



Supporting Citizens Against Corruption

**Partnership for Transparency
Fund**

Annual Report 2010

1875 Connecticut Ave. NW, Suite 520
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<http://ptfund.org>

Message from the Chair



Fighting corruption is one the toughest challenges the world faces. Corruption – the abuse of public office for personal gain – is robbing tens of millions of poor people across the developing world of opportunities for better lives; it is trapping countless millions in wretched conditions; while it undermining trade and fair commerce. There are many players today from civil society and official (from the United Nations to multilateral and bilateral aid agencies) engaged in the effort to combat corruption. The Partnership for Transparency Fund (PTF) fills a vital gap on this important stage.

A major focus of the attention of PTF in 2010 was the elaboration of our Strategic Plan – please do read this document which is on our website (<http://PTFund.org>) in the *About Us* section. We restated our mission and reassessed our comparative advantage and our realistic short- and medium-term goals.

In preparing the Strategic Plan we recognized how fortunate we were to acquire the voluntary skills of a growing group of outstanding experts. We calculate conservatively that in 2010 they provided for free the equivalent of around \$1.6 million in consulting time. They offer expert advice to the many small civil society organizations on the design and implementation of distinct anti-corruption projects. In this way PTF's is enhancing the effectiveness of these projects which we support with small individual grants.

2010 saw PTF support projects in a wide range of countries. Overall across the developing world, we supported 25 projects in 2010, with each averaging around \$29,000. Our total disbursements were in excess of \$400,000 and our total commitments exceeded \$700,000. It is a tribute to our managers and advisors that so much was accomplished while, as our financial statements highlight in this report, our overhead administrative costs remain very small indeed.

In few parts of the world is the fight against corruption as visibly linked to human impoverishment as it is today in Africa. You do not have to go too far in many parts of the continent before realizing that clinics have not been built in rural areas, schools are terribly equipped, safe water and decent sewage systems are few and far between – all because hosts of public officials have used their power to pocket the vital funds that should have gone into providing these basic needs. One of the many grant-making achievements of PTF in 2010 was the expansion of our work in this continent. We found some wonderful civil society partners, from Cameroon to Uganda, and moved forward to support projects that raise awareness of corruption, of the need for greater transparency and accountability, and of the close links between the scale of poverty and the size of the local corruption.

We continued to deepen our ties to key partners in Asia in the course of 2010 and our work, notably in India and the Philippines, for example, is yielding impressive results. It is important to also mention that under our FONTRA program, which was concluded in 2010, where the Inter-American Development Bank was our prime multilateral partner, we did complete 30 projects in the southern cone of Latin America. We are most appreciative of the IADB's engagement here. Our civil society partners made significant strides ahead and we look

forward to being able to provide further substantial assistance in Latin America in the period ahead.

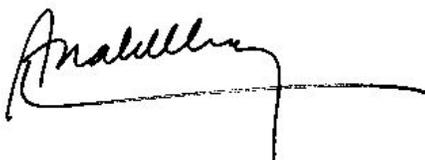
Another key aspect of our work, which emerged in 2010 was the sharing of the knowledge of experience that PTF has acquired through its support for CSOs. Over the last decade PTF has assisted close to 200 individual projects and in the process we have learned a great deal. One example was the writing of the report “Stimulating the Demand for Good Governance” in 2010, commissioned by the World Bank (and published in 2011).

We are determined to expand on both fronts as a grant-maker and as knowledge generator in the years to come. To do this we need more financial resources. We are enormously grateful to those who supported PTF in 2010 and we look forward to expanding support in the years to come.

Our optimism rests in part on the important management and governance developments that took place in 2010 in PTF. For a decade, Pierre-Landell-Mills, a co-founder of PTF, served as the President and chief executive officer. His remarkable contributions played crucial roles in making PTF such a success. Pierre, who remains highly involved, both as a member of our Board of Directors and the Chair of our new Nominations Committee, has handed the management leadership to Daniel Ritchie, who has long served as our Secretary. Dan has formed a leadership team that includes Vinay Bhargava Roger Sullivan and Kathleen White, PTF’s new Chief Operating Officer.

