



Annual Report 2011



PARTNERSHIP FOR
TRANSPARENCY FUND

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Message from the President



Daniel Ritchie
PTF President

2011 was a year of unprecedented citizen action around the globe. The “Arab Spring” saw a wellspring of citizens rising up to demand accountability from their leaders. Civil society emerged as a major catalyst for change with activists in India leading multi-million person movements to press for a national ombudsman bill, Uganda citizens organizing to press for greater openness of the political process and countless other examples from across the developing world.

At the Partnership for Transparency Fund (PTF), we support civil society organizations (CSOs) with the technical skills, expertise, and funding they need to implement projects with tangible results. CSO’s actions lead to greater transparency in policy making and implementation, improve the delivery of vital public services, and ensure that government is accountable to its citizens. From monitoring the state oil fund in Azerbaijan to ensuring rural villagers in India obtain their guaranteed food rations, PTF partners work constructively with the public sector to combat corrupt practices and ensure citizen voices are heard in government.

2011 was a banner year for PTF, the most successful in our twelve year history. Some of our notable achievements included:

- Making 50 new grants in 19 countries across Africa, Asia, Eastern Europe and Latin America for more than \$1.5 million, almost twice the level of our previous record year (2009)
- Supporting more than 50 on-going projects
- Launching the Citizen Action for Results, Transparency and Accountability (CARTA) Program in Bangladesh and Nepal, introducing independent third party monitoring of World Bank-financed development projects for the first time
- Carrying out our most ambitious workshop in Jaipur, India which brought together 60 representatives from 38 CSOs in eight countries in Asia to share experiences and knowledge

- Publishing our first major report—Stimulating Citizen Demand for Good Governance: Eight Strategic Recommendations for Intensifying the Role of the World Bank
- Strengthening our professional foundation with new full-time staff and systems for financial, program and record management
- Enhancing our website and visually mapping our past projects
- Receiving a highly favorable independent evaluation from the UK Department for International Development

Beyond the specific results, PTF continued to demonstrate the power of citizen action in promoting transparency and fighting corruption. Particularly noteworthy has been the Citizens against Corruption Program in India, funded by DfID. With the support of the PTF, 14 civil society organizations in Karnataka and Orissa have reached more than 85,000 households in 1000 villages to

make citizens, particularly the poorest, aware of the anti-poverty programs for which they were eligible but had been denied access. As a result, more than 20,000 citizens have received the food ration cards and work permits to which they were entitled.

The challenges remain daunting, particularly finding ways to scale up the successful grass roots efforts on a broader scale and using the results from the community level to promote change in the systems and

behaviors that foster corruption. But we believe the case for citizen-led reform is being made, over and over and day after day.

The PTF model is unique, using the experience and energy of 50 Project Advisers and Management team members to help CSOs combat corruption and ensure poor citizens can lead productive, secure lives. We are grateful to our CSO partners, our volunteers, staff, Board Directors and Members for their tireless enthusiasm to promote transparency and curb corruption.

Sincerely,

Daniel Ritchie
PTF President

“Corruption is a major cause of poverty as well as a barrier to overcoming it.”

– Peter Eigen
PTF co-founder and board member

Who We Are:

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.

We are an organization of senior, highly experienced specialists from various development institutions, NGOs and government agencies. Our Board of Directors is comprised of individuals with extensive experience in running CSOs, managing development aid and improving governance. Our board is composed of experts from Bangladesh, Germany, Kenya, Netherlands, US, UK and Uruguay. Our group of project advisers is even more geographically and experientially diverse. Apart from our three program staff, we are all volunteers.



Village level Community Based Organization meeting at Tangilipadar in Orissa, India



PTF Asia Regional Peer Learning and Knowledge Sharing Workshop in Jaipur, India

Our Partners:

Civil society has an important role to play in the development of transparency, 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 CSOs to design and implement impactful projects effectively.

PTF views CSOs as important innovators, agenda setters, mobilizers, and monitors in achieving this vision. 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.



Monitoring construction of the National Library of Latvia



Transparency board in India



Monitoring bridge construction in Cameroon

What We Do:

Corruption is most visible at the highest level: when government leaders break laws, favors are exchanged for political advancement, or bribes are paid to ensure procurement of massive contracts. But corruption is also local, permeating every aspect of daily life and disproportionately affecting the world's billion poorest people.

