Partnership for Transparency Fund

Civil society actions to curb corruption, strengthen public services, and improve the lives of people

Annual Report 2008

Uganda: NAFODU Staff pause for a Photo with Police Officials in Kanungu District

1 NAFODU activities aimed at improving police community service, reducing corruption and reinforced police community integrity
Partnership for Transparency Fund

Annual Report 2008

2008 was a watershed year

2008 was a watershed year for the Partnership for Transparency Fund, marked by a significant expansion of both funding and activities. In July 2008 PTF was awarded a five year £2 million grant from the UK DFID Governance and Transparency Fund matched at the same time by a World Bank grant for US$400,000 which is expected to be renewed each year for the next three years. This funding has allowed PTF to more than double its grant making and technical assistance activities, to hire a Chief Operations Officer and to greatly strengthen its team of senior Advisers.

In mid 2008 an independent in-depth evaluation sponsored by the World Bank validated the PTF business model and reported very favorably on its performance and impact on fighting corruption. Also in 2008 PTF put in place a new partnership with the Public Affairs Centre in Bangalore, India covering its activities in South Asia, launched country programs in both the Philippines and Uganda, and reinforced its relationship with FONTRA in Latin America, in each case collaborating with a local partner. In addition, PTF established a partnership with Global Integrity, a US based INGO dedicated to investigating governance and corruption around the world. Furthermore, PTF was commissioned by the World Bank to undertake research on ways to support civil society in demanding good governance – a study that is scheduled to be completed in 2009. At the same time, the Japanese Social Development Fund (JSDF) gave PTF a small grant to develop a program for third party (civil society) monitoring of World Bank projects in South Asia. And lastly, PTF expanded its efforts to disseminate information on lessons learnt through participation in workshops and international meetings, for example at the Affiliated Network for Social Accountability in Addis Ababa in May 2008, CIVICUS World Assembly in June 2008 and at the International Anti-Corruption Conference held in Athens in October 2008.

Some of the highlights of 2008

The ultimate validation of PTF is the impact of the projects it supports in reducing corruption. A few examples serve to demonstrate how PTF's small grants have had a profound impact by challenging corrupt agencies. In Rajasthan PTF has helped CUTS, a local community based CSO, to use the Right to Information Act to allow villagers to expose and challenge corrupt local officials. In Azerbaijan PTF has assisted CESD, an independent research and policy institute, to
demonstrate corruption in the spending of oil revenues, which resulted in the restitution of $50 million to the state oil fund and promoted a public debate on ways to enhance public accountability of the state oil fund which now handles several billion dollars of oil revenues each year. In Mongolia PTF has helped the national chapter of Transparency International to train high court judges to handle cases of judicial and procurement corruption. This has led to a second project to institute a new code of ethics for judges. In Timor Leste PTF assisted Luta Hamutuk to conduct intensive monitoring of a major road rehabilitation project revealing serious technical deficiencies of the contractor resulting from corruption; these have been brought to the attention of the government. In Uganda PTF has assisted NAFODU to run a series of successful radio programs aimed at raising public awareness of corruption and promoting social action. NAFODU established a hotline for members of the public to report corrupt officials to the Inspectorate of Government.

Building on experience

PTF entered a third phase in 2008, following a first phase (2000 – 03) when the business model was tested, and the second phase (2004 – 07) when alternative delivery models were explored. PTF’s 2008 portfolio and organizational structure, and the expansion that took place during the year, were all inspired by lessons learnt during the early phases, which allowed PTF to improve and refine its objectives and modus operandi.

PTF’s mission is to support CSOs in developing countries to pilot direct measures to make public agencies and governments more transparent and accountable and hence less corrupt. The PTF approach is innovative in several ways:

- PTF provides small grants to CSOs to undertake specific actions, beyond raising awareness or engaging in advocacy. These actions are mostly intended to explicitly address a concretely observed occurrence of corruption, and to achieve an observable impact in reducing corruption. Each PTF CSO grantee is required to establish a results framework proposing measureable and sustainable outcomes and impacts.
- PTF grants support a series of time-bound action plans each covering on the average one year that aim to curb corruption through, for example, the direct monitoring of public services and transactions designed to lead to system reforms.
- PTF uses a cadre of senior, highly experienced volunteer governance specialists to advise on project design and grant management and provide general coaching and mentoring to the CSOs thereby strengthening CSO capacity to fight corruption and to operate more effectively in general. The value of these pro bono contributions is substantial, enabling PTF’s grantees to benefit from expert technical assistance at no cost.
- PTF requires that grantees gain the cooperation of the affected public
agencies that may be in a position to influence positively the results of the project. The hypothesis, supported by extensive field experience, is that working constructively with the concerned public agency greatly strengthens the chances of success. The PTF experience confirms that working on a consensual basis on a corruption issue yields much better results than confronting public officials with accusations of corruption.