2010 was also my first full year as PTF’s Chair. I took over from Kumi Naidoo who steered PTF so well over many years. In 2010, our Board was strengthened; alongside the new Nominations Committee we also established a Development Committee under the chairmanship of PTF Vice Chair Frank Vogl. Gerry van der Linden, who remains on the Board, has played an extraordinary role in building our Board Audit & Governance Committee. Gerry is now dedicating himself still more fully to PTF’s regional programs in Asia in general, and to our growing portfolio of grants in the Philippines in particular. We are delighted that Barry Metzger, another co-founder of PTF, has become the new Chair of this important Board committee.

Thus, in terms of our planning, our leadership and our grant-making, 2010 has been a full and successful year for PTF. We have sown seeds that will enable PTF to be still more effective in the future.

A handwritten signature in black ink, appearing to read 'Anabel Cruz', with a long horizontal line extending to the right.

Anabel Cruz
Chair of the Board of Directors

Empowering Citizens for Change



Villagers from Gajapati, India rejoice and display their “work cards” procured as part of a PTF funded project using India’s Right to Information (RTI) law

Our Vision:
Citizens succeed in making their government free of corruption

The Partnership for Transparency Fund (PTF) was established in 2000 with the goal of helping citizens to fight corruption and meet citizen demand for good governance. At PTF we believe that improved governance – greater accountability, responsiveness to citizens and transparent public activities – is critical to achieving participatory governance and improved development outcomes. PTF envisions societies where citizens succeed in making their government free of corruption.

Civil society has an important role to play in the development of anti-corruption and good governance programs, and it can play this role more effectively if it is independent, financially, from government or direct bilateral or multilateral funding. This is where PTF adds value to the process. Through technical and financial support, PTF empowers Civil Society Organizations (CSOs) to play an effective role in the design, implementation and monitoring of anti-corruption activities.

Our goal is to work with CSOs to pilot new mechanisms and approaches to improve transparency and accountability of public agencies. PTF supports projects that give voice to civil society, demonstrate the value of constructive partnerships between government and civil society, and result in capacity building through action learning.

Our Mission:
To mobilize expertise and resources to provide advice and small grants to civil society organizations to engage citizens in actions to remove corruption in the public sector.

Approach

The PTF model is unique. We are an organization of senior, highly experienced volunteer governance specialists retired from various development institutions, NGOs and Government Agencies. We recognize that for civil society to play a key role in holding governments accountable to their public, CSOs must be financially independent both from government and from other powerful vested interests, including major donors.



Members of school monitoring committees in Eastern Uganda take notes at a training workshop hosted by PTF partner UENO

Organizations receive small grants (\$25,000 – \$40,000) for projects that are results-oriented, time-bound (typically 12-18 months) and evaluated on completion. PTF particularly supports projects that (1) will have a direct and sustainable impact on reducing corruption, (2) as far as possible have a measurable and sustainable outcome and (3) involve direct interaction with public agencies. This last criterion is important.

Anti-corruption campaigns work best when targeting an *environment* of corruption rather than the wrong doings of individual public actors. To this end PTF does not support

groups who wish to “name and shame” corrupt politicians or bureaucrats. Rather, we seek to encourage innovative projects that pilot new and replicable anti-corruption tools in country specific contexts that can foster buy-in from government officials, offices and agencies.

PTF’s advisers work with CSO grantees on project design and grant management as well as provide coaching and mentoring. Adviser support throughout a project’s lifecycle helps to build strong bonds with grantees and oftentimes allows for the continuation of successful endeavors, ushering in additional project phases and bolstering the organization’s impact.

Success

PTF has made over three million dollars available to CSOs since its inception. This money has supported nearly 200 projects over the past ten years, across five regions (Africa, East Asia, Eastern Europe, Latin America and South Asia) in 44 different countries, focused on the following:

- Monitoring of public procurement contracts, public auctions for the sale of public assets, and the privatization of public companies
- Public expenditure tracking and initiatives to strengthen financial accountability systems
- Monitoring service delivery, for example: school text book distribution, public health delivery, public works, etc.
- Monitoring public agencies with mandates for transparency and accountability, for example: anti-corruption agencies/offices, citizens' charters, protecting whistleblowers
- Contributing to the drafting of legislation and regulations related to fighting corruption and regulating political party financing
- Promoting transparent government, (e.g. freedom of information laws)
- Creating media campaigns and strengthening in-country capacity for investigative journalism to expose corruption and ensure transparency in the use of public funds

PTF Funded Projects



Where We Work

Africa

PTF's Africa portfolio continues to expand rapidly. Project-based funding in Sub-Saharan Africa more than tripled between 2009 and 2010. Increased efforts to strengthen targeted country strategies have resulted in a total 2010 commitment of \$235,856 to eight projects across 4 countries (Cameroon, Ghana, Nigeria, Uganda) up from the 2009 total of \$69,247.

