other international organizations to identify potential local staff hires with leadership potential, such as those that have participated in the International Visitor (IV) Program.

6. OVERALL PROJECT RECOMMENDATIONS

A review of Project accomplishments, particularly those elements of the Project that have resulted in tangible institutional reform and development, leads to the inevitable discussion of sustainability. As a Project of this nature closes and full responsibility for continued institutional development shifts to Project counterparts, a combination of the absence of donor resources, the counterpart sense that the work has been done, and changes in management focus to address new pressing problems can lead to an unintended but very real reduction in quality and productivity in the very elements of the Project that seemed so promising at Project closeout. Worse, if the political situation shifts, the accomplishments of the recent past can soon retreat into irrelevance.

To address these concerns, a significant focus of the components of this Project was to design and implement meaningful institutional reforms that could be sustained and for which there appeared to be a

broad counterpart consensus. Recent developments at the Contraloria and the Ministerio Publico suggest that Project-driven reforms are taking hold. The steady development of the Office of Judicial Ethics and the infrastructure for implementation of the Ethics Code for judges provides a solid example of what can be accomplished when Project technical and material resources are constructively applied to achieve agreed-upon objectives and counterparts begin to see design become reality. In these areas, there is every reason to believe that all involved seek not only sustainability but further institutional development.

The rub with this rosy picture is the resource problem. Paraguay is a poor country with significant material and human resource deficiencies and a system for allocating existing resources that needs major reform. On the plus side, Paraguay is an MCC Threshold Country with a threshold plan in place that embraces elements of this Project and allocates significant resources to not only sustaining institutional gains but advancing institutional development objectives identified by the Project.

In addition, methodologies and specific reform models developed under the Project have concrete applicability to these expanded threshold plan objectives. For example, the Office of Judicial Ethics was not only designed and implemented as an ethics administration tool, but as a pilot office for testing judicial administration design and development methodologies that could be replicable as other elements of overall judicial administration reform are addressed, e.g. development of systems for control, supervision and discipline within the judiciary.

To carry this further, case management software developed for the Unidad de Delitos Economicos and now being implemented has applicability throughout the Ministerio Publico and with some modifications, could have significant relevance to the work of both the Contraloria and the police. The software designed to assist the judicial selection process, while not fully implemented, could be easily modified and expanded to any personnel selection system in need of transparent and efficient systems. As another example, the development of a new NGO (ICED) under Project auspices brings together substantive Paraguayan professionals capable of providing meaningful technical assistance to judicial reform, law reform and criminal justice reform initiatives. This is to say that elements of the Project have resulted in not only significant replicable institutional reforms, but have resulted in the development of tools with widespread applicability and utility in ongoing institutional reform projects in Paraguay and elsewhere.

In the context of this discussion, MSI recommends that the following programming options be considered by USAID:

- Review of all Project institutional reform initiatives outlined in this Report to determine if adequate resources are available from either GOP sources or other sources to ensure the sustainability of institutional reforms that have been undertaken
- Request and review GOP budget allocations for 2007 for all Project institutional reform initiatives requiring GOP funding to ensure sustainability
- Where applicable, try to ensure that successful Project elements and methodologies are integrated into the MCC Threshold Program to further ensure sustainability
- Review all Project replicable models and methodologies noted in this Report for their relevance to design and implementation of MCC Threshold Program components
- Ensure that the Ethics Code for Judges and its implementation structure are integrated into the development of disciplinary and supervision and control systems for the judiciary under the MCC Threshold Program
- Continued utilization of the professional technical capacity of the newly-created NGO to take full advantage of this valuable human resource developed under Project auspices

Additional Recommendations:

- Continued advocacy of full implementation of the electronic registry at the Council of Magistrates
- Integration of additional data fields and minimum qualification criteria programming into the electronic registry software at the Council of Magistrates
- Utilization of the results of the Project study of Jury for the Prosecution of Magistrates proceedings to develop program initiatives designed to improve the administration and transparency of the constitutionally-mandated functions of this institution and better integrate those functions into an overall disciplinary system for judges.