- PTF is a ‘virtual’ organization in the sense that its staff and advisers operate mostly from their homes and exploit to the full the use of the internet. This, together with the use of volunteers, enables overheads to be kept to a minimum.

**Strengthening PTF’s capacities and resources**

In its early days PTF worked with a number of CSOs that were interested in pioneering a direct approach to combating corruption. Considerable risks were accepted as many of the CSO grantees that engaged in direct actions to fight corruption were relatively weak and inexperienced. PTF volunteer advisers work closely with these pioneers on a one-on-one basis with the intention of progressively building their capacities through action learning. The scope and ambition of this program was gradually extended. By 2008 a combination of three factors allowed a substantial expansion of PTFs operations. First, there was the steady build-up of a solid group of some 80 CSO grantees in over 40 countries. Second, this build-up went in tandem with an increase in the number of dedicated and highly qualified and experienced volunteer advisers and the strengthening of PTF’s management arrangements. And third, PTF secured major new funding in 2008.

First, in July 2008, the World Bank Executive Directors approved a grant of $400,000 to the PTF from the Development Grant Facility, Window 1 (permanent funding). The expectation is that this level of support will be repeated at least for the next three years. The grant was received in January 2009. Second, a grant agreement with UK DFID for a £2 million five year Governance & Transparency Fund (GTF) grant was signed on July 28 2008 and PTF agreed five-year budget projections with the GTF Manager (KPMG). The first disbursement of US$193,253 was received end October 2008. These two funding sources are of prime importance to PTF in that they allow for a four to five year planning horizon.

**PTF’s expanding grant program**

PTF’s enhanced funding triggered a significantly increased volume of PTF activities over the course of the 2008. During the year a total of 11 projects were completed, while 19 new projects were initiated, 10 more were ready to start implementation, with several more in an advanced stage of preparation at the end of 2008. (See Annex I and II for details).
Of the 11 completed projects 6 were followed the original PTF model in which a volunteer adviser works with a CSO on a one-on-one basis. These projects were located in India, Nepal, Romania, Timor Leste, Togo and Venezuela. In addition, 5 projects were completed in 2008 in the Latin American Region (in Argentina, Bolivia, Chile, Paraguay and Uruguay). These projects were implemented under the PTF-FONTRA regional program in the Southern Cone of South America under the leadership of Instituto de Comunicacion y Desarrollo (ICD) in Uruguay with funding from the Inter-American Development Bank and various private sector donors.

In the course of 2008, 9 new projects were supported in which PTF volunteer advisers worked directly with CSOs. In addition to the original approach in which PTF volunteer advisers work on a one-on-one basis with CSOs, PTF initiated on a trial basis a variety of approaches for scaling up its impact by experimenting with new grant delivery arrangements in which volunteer advisers/coordinators are dealing with clusters of projects in partnership with a variety of intermediaries.

A second phase of FONTRA projects was launched in late 2008 jointly funded by PTF and the Multilateral Investment Facility of the Inter-American Development Bank. A request for proposals yielded a short-list 10 submissions of which half were eventually selected.

Other examples of working with “clusters” of projects include the country programs in the Philippines, Uganda and India. In the Philippines a five-year partnership program was put together with the Philippine Coalition against Corruption, managed by the Makati Business Club. Five new projects under this arrangement were initiated in 2008.

PTF is supporting five projects simultaneously in Uganda. This program was launched in May 2008 in Kampala by a workshop jointly sponsored by the PTF and Global Integrity. Support to the development of specific project proposals has been provided by Creative Associates, an American-based INGO with a Regional Office in Kenya from which they monitor the progress of PTF’s Uganda projects. The World Bank/Netherlands Partnership Program Breakthrough Facility funded the Uganda program. As part of this program, Global Integrity has carried out a survey of the opportunities for micro-grants to local CSOs to stimulate the demand for good governance.

PTF’s regional program for South Asia was established in partnership with the Public Affairs Centre (PAC) in Bangalore. The India program is now set to become PTF’s largest country program yet, funded by the DFID GTF grant. During the second part of 2008 PAC made contact with over 1500 potential beneficiary CSOs, 160 of which submitted Concept Notes. Out of these 28 CSOs were invited to submit full proposals with the expectation that some 15 would funded. Two development workshops were held to assist grant applicants to
formulate credible and robust projects.