An emerging approach in PTFs strategy has been the “clustering” of projects – targeted funding of projects within a geographic or programmatic area, and providing follow-up funding to build and expand on previous initiatives. The Africa portfolio best exemplifies this new approach. Building upon this strategy two workshops were held in the region to disseminate lessons learned to local CSOs.

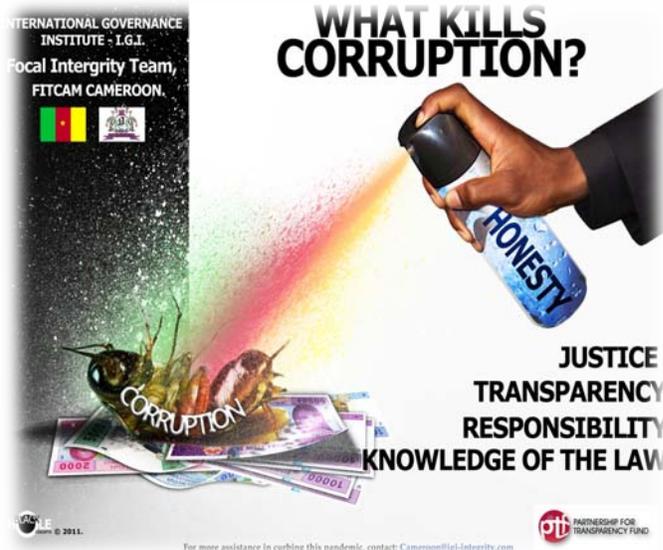
In **Uganda** PTF held a workshop during August under the theme of: *Managing the Politics and Process of Governance Reform*. It is widely agreed that corruption in Uganda is an impediment to development. Workshop participants – CSOs active in the on the ground battle against corrupt practices – each brought their expert insights to the table concluding the following about anti-corruption projects:

- 1) A well designed project plan should include clear project goals with achievable and measurable outputs that are easy for project managers to track.
- 2) Key stakeholders should be not just identified but actively engaged in project activities.
- 3) Awareness building is just the first step.
- 4) Public sector involvement is crucial to success, the “name and shame” approach fails to produce tangible results

The following month, PTF joined with partner International Governance Institute – **Cameroon** to host a workshop of 20 local Cameroonian civil society organizations to design a country-wide anti-corruption strategy. By the end of the workshop, the participants had done an effective job of developing an initial outline for a country strategy, specifically identifying the following areas for direct anti-corruption intervention: health, education, the judiciary, local governance, public finance, environment and forestry, infrastructure and sports. In addition, the country strategy called for support in strengthening



Children in Kampala, Uganda act out a scene depicting a "big man" soliciting a bribe. PTF partner UENO supports the establishment of primary school Ethics & Integrity Clubs



An anti-corruption poster produced by PTF partner IGI – FITCAM

the overall performance of PTF-funded CSOs, by means of close collaboration between CSOs and PTF advisers.

Four main lessons emerge from our stepped-up 2010 effort in the Africa Region:

1. Consensus-building, rather than confrontation, is effective in bringing corruption into the open, and to conduct an effective process of increased transparency and reduction of corruption. We saw this in the work of the Uganda Law Society, NAFODU and Transparency International in Uganda, who addressed corruption in legal processes, in the police force, and in rural communities respectively.
2. Fighting corruption requires a concerted effort of all stakeholders involved, as became clear in the PAGE/ARE and PAWLA projects in Ghana. In the latter, tracking the collection and distribution of internally generated funds in the Sissale district Assembly is leading to increased transparency and decreased leakages
3. It is indispensable to have the commitment and collaboration of the public agency that is the target of the project's action. The exemplary work of ASYOUSSED in Cameroon, in which they collaborated with the Mayor and Council of the Buea Region, after initial stiff resistance, is a good example.
4. The explicit endorsement of anti-corruption actions by high-level officials helps to ensure the collaboration of lower-level officials. This was clearly demonstrated in the DARC Nigeria project, where the new procurement act was endorsed by the Governor of Cross River State, and the IGI/FITCAM projects at the Universities of Buea and Siantou in Cameroon, where the Minister of Higher Education made an impassioned plea for corruption-free universities in his country in a heavily publicized public event.