Management Systems International, Inc.
 IQC No. AEP-I-02-00-00009-00, T.O. 802
 PIPELINE PROJECTIONS PARAGUAY JUDICIAL REFORM (4504-001)
 Date: November 27, 2006
 Current contract end date: December 31, 2006

		A		B: CUMULATIVE BILLED			C: Projections						E: Total Projected		F: BALANCE
		CONTRACT BUDGET (Incl. Phase III Addition)		VOUCHERS 1-70 (Oct 2000 - October 2006)			October (Incurred, not yet billed)	NOV		DEC			SEPT. 2000 - DEC. 2006		
		Days	Amount	Days	Hours	Amount	Days	Amount	Days	Amount	Days	Amount	Days	Amount	
1. U.S. LABOR															
Key	Anti-Corruption Specialists														
	Sr. Bertram I. Spector	74.64	61,711	47.3	378.0	38,928.00	0	0	5	4,160	0	0	52	43,088	
	Sr. Barbara Friday	232.5	193,440	147.5	1,180.0	122,720.00	0	0					148	122,720	
	Wendy Raymont, Eileen Muiragui, Hap Carr, Jerry Harrison-Burns, Orlando Perez	56	34,203	56.3	450.0	34,200.00							56	34,200	
	Sr. Joan Goodin	1.5	1,248	1.5	12.0	1,248.00							2	1,248	
	Sr. Diana Gonzalez	30	24,960	54.0	432.0	44,928.00	0	0	0	0	0	0	54	44,928	
	Sr. Jorge M. Fernandez			14.0	112.0	11,648.00							14	11,648	
	Sr. Jorge Daly			8.0	64.0	6,656.00							8	6,656	
	Sr. TBD (Senior close out specialist)							0	0	0			0	0	
	Sr. NGO Development Specialist (TBD)								12	9,984		0	12	9,984	
	Training Specialist (Mon. & Eval.)												0	0	
	Sr. Jerry Harrison-Burns														
	Md. Brian Norris			37.4	299.0	21,827.00	0	0	7	4,088	7	4,088	51	30,003	
	Media/Communication Specialists														
	Sr. Charles Green	192	146,627	136.9	1,094.9	104,386.10							137	104,386	
	Sr. John Virtue	135	103,173	113.9	911.5	86,944.80							114	86,945	
	Sr. Mario Diamant	36	27,421	26.0	207.8	19,741.00							26	19,741	
	Sr. Mercedes Vigon	44.13	33,892	36.1	289.0	27,744.00							36	27,744	
	Sr. George Arfield	67	51,183	60.0	479.9	45,806.50							60	45,807	
	Sr. Fernando Lopez	12	6,916	12.4	98.8	6,916.00							12	6,916	
	Sr. TBD	0	0				0	0					0	0	
	Attorney														
	Sr. Luis Salas	23	20,335	22.9	183.2	20,335.20							23	20,335	
	Sr. Larry Beck	368.5	327,228	253.3	2,026.0	224,886.00	19	16,872	5	4,440	0	0	277	246,198	
	Sr. Various			64.4	515.0	56,269.00	0	0	0	0	0	0	64	56,269	
	Administrative Support														
	Adm. Project Manager (Phases I & II)	45	17,038	45.3	362.5	17,037.50							45	17,038	
	Adm. Jorge Dalmiau	0.913	343	0.9	7.3	343.10							1	343	
	Adm. Lillian Cruz	25	9,600	5.0	40.0	1,920.00							5	1,920	
	Adm. Project Manager (Phase III)	177	67,812	222.4	1,779.0	85,392.00	0	0	14	5,376	12	4,608	248	95,376	
1. Sub-total US Labor:		1,521	1,127,130	1,365	10,921.9	979,876.20	19	16872	43	28,048	19	8,696	1446	1,033,492	93,638