By the end of 2008 some 20 PTF volunteer advisers were either assisting CSOs to develop project proposals, or advising CSOs on projects already under implementation and monitoring their progress. With a significantly expanded portfolio of projects, the need to appoint coordinators of regional PTF programs and country cluster programs emerged.

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<th>Table — PTF Project Grants 2006-8</th>
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<td>No. of projects completed</td>
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**Learning from Experience**

PTF is acutely conscious of the need to learn from experience. This depends on careful and appropriate monitoring and evaluation: first, of the individual CSO projects it supports and subsequently the assessment of the cumulative effect of all these projects taken together on the reduction of global corruption; and second, the assessment of PTF’s performance as an organization and of how it could be improved. During 2008 PTF was active on both fronts.

**Project Completion Assessments**

PTF is committed to carrying out Project Completion Assessments (PCAs) on at least half the CSO projects it supports – even more if feasible. This is needed to learn from our successes and failures. The PCAs are posted on the PTF website. During 2008 seven PCAs were completed and another six were underway. All of those completed came to favorable judgments overall; four relate to the ADB funded program. Of the other three, one related to fighting corruption in the education sector in Kyrgyzstan, the second to use of the Right to Information to fight corruption at the village level in Rajasthan, and the third to tackling the misuse of the public food program in Ecuador. All, except that for Grupo Faro in Ecuador and Heartfile, reported that the projects had been successful in achieving their planned outputs, and at the same time identified some important lessons to be learnt. These primarily related to ensuring the sustainability of the impact of the projects.

In the cases of Grupo Faro and Heartfile, political interference forced a change in program activities. This experience underlines the political risks CSOs face even when prior agreement has been given by the public authorities concerned, especially when political circumstances change. Political change is a risk PTF
has to learn to live with; we must be prepared for some of our partners to run into
difficulties related to the volatile political context in which they operate.

A favorable independent evaluation

In mid 2008, an in-depth evaluation of PTF was carried out by two independent
evaluators hired with funding from the World Bank. Their report assessed PTF
overall as a “highly valuable and effective mechanism for support of small-scale
civil society efforts to fight corruption and promote greater transparency and
accountability in government.” The report found that “projects examined for this
review achieved all or most of their objectives, which amounts to a success rate
of 86 percent. Its model—of a volunteer-based virtual organization providing
technical advice and small grants to civil society organizations (CSOs) to
undertake time-bound anticorruption projects—has served PTF’s mission well.”

The evaluation had five principal recommendations. Because of their importance
for PTF’s future planning, the report’s recommendations, together with PTF
management’s response, are summarized below:

PTF should enhance its local presence. This is accepted and is being pursued
by working with local partners (for example, PAC in Bangalore and MBC in the
Philippines), appointment of local focal points (for example Bob Lienenthal in
Zambia), a more judicious assignment of PTF volunteer advisers to projects in
countries that they know well, and through more site visits made possible with
GTF funding.

PTF should diversify its approach to funding. The report recommends an
approach to funding that includes short-term project financing for first time
grantees, a sequence of projects to support moving to direct action (with
expectations on the project’s actual impact increasing with each follow-on
activity), and programmatic support either for one or a multiplicity of CSOs
working on a specific issue where prior experience clearly indicates the potential
for greater impact. We agree with all of this, particularly adopting, where
appropriate, a program approach and to actively encourage follow on projects
that build on what has been achieved.

PTF should include better risk-assessment and contingency planning at
the project design stage. PTF is steadily acquiring experience in assessing and
taking steps to limit risk. We are particularly aware of the need to ensure that
before starting a project CSO grantees secure some assurance of the co-
operation of the officials who are key to the success of a project. At the same
time we recognize that we should accept some level risk as unavoidable in this
type of business. The best insurance against poor performance is to ensure that
we only support CSOs for which we have solid references regarding their
competencies and reliability. Our high success rate indicates that so far risk has been mostly well managed, though this is no excuse for complacency.

**PTF should keep better and more accessible records.** We are working on this issue but more needs to be done. A new records system will be put in place during 2009.

**PTF should increase the sharing of experiences.** This will be achieved via (i) holding a series of workshops at which grantees can share their learnings; (ii) greater use of our website including an area where views, ideas and experiences can be posted; and (iii) completion and publication of our book on case studies.