2010 PTF Funded Africa Projects:

Country	CSO	Grant Amount	Focus
Cameroon	IGI-FITCAM	\$34,000	Education - University level
Cameroon	ASYOUSSED	\$14,981	Local Government & Youth
Cameroon	ALDED	\$30,163	Education - Infrastructure
Ghana	PAWLA	\$28,287	Transparency
Ghana	ARE	\$34,500	Education - Service Delivery
Nigeria	DARC	\$33,925	Public Procurement Monitoring
Uganda	UENO	\$25,000	Education - Service Delivery
Uganda	ULS	\$35,000	Rule of Law

Eastern Europe

2010 saw the maturing of PTF's robust Central & Eastern Europe/Former Soviet Union (CEE/FSU) portfolio. PTF funded 8 projects in countries spanning the Balkans to the Baltic Sea for a total commitment of \$231,656.

The relatively sophisticated technical issues which face the region coupled with its complex institutional environment pose special challenges for effective third party monitoring. It places a premium on the development of professional skills and deep sector expertise on the part of CSOs. PTFs program in the region reflects this reality. For example Romanian Academy of Sciences (SAR), which is monitoring the



With funding from PTF, TI-Latvia is monitoring the construction of the National Library of Latvia (NLL).

Romanian Energy regulator, has significantly upgraded its access to "state of the art" global regulatory expertise as part of the PTF supported project. The Azerbaijan Center for Economic and Social Development (CESD) has developed a similar deep expertise in uncovering the misuse of state oil revenues.

There are promising signs that the professional caliber and strength of many of PTF's regional counterpart CSOs is enhancing the sustainability of PTFs interventions after the projects have been completed. DELNA, SAR, TI-Estonia, TI-Lithuania and CESD are good examples.

The CEE/FSU region is clearly making significant technical demands on PTF. However it is a challenge that PTF, given the strength of its volunteer adviser network, is able to meet. For example PTF has provided expert procurement assistance to DELNA, which is monitoring the construction of the National Library of Latvia (NLL), allowing the CSO to make the process more transparent.

The CEE/FSU program is increasingly supporting anti-corruption interventions which are promoting systemic change at a national level. For example TI-Lithuania is analyzing the current reporting and whistle blowing framework and practices in Lithuania and the institutional capacity of various institutions involved to address such claims; developing proposals to address the issue of whistle blower protection and encouragement by producing a draft law and design a suitable institutional framework and; seeking to have necessary whistle blower protection documents adopted by the Parliament and relevant institutions. Similarly in Moldova SOARTA's first PTF-funded project focused on improving the high school examination system in one District through the independent monitoring of examinations. Using this as an entry point, SOARTA involved teachers, parents, school administrators, the local government and local education committee, and the community around the theme of improving the

quality of education by reducing corruption. Ethical codes for teachers, pupils, and parents were drafted by Soarta and accepted by all stakeholders. The Ministry of Education agreed that the ethics codes could become an official part of the high school education system in the district. PTF is now supporting SOATA in additional districts with the prospect that the system will eventually become nationwide.

2010 PTF Funded CEE/FSU Projects:

Country	CSO	Grant Amount	Focus
Armenia	P&T	\$32,000	Education - Secondary Schools
Croatia	PSD	\$29,935	Procurement Monitoring
Estonia	TI-Estonia	\$27,930	Government Capacity
Latvia	Delna	\$34,991	Construction Monitoring
Latvia	PROVIDUS	\$30,000	Election Monitoring
Lithuania	TI-Lithuania	\$21,900	Legal Framework
Moldova	Equality	\$27,000	Women's Health Services Monitoring
Romania	SAR	\$27,900	Energy Sector Monitoring

East Asia

PTF activities in East Asia continue to be concentrated in a limited number of countries, namely, Philippines, Mongolia and Indonesia. This country concentration allows us to observe the relative merits of developing a critical mass of civil society organizations in close proximity and build a deeper country knowledge/understanding. In 2010 PTF committed \$182,004 to 6 projects in the region.

In the Philippines PTF continued to work with long-standing partners G-Watch and NAMFREL to try and consolidate and extend achievements from earlier projects in the fields of education and health. This reflects an important aspect of PTF's approach: making repeat grants to ensure that any impact achieved will be sustained. PTF also engaged with two new partners working in provinces away from Metropolitan Manila. By providing a grant to PhilDHRRRA, PTF is seeking to tackle corruption in the provision of agricultural inputs, an area of vital importance to the Philippine economy, while work has started with BBC, a group combining businessmen and the church, to combat corruption in public procurement in three more remote provinces. In November 2010 PTF convened a workshop of all its Philippine grantees to provide a forum to exchange experience; this proved to be most useful and is expected to become an annual event.