Corruption kills. Buildings erected with inferior products and practices collapse, life-saving drugs are not available because they have been sold or diverted for private use, police prey on citizens rather than protect them, and the list goes on.

In its first decade, PTF has funded over 200 projects aimed at stamping out corruption at the grassroots level. Past projects have focused on monitoring activities, building media and information campaigns, strengthening government institutions, pushing for new legal frameworks, and using anti-corruption and freedom of information laws. PTF works across sectors, drawing on the diverse experiences of our volunteer members and advisers to implement projects that fight corruption and increase service delivery for those who need it most.

Building community involvement and local ownership of projects coupled with constructive engagement with government authorities has proven time and again to bring about improvements in the lives of citizens.



Anti-Corruption billboard at the University of Buea in Cameroon

Education

The second Millennium Development Goal aims to achieve universal primary education by 2015. The reason for this is simple: school ideally offers children a safe environment where they learn life skills that can help them avoid diseases such as HIV, fight intolerance, and build the foundation for a prosperous life. Research shows that women with some formal education are more likely to seek medical care during pregnancy, ensure their children are immunized, be better informed about their children's nutritional requirements, and adopt improved sanitation practices. As a result, their infants and children have higher survival rates and tend to be healthier and better nourished.



Denying children access to quality education increases their vulnerability to abuse, exploitation and disease. Corrupt practices exacerbate these problems. Building contractors seeking to increase profits cut cement with flour, producing unstable classrooms prone to collapse. Teacher absenteeism cheats students out of a basic education. Unobserved payrolls are ripe for embezzlement, allocating funds to “ghost teachers” and unmonitored service delivery produces leakages of textbooks and other basic school supplies.

In 2011 PTF projects focused on monitoring the delivery of school materials and services. Projects in Cameroon, Honduras, Moldova, The Philippines, and Armenia focused on primary and secondary schools, emphasizing the value of integrity for the next generation of leaders.

Case Study—Philippines

G-Watch is an NGO founded by Ateneo University in Manila. In 2003 PTF decided to support G-Watch in carrying out a project called Textbook Count. This tackled three related problems: textbooks were costing too much, were often badly printed and nearly 40% failed to reach the schools.

Dondon Parafino, a dynamic young G-Watch activist who had made a name for himself in the Philippine scouting movement and his colleagues decided to mobilize young people to overcome these failures. They trained volunteers to monitor procurement to ensure printing contracts were truly competitive. Other volunteers were taught to make surprise visits to printing plants to check on the quality of the printing: flipping through each book, page by page, they rejected those with missing or badly printed pages. Finally, Coca Cola Philippines and the national Boy Scout and Girls Guide Movements were engaged to ensure that the books reached the schools. Coca Cola agreed to deliver the books to even the most remote schools and local scouts and guides checked that the books arrived at their intended destinations.

Several annual rounds were needed to perfect this complex operation. The results were impressive: the cost of printing has come down, quality problems have largely disappeared, and all books are now accounted for. The gains due to the prevention of corruption and ‘leakage’ during the distribution of the books were conservatively estimated at P22 million (\$450,000) in the first year, rising to P151 million or \$3.6 million in the second and subsequent years. All this was achieved with four grants from PTF totaling about \$100,000.

The program has now run several years without PTF support and appears to be well-established. An important contributing factor has been that G-Watch has evolved a productive relationship with the Department of Education, as is evident from a number of instructions since issued by the department to institutionalize citizen monitoring of its programs.

Health

Health care expenditures represent a rapidly expanding portion of public budgets. As donors flood developing nations with funds to treat diseases such as HIV, Malaria and Tuberculosis, the opportunity to abuse the system rises. Doctors at public health clinics may steal drugs for use in their private practice. Local politicians can reallocate services and medicines to family members or divert funds to curry political favor to increase their influence. It is common for doctors to refuse to provide medical treatment or to deliver newborns without a bribe. Without transparency and accountability in the distribution of medicines and the provision of health care, the difference between life and death is often in the hands of corrupt bureaucrats.