2. TCN/CCN LABOR														
Previous Personnel (Phases I & II)	875	167,066	513.4	4,107.2	139,031.10							513	139,031	
Personnel - Phase III														
ODC Project Director/Fátima Andrada	520	78,000	498.0	3984	66,884.54	22	3,352	22	3,352	21	3,352	563	76,941	
ODC Program Coordinator/Jorge Gonzalez	520	36,400	358.3	2866	24,906.50							358	24,907	
ODC Legal Specialist/Javier Contreras	520	59,800	500.0	4000	58,337.97	22	2,910	22	2,910	0	0	544	64,157	
ODC Technical Support/Luís Roberto Ubeda	260	26,000	397.5	3180	40,388.33	22	2,200	22	2,200	0	0	442	44,788	
ODC Secretary/Tania Rodriguez	520	15,600	501.0	4008	6,316.76	22	300	22	300	21	286	566	7,203	
ODC RIVAS, María Victoria	200	40,000	69.0	552	10,350.00	0	0					69	10,350	
ODC VIGO, Rodolfo	80	36,000	16.0	128	7,192.00	0	0					16	7,192	
ODC STANGA, Silvana	80	36,000	3.0	24	1,350.00	0	0					3	1,350	
CCN STTA		22,500	1,228.3	9698	116,862.10	38	2,581	98	7,694	21	936	1,385	128,073	
						0								
2. Sub-total TCN/CCN Labor:	3,755	517,366	4084.5	32,547.2	471,619.30	126	11,343	186	16,456	63	4,574	4,459	503,992	13,374
TOTAL LABOR (FOR WORKDAYS ORDERED)	5,275.3	1,644,496.9	5,449.8	43,469.1	1,451,495.50	145	28,215	229	44,504	82	13,270	5,906	1,537,485	107,012
A. TRAVEL, TRANSPORTATION, PER DIEM					150,728.67		24,500		4,768		4,768		184,765	
B. TELEPHONE COMMUNICATIONS					12,851.79		526		263		263		13,904	
C. PRINTING/COPYING					7,521.75		594		297		297		8,709	
D. DELIVERY					9,075.87		201		101		101		9,478	
E. OTHER DIRECT COSTS					292,268.52		22,818		52,018		41,322		408,427	
F. SUBCONTRACT ODCs					737,343.21		0		34,225		0		771,568	
ODCs		1,300,463			1,209,789.81		48,639		91,671		46,751		1,396,851	
MSI MATERIAL BURDEN (12.8% of ODCs + TCN/CCN Labor)		232,682			215,220.37		7,678		13,840		6,570		243,308	
TOTAL ODCs FOR USAID		1,533,145			1,425,010.18		56,317		105,512		53,320		1,640,159	(107,014)
TOTALS		CEILING: 3,177,642			2,876,505.68		84,532		150,016		66,590		3,177,642	(0)
		OBLIGATED: 3,177,642			TOTAL OBLIGATED REMAINING: 301,136.49		216,605		66,589		(0)			
					% Obligated Expended: 91%		93%		98%		100%			
					Ceiling remaining: 301,136		216,605		66,589		(0)			
					% ceiling expended: 91%		93%		98%		100%			

ANNEX I: SUMMARY OF CIVIL SOCIETY PROJECTS

CSO / Other Org.	Project Years	Type of Outputs	Area/Institution	Geographically Dispersed ⁶	Collaboration with GoP ⁷	Specific Outputs
FIU	2000 - 04	training / analytical	investigative journalism	Y (interior only)	N	- 300 journalists trained - 8 mini-grants administered for community radio - Opinion survey of 108 journalists
INECIP	2004 - 05	technical	Council of Magistrates (CoM)	N	E	Electronic registry of judicial candidates del. to CoM
IDEA	2005	analytical / didactic materials / outreach	judicial ethics	Y (interior and Asuncion)	M	Orientation of approx. 600 judges and lawyers on judicial ethics
Sumando	2005	outreach / analytical	judicial system (gral.), judicial ethics	Y (interior only)	M	Popular orientation on judicial system and judicial ethics; Creation and dissemination of 7,000 manuals on judicial system
Transparency International / Paraguay	2005	analytical / dissemination	judicial sector	N	M	Report on risks for corruption in public entities
UNIDA	2006	analytical / dissemination	judicial efficiency w/ corruption cases	N	M	Analysis of approximately 80 economic crimes cases
CIDSEP	2006	analytical / dissemination	Jury for Prosecution of Mag.	N	M	Analysis of approx. 470 decisions from Jury for Prosecution of Mag.
Decidamos	2006	analytical / dissemination / outreach	Controller General's Office	N	E	Analysis of Controller General follow up audits