PTF assistance allows NAMFREL to monitor the delivery of life saving medication in the Philippines

In Mongolia we learned an important lesson as well from a series of projects prior to the reporting period that built on each other, intended to prevent and curb corruption in the Mongolian judicial



Members of the PTF funded SK – Watch, Philippines

systems. The most outstanding feature of the Mongolia projects was the dogged pursuit of excellent relationships with the public agencies that were the focus of projects. Careful consensus building, rather than confrontation led to positive and sustained results with the Judiciary branch of the Mongolian government.

In 2009, we approved our first grant in Indonesia. This was a learning exercise in a country that ostensibly offered large opportunities for anti-corruption work. This project has since been completed and provided an important lesson, i.e., while the country has a vibrant civil society actively pursuing efforts to address the corruption issue, for developing a meaningful work

program for PTF it is critical to have local presence. Therefore, PTF is currently negotiating with a reputable local CSO to act as its local representative.

2010 PTF Funded East Asia Projects:

Country	CSO	Grant Amount	Focus
Mongolia	GI	\$30,000	Citizen Participation
Mongolia	WSP	\$24,580	Conflict of Interest & Women
Philippines	G-Watch	\$30,475	Procurement
Philippines	NAMFREL	\$33,350	Health Monitoring
Philippines	HRRA	\$30,194	Social Services Monitoring
Philippines	BBCHD	\$33,405	Procurement

South Asia & Latin America



A community meeting in Orissa, India, part of the PTF funded ADHAR project

2010 was a year of transition for PTF operations in South Asia and Latin America. In South Asia 2009 kicked off the *Citizens Against Corruption (CAC)* program in conjunction with the UK's Department for International Development (DfID). That year, PTF funded 17 CSOs in India and Nepal for a total grant amount of nearly half a million dollars. 2010 saw the completion of 10 of these projects with the other seven slated for completion in early 2011. CAC is scheduled to be a multi-year project with CSOs expected to implement additional project phases. 2010 was a year of examining results and designing phase two activities. However, the program is already generating positive results, including:

- The establishment of community groups in rural villages
- Community workers, facilitators and staff of CSOs trained
- Awareness of Right to Information laws (RTI) raised, applications filed and various issues have been resolved in certain cases
- Awareness & advocacy tools developed and used (public hearings, campaigns, street plays, videos, posters)
- A constructive engagement forum was established which generated community results
- The Responsiveness of service delivery providers increased

Similarly, PTF's operations in Latin America were in between cycles with 2010 marking the completion of the three-year FONTRA program's 30 projects. PTF was represented at the program's closing workshop in December. The general conclusion of the program was that the projects were implemented as planned, but as in much of good governance work, the long term impacts will be difficult to quantify. Another outcome was the Argentine CSOs developing a joint strategy for addressing the major issue of the lack of accountability for corruption. There were no new PTF-funded projects in Latin America for 2010.

2010 PTF Funded South Asia Projects:

Country	CSO	Grant Amount	Focus
India	TI-India	\$34,000	Procurement Monitoring
Nepal	FA	\$29,625	Natural Resources & Local Government
Nepal	SA	\$18,350	Citizen Participation and Advocacy

2010 Financial Highlights

Support and Revenue	FY2010	FY2009	FY2008
Grant Income			
UK GTF	\$609,353	\$619,817	-
World Bank	\$480,752	\$550,000	\$380,000
Global Integrity	\$16,376	-	-
FONTRA Program	-	\$162,457	\$97,932
Other	-	\$30,000	-
Total Income in Cash	\$1,106,481	\$1,362,274	\$477,932
Expenses			
Grants ¹	\$866,377	\$930,136	\$716,291
Salaries & other Professional Fees	\$48,862	\$65,745	\$30,306
Capacity Building/Technical Assistance	\$119,209	\$39,600	-
Regional Partners	-	\$106,500	\$106,454
General & Admin	\$43,415	\$21,919	\$16,341
Total Expenses	\$1,112,028	\$1,163,900	\$869,392
Net Assets			
Beginning of year	\$2,637,788	\$3,624,066	\$423,317
End of Year	\$1,979,614	\$2,637,788	\$3,624,066

¹ Includes PTF grants to CSOs as well as partner agencies.