Corruption in the health care sector manifests itself in many ways:

- **Improper approval by national regulators.** Pharmaceutical products may be approved by national regulators because of external incentives (such as bribery or lucrative job offers by pharmaceutical companies), rather than approval based on drug effectiveness.
- **Improper procurement practices,** such as the lack of a competitive bidding or supplier kickbacks that influence the selection process, lead to higher costs and sub-standards drugs purchased by local health authorities.
- **Improper distribution and misappropriation** of drugs and medical supplies. This includes outright theft from hospital storage facilities, the pocketing of payments by doctors, or providing drugs to “ghost” or nonexistent patients.
- **Improper practices at the point of health service delivery,** such as under-the-table payments when medical services should be free-of-charge, or the influence of drug companies on the treatment decisions of local doctors.

PTF projects in Orissa, India have seen civil society organizations (CSOs) collaborate with the country’s National Rural Health Mission project to combat corruption and reduce costs of public health services. In Uganda volunteer action committees were trained to ensure proper procedures at community health clinics. And in Nepal, collaboration with the District Health Offices in remote regions ensured better access to medical treatment and lifesaving drugs.



Case Study—Jananeethi in Kerala, India:

Jananeethi, a local CSO, was concerned that pharmaceutical companies influenced local doctors to prescribe experimental drugs without patient knowledge. Jananeethi sought to interject transparency and accountability into the clinical drug trials in their state, and to safeguard the rights of citizens. The organization worked with Kerala’s medical colleges to locate victims of corrupt drug trials, gather evidence to lobby for compliance among medical practitioners of international best clinical practices, and provide psychological and legal services for those victims who could be located.

Legal Reform

The right to take part in the government of one's country is enshrined in the Universal Declaration of Human Rights as a right to a social order. When the rule of law is eroded, corruption can become entrenched, strangling political processes and upending everyday life with requests for bribes, deficient public services, and barriers to earn a living. Legal reform is a first step to realizing independence from corruption. Without effective laws in place, combating corruption can be difficult because the penalties for crimes are trivial or nonexistent.

PTF projects have contributed to efforts to develop and strengthen legal frameworks and institutions, including anti-corruption courts to prevent and sanction corruption. In Mongolia, PTF-funded projects have provided training for federal judges. In Uganda, the Uganda Law Society monitored and provided feedback to the newly-formed national anti-corruption court. Additionally, PTF partner CSOs have worked to foster accountability, transparency and public participation in their communities and regions, often times creating or using ethics codes to enforce strict standards for conduct and service delivery in the public sector. Work at the national level has taken place in Lithuania, Kazakhstan and Latvia with projects monitoring government legal working groups and working with national leaders to forge new anti-corruption legislation.

Case—Mongolia – Women for Social Progress (WSP)

For years Mongolia's anti-corruption laws were lacking conflict of interest provisions. The Mongolian CSO Women for Social Progress (WSP) saw an opportunity to strengthen this aspect of the legal framework when a Member of Parliament introduced a new draft law to address conflict of interests. WSP built a coalition to increase awareness about this draft, incorporating recommendations from international organizations, domestic NGOs, Members of Parliament, the President's Secretariat, and the Independent Authority against Corruption.

By the project's midterm progress report there were already signs of increased citizen demand for improved legal procedures and citizen input for drafting the conflict of interest law swelled. Through constructive citizen, CSO, and Government engagement and interaction in the review of current laws coordinated by WSP coupled with the organization's awareness raising and advocacy efforts a new draft on conflict of interest laws was developed.

Procurement

Essential public services in many developing countries are corrupted by public officials before they reach those who need them most. Infrastructure materials meant to build homes and schools are stolen and cheapened with lower quality concrete than required to be structurally sound, making these buildings deadly during natural disasters.

In other cases, public bidding for goods and services can be the source of corruption. Bidders inflate prices on contracts for commodities and services, in some cases kicking back a cut of the profit to the public official who awarded the contract. And companies that are ineligible to participate or even nonexistent end up turning in bids.

From its inception, PTF has supported over 35 procurement projects in a variety of sectors and geographic areas. In the Philippines activities have monitored the construction of roads and the purchase and use of government vehicles. In Latvia, CSOs have monitored the contracting and building of the multi-million dollar national library and in Azerbaijan millions have been saved through monitoring the State Oil Fund. Latin American CSOs in Argentina, Ecuador, Brazil, Columbia, and Paraguay have pushed for open procurement processes at the national, state and municipal levels. In Tanzania PTF supported CSOs worked to bring transparency to the construction of the water and irrigation systems.



Monitoring construction of an irrigation system in