⁶ Y = interior provinces of Paraguay, excludes Asuncion; N = Project activities confined to Asuncion

⁷ E = extensive; M = moderate; N = none

ANNEX II: CIVIL SOCIETY PROJECTS, 2004 – 06

- 1) **INECIP-** With the exception of the newly formed ICED, INECIP is the only CSO that specializes in the judicial sector in Paraguay.
 - a) **Activities** From 2004 – 06, INECIP designed and implemented an electronic registry of judicial candidates with the Council of Magistrates (CoM). This electronic registry contains CVs and other relevant application materials of all judicial candidates that the CoM considers before recommending for appointment. Its use will enhance transparency in the judicial selection process.
 - b) **Results**
 - i) **Outcomes**
 - Functional electronic registry with CVs and other relevant application materials for judicial candidates delivered in late 2006.
 - CoM employees trained in the use of the registry.
 - CoM officials informed on the general parameters of the system and its capabilities.
 - **Impacts**
 - Increased transparency in the judicial selection process. First judicial contest in which registry was used took place in November 2006 (see letter from Jovino Perez, CoM, 11/2/06)
 - c) **Remaining Issues**
 - CoM was very reluctant to use fully habilitated electronic registry, suggesting a lack of commitment to the long-term maintenance of the system.
 - Continue to offer technical assistance to the CoM to use and adjust the electronic registry.
 - If CoM fails to use system in the future, engage in media campaign publicizing CoM's reluctance to use the registry donated by USAID.
- 2) **IDEA-** IDEA is a CSO that works primarily in the environmental sector.
 - a) **Activities** In 2005 working with Sumando, IDEA carried out 18 workshops with judges and court functionaries in nine judicial districts, including Asuncion. These workshops focused on the topic of judicial ethics. Opinion surveys over attitudes of participants toward judicial ethics were conducted, which provided judicial sector feedback for the ethics code working group. IDEA created basic didactic materials on the Paraguayan judicial system and judicial ethics for dissemination and use by Sumando.
 - b) **Results**
 - i) **Outcomes**
 - 18 workshops in 10 geographically dispersed Paraguayan cities
 - Opinion survey of attitudes on judicial ethics of 643 judges and judicial functionaries⁸ from 9 judicial districts.
 - Analysis of data collected from the survey.
 - Elaboration of didactic materials for general orientation for a popular audience on the roles and functions of the judicial sector and judicial ethics.

⁸ Breakdown: 269 judges and 374 judicial functionaries

- ii) **Impacts**
 - Provided judicial sector feedback for working group for ethics code.
 - The workshops reached over 600 judicial sector workers, many of them judges, constituting a targeted dissemination of information on the judicial sector and judicial ethics.
 - Analytical quality of survey is modest. Survey questions not well designed.
 - IDEA familiarized with potential new program focus in legal reform.
 - c) **Remaining Issues**
 - This project has been completed.
- 3) **Sumando**- Sumando is a CSO that works primarily in rural areas outside of Asuncion and focuses on youth education campaigns.
 - a) **Activities** In 2005 working with IDEA, Sumando disseminated information on the Paraguayan judicial sector and the code of judicial ethics. Sumando focused on areas outside of Asuncion. Its methodology relied on use of its *agentes multiplicadores*, or community volunteers.
 - b) **Results**
 - i) **Outcomes**
 - 592 workshops for students, teachers and neighborhood committees held in the interior of the country.
 - 7,000 manuals created, printed and disseminated for general orientation to the judicial sector and judicial ethics.
 - ii) **Impacts**
 - Substantial number of students, teachers and neighborhood committees in interior of country familiarized with the Paraguayan legal sector.
 - Sumando familiarized with Paraguayan legal sector.
 - Increased organizational project design and implementation capacity in Sumando.
 - c) **Remaining Issues**
 - This project is completed.
- 4) **Transparencia/Paraguay**- Transparencia is the Transparency International chapter of Paraguay. It is one of the few TI chapters in Latin America that is its own autonomous organization and not a TI affiliate with another institutional affiliation.
 - a) **Activities** Transparency interviewed 66 officials from the judicial sector, including 41 from the Administrative Unit and 25 from the Jurisdictional Area, to create a corruption “risk map”.
 - b) **Results**
 - i) **Outcomes**
 - This study ranks 27 risk factors for corruption in public institutions in Paraguay.
 - Wide media coverage from project.
 - ii) **Impacts**
 - Plausibly the media coverage of anti-corruption would have an impact on societal norms regarding corruption. Impact in this area, however, is not easily measurable.