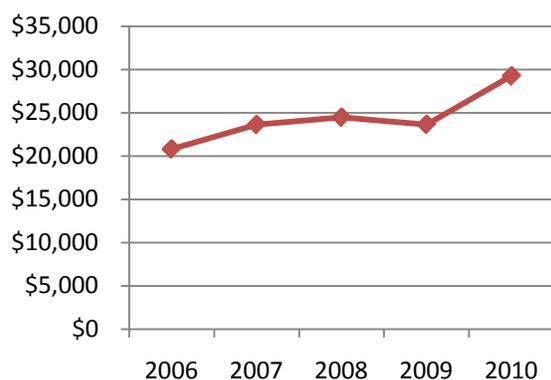
2010 At A Glance

2010 saw PTF's total cumulative commitments eclipse the three million dollar mark, a continuing trend of yearly project disbursements of over \$400,000 and a jump in average grant size; reflective of the organizations strategic commitment to larger scale projects.

Annual Progression in Commitments

Year	2006	2007	2008	2009	2010
Number of new grants made	9	8	26	36	25
Average grant size (USD)	\$20,805	\$23,631	\$24,473	\$23,646	\$29,260
Committed ²	\$187,247	\$189,044	\$636,291	\$851,263	\$731,491
Disbursed	\$103,000	\$121,110	\$416,942	\$417,256	\$408,812
Total Cumulative Commitments Since 2000	\$976,856	\$1,165,900	\$1,802,191	\$2,656,454	\$3,387,945
Total Cumulative Disbursements Since 2000	\$968,896	\$1,090,006	\$1,506,948	\$1,924,204	\$2,333,016

Average PTF Grant Size (USD)

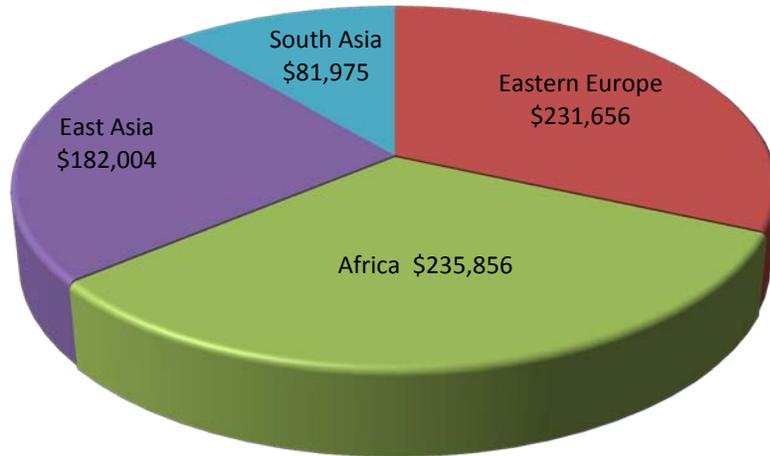


In 2010 PTF funded 25 civil society organizations (CSOs) across 15 countries. PTF's efforts to bolster the pipeline of projects for Africa bore fruit as the portfolio increased three-fold from the previous year with 8 projects initiated for a total of \$235,856. The Eastern Europe portfolio also continued to grow. Grants were given to 8 CSOs working at the grassroots level from the Balkans to the Baltic Sea for a total of \$231, 656. East Asia saw sustained growth of two country specific programs in Mongolia and the Philippines; 6 anti-corruption projects were funded by PTF for a total of \$182, 004. 2010 was a year of transition for PTF's involvement in South Asia and Latin America. After the initiation of 18 projects in South Asia in 2009, many had completed or were nearing completion by the end of 2010 leading to a period

of proposal development for second phase funding in 2011. In Latin America, the end of the FONTRA program saw a similar development with CSOs planning their next steps.