The evaluation has been valuable in helping PTF to identify what actions it needs to take to strengthen its activities as it enters a period of accelerated growth

### Sharing of PTF Experience

A number of successful workshops were held – in Uganda and Tanzania in May 2008 and at the 13th International Anti-Corruption Conference in Athens in April 2008. The East Africa workshops were conducted jointly with Global Integrity (GI) and local, non-profit organizations. Global Integrity is an international NGO that evaluates countries’ systems of transparency and integrity. Global Integrity reported on their 2007 review of institutions of integrity in the two countries, and the PTF described how it could help local civil society organizations focus on specific opportunities identified by the review. This was the first time GI and the PTF collaborated in an effort to link analysis and possible action. It proved extremely useful to combine GI’s analysis and the PTF capacity to fund specific interventions, and led to several project proposals in both Uganda and Tanzania. A presentation on PTF was delivered by FONTRA at the 2008 CIVICUS World Assembly in June 2008.

On May 19-20, 2008, Daniel Ritchie and Dondon Parafina participated in the annual conference of the Affiliated Network for Social Accountability (ANSA)—Africa. Dondon reported on his work in the Philippines, including the Textbook Count project, and Daniel reported on the PTF’s work in the session on Models of Supporting Social Accountability. The workshop provided the opportunity to link with CSOs throughout Africa.

### Exploring New Territory

In mid 2008 the World Bank Development Grant Facility (DGF) Council approved a proposal for a grant of US$150,000 to the PTF to help develop a **global mechanism for funding and promoting the demand for good governance.** Several European donors have expressed an interest in supporting such a mechanism. The PTF has been contracted to conduct the background research,
and solicit interest among potential donors and recipients and develop options for a Demand for Good Governance Facility. PTF accepted to do the analysis on the understanding that its involvement in the design would not preclude PTF from becoming an eventual beneficiary of the DFGG Facility. By the end of 2008 preparations for the study were ongoing. The bulk of the work will be carried out during 2009.

Also in late 2008, PTF received a Seed Grant of $50,000 from the Japanese Social Development Fund (JSDF) provided to PTF to develop a full proposal for a $3 million JSDF grant to support CSOs to undertake third party monitoring of World Bank funded projects in three South Asian Countries—India, Bangladesh and Nepal. The JSDF focuses especially on support to the poor and marginalized groups. The full proposal would support the capacity building and engagement of poor communities in promoting transparency and accountability for the delivery of public services especially to the most marginalized groups. The full proposal was to ready for the next round of the JSDF competitive selection process in mid 2009.

Re-structuring PTF’s management arrangements

With the rapid expansion of PTF activities in 2008, it became increasingly difficult for PTF to manage its day-to-day affairs with only a staff of volunteers. Hence, at the end of 2008, PTF appointed Pietronella van den Oever as Chief Operations Officer to work on a part-time basis (150 days a year) starting January 1 2009.

With the appointment of a salaried Chief Operations Officer, it became increasingly evident towards the end of 2008 that PTF needed an office. Consequently, PTF approached Results for Development Institute (R4D), an international non-profit organization managing a Transparency and Accountability Project (TAP) to explore whether it would share its offices in Washington, DC with PTF. R4D agreed that modest space could be found for PTF within R4D’s office area on Connecticut Avenue NW for a nominal rent of $1500 per month. Specifically, R4D agreed to provide a dedicated office, furniture, communications facilities. Furthermore, R4D agreed that the rent could be paid by PTF staff providing services to R4D /TAP for 1.5-2 days a month. This conveniently located office will provide a home for PTF activities and will allow PTF to hold regular meetings of PTF volunteer advisers.

Securing new funding

Although PTF has secured enough funding to support its activities at an enhanced level for another two-three years, PTF recognizes that energetic fund-raising must continue both to diversify funding sources and ensure continuity and to provide a more solid and secure basis for hiring staff. Moreover, PTF has demonstrated that its present business model would allow a modest expansion beyond that now planned with existing funding while still maintaining and
protecting PTFs unique character and flexibility. A target of raising a further $3 million has been set for the next three years. This will require a more dedicated fund raising initiative than has been previously possible. PTF intends to target both public and private sources secure in the knowledge that all parties increasingly recognize that governance reform and curbing corruption depends in great part on demand for public integrity, transparency and accountability coming from civil society.

September 2009
ANNEX I.

Projects initiated in 2007 (or earlier), and completed in 2008

Projects Directly Managed by PTF Advisers

India:
Title: Combating Corruption in Rajasthan State, India, by Applying the RTI Act as a Tool. Implementing Agency: Centre of Consumer Unity & Trust Society (CUTS). Grant agreement signed on February 19, 2007. A supplementary grant was agreed on April 21 2008.

Nepal:

Romania:
Title: Strengthening Local Government Integrity. Implementing agency: Pro-Democracy Association (PDA). Grant agreement signed on: March 10, 2007.