- The report itself has been cited by the CIDSEP analyst, Mendonca, in the analysis of the Jury for the Prosecution of Magistrates.
 - The analysis ran into some methodological problems and could have benefited from a narrower focus.
 - c) **Remaining Issues**
 - This project is completed.
- 5) **UNIDA** Is a new private university in Asuncion. It is headquartered in Brazil.
- a) **Activities** *Project “Observatorio Judicial.”* The project aims to increase transparency in the Public Ministry by analyzing the time needed to investigate and prosecute 80 corruption cases from 2001 to 2005 and disseminating the results of the study to targeted audiences. Data collected from the case files will be made available to investigators through an electronic portal.
 - b) **Results**
 - i) **Outcomes**
 - Compelling analysis finding that the lack of compliance by criminal courts with timeframes established by the procedures code, and consequently the application of statute of limitations, is of the main causes of acquittals of officials and private citizens who are allegedly involved in corruption cases
 - Publication of report on UNIDA website. (pending)
 - Dissemination of report findings to selected legal and journalistic audience.
 - Public access database with 80 cases hosted on UNIDA website. (pending)
 - ii) **Impacts**
 - Increased knowledge of specific bottlenecks and failures in the judicial system’s prosecution of corruption cases.
 - c) **Remaining Issues**
 - *The current database, designed for remote access of only project researchers, needs to be converted to public formats that are accessible through an Internet portal. Institutional arrangements should be made for UNIDA’s continuing hosting of the database.*
- 6) **CIDSEP-** CIDSEP is a CSO affiliated with the Catholic University in Asuncion.
- a) **Activities** *Project “Judicial Corruption Cases”* CIDSEP researchers will investigate the status of approximately 470 complaints made against judges with the *Jurado* from 1998 - 2004. Influential Paraguayan scholars, Juan Carlos Mendonca and Daniel Mendonca, are key analysts. The project will install a website for the Jury.
 - b) **Results**
 - i) **Outcomes**
 - Analysis of the historical development of the Jury, its legal basis for existence and its performance on judicial corruption cases since 1992.
 - Publication of report on via Internet and publication of 2 books containing results of report.
 - Dissemination of report findings to selected legal and journalistic audience.
 - Public access database with 470 cases hosted on website. (pending)
 - Jury staff trained to maintain and update website and database. (pending)

ii) Impacts

- TBD

c) Remaining Issues

- *The launching of the website is pending as of the writing of this report.*

7) Decidamos

a) Activities *Project “Monitoreo Ciudadano”*. Decidamos has analyzed recommendations made by the Controller General’s office to the Ministry of Public Works (MOPC) and SETAMA, the government regulatory agency for the transportation sector. The project aims to increase compliance with audit findings. Concurrent with this investigation, Decidamos has used its well developed dissemination techniques to familiarize audiences with the general roles and responsibilities of the Controller General’s office.

b) Results

i) Outcomes⁹

- Report on CGR follow-up audit process in two governmental agencies.
- Report results disseminated to wide audience.
- Wide audience oriented to the general functions and structure of the Controller General’s Office
- Productive collaboration between Decidamos and Controller General’s Office

ii) Impacts

- Initial analytical quality of this report was low. Decidamos did improve the organization and argumentation of the report in the end.

c) Remaining Issues

- This project is completed.

⁹ Initial project scope was too broad. Original project scope included two technical outputs 1) general materials on the roles and functions of the CGR and 2) the study of the follow-up audit process. The diffusion campaign, in addition to including massive public dissemination activities, contemplated congressional lobby plans.