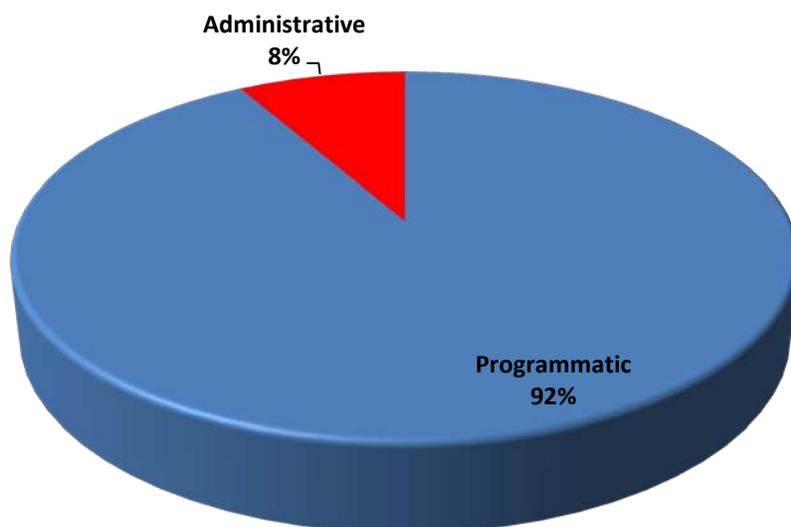
² CSO project funding only.

2010 Commitments By Region



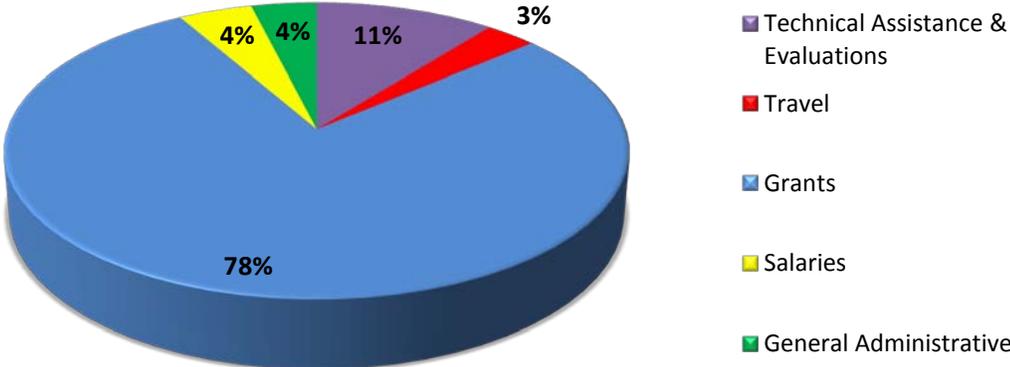
The business model of PTF allows our organization to make highly efficient use of donor funds. Keeping very low levels of administrative overhead has enabled PTF to spend 92% of our budget on projects. In 2010 the commitment of our volunteers was also quantified. Over the course of the year, PTF volunteer advisers contributed over 1600 days of uncharged technical assistance to projects. Taken at modest average consulting rates, this is the equivalent of 1.5 million dollars.

2010 PTF Expenses



The vast majority of PTF Program costs go directly to grant making. Travel, local monitoring, evaluation and other technical assistance costs round out PTF's program expenses. The advantage of relying on committed volunteers for project implementation and advising helps keep administrative costs low. PTF salaries comprise only 4% of total expenses.

2010 PTF Expenses



The Path Forward

In October 2010, the PTF Board of Directors approved a new strategic plan. It seeks to build upon the solid base that has been developed in recent years and to scale-up many of PTF's activities in coming years.

Growth and Focus

PTF will seek funding to make grants totaling \$2 million by 2013. That would allow PTF to support 50 grants a year and program \$650,000 for other programs (partnerships, workshops, dissemination and program support not provided for with the project budgets etc.) and \$100,000 for management and administration overheads. This assumes that most staff and related costs will be covered under program support. For the longer-term PTF will explore the option for order of magnitude growth – i.e. 5 times the current \$1,000,000 in grants awarded to CSOs and program support.



Systems and Knowledge Sharing

PTF will put in place improved management systems that ensure efficient and effective operations while preserving the volunteer spirit and informality that has defined the unique strength and character of the organization. In particular, the PTF will enhance operating systems for:

1. Program management—up-to-date information on project activities, deadlines and deliverables
2. Financial management—tracking and reporting on revenues, commitments, disbursements and generating the necessary information for the balance sheet, profit and loss statements, audits and financial reporting
3. Records management—maintaining up-to-date records of all important documents and correspondence
4. Fund-raising—developing and maintaining information on potential donor strategic priorities, support for anti-corruption work and contacts
5. Lessons of experience—developing and maintaining an information system that captures the lessons of experience from PTF-funded work, distills these lessons and enables others to search for information.