Timor Leste:
Title: National Budget Monitoring. Implementing agency: Luta Hamutuk. Grant agreement signed on April 12, 2007.

Togo:
Title: Promoting Investigative Journalism Training. Implementing agency: Ligue des Indépendants pour la Transparence (LIT). Grant agreement signed on: October 1, 2007.

Venezuela:

Projects Managed by FONTRA

Argentina:

**Bolivia:**
Objective: To disseminate information about and work for approval of the draft Transparency and Information Access law. Implementing Agency: Training and Citizens’ Rights (CDC).

**Chile:**
Objective: To increase transparency and create an index to measure it, in the subsidies of four government agencies (Chile Sports, the National Fund for Culture and the Arts, the Livestock Development Institute, and the Fund for Solidarity and Social Investment. Implementing Agency: Participa, with support from CIPPEC Argentina

**Paraguay:**
Objective: To increase budgetary transparency in the municipality of Coronel Oviedo. Implementing Agency: Sumando.

**Uruguay:**
Objective: To strengthen transparency in public procurement, in financing of political parties and in citizens’ access to government records about them. Implementing Agency: Latin American Centre of Human Economy (CLAEH).
ANNEX II.

Projects initiated in 2008

A. Projects Directly Managed by PTF Advisers

Albania:

Azerbaijan:
Title: Monitoring the Expenditures of the State Oil Fund (SOFAR). Implementing Agency: Center for Economic and Social Development (CESD). Grant agreement signed on April 3, 2008.

India.
Title: Urban Corruption Survey in Brahmapur City. Implementing Agency: Youth for Social Development (YSD) and the Association for Rural Uplift and National Allegiance. Grant agreement signed on 26 February 2008.

Kazakhstan:
Title: Advocacy and Legal Advice Centers. Implementing Agency: Civic Foundation “Transparency Kazakhstan” (TK). Grant agreement signed on April 14 2008.

Liberia:

Moldova:

Mongolia:

Rwanda:

Sierra Leone:

B. Philippines Country Program managed in collaboration with the Makati Business Club
Title: Protect Procurement Project (PRO): Institutionalizing the Capacity Building of CSO Procurement Observers. Implementing Agency: Ateneo School of Government through its G-Watch program. Grant Agreement signed on April 15, 2008.
Title: Water and Irrigation Systems Watch

C. Uganda Country Program managed by PTF with support from Creative Associates.
Title: Corruption Awareness and Prevention Media Campaign. Implementing Agency: NAFODU. Grant Agreement signed on May 27 2008.

D. FONTRA Projects under consideration in Latin America

Argentina:
ACIJ – following how corruption cases have been handled in court.
ACIJ – protecting small and medium enterprises from payoff demands
INECIP – following court treatment of corruption cases in Cordoba
CIPPEC – helping Congress design regulations on lobbying

Bolivia:
COBOCO – making bidding on construction projects more transparent
Por Bolivia – designing a code of ethics for exporters

Chile:
CLC – strengthening public access to information in San Joaquin
Genera – helping implement, in San Florida, a new law on “citizens’ control”

Paraguay:
Tierra Nueva – promoting transparency in the Ministry of Finance

Uruguay:
Uruguay Transparencia – surveying public opinion regarding corruption
ANNEX 3: Staffing and Advisers

As at the end of 2008 the staffing and Advisers were as follows:

**President:** Pierre Landell-Mills  
**Secretary of the Board:** Daniel Ritchie  
**Treasurer:** Randolph Andersen  
**Chief Operations Officer:** Pietronella van den Oeven  
**Finance Manager:** Debra Cooper

**Regional Coordinators:**

- **East Asia:** Khalid Siraj  
- **South Asia:** Vinay Bhargava  
- **Eastern Europe and FSU:** Lars Jeurling  
- **Latin America:** Steve Ettinger  
- **Anglophone Africa:** Mike Stevens  
- **Francophone Africa:** Jerome Chevallier

**Country Managers:**

- **Philippines:** Gerry van der Linden  
- **Uganda:** Daniel Ritchie  
- **Indonesia** (at the exploratory stage): David Steedman  
- **Zambia**; (at the exploratory stage): Bob Liebenthal

**Advisers:**

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<thead>
<tr>
<th>Jorge Barrientos</th>
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<td>Claudio Bertao</td>
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<td>Sarwar Lateef</td>
<td>Leonard Wolfe</td>
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<td>Michael Lippe</td>
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### Annex 4: Summary PTF Financial Situation for 2008

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<td><strong>Surplus (Deficit)</strong></td>
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* Regional and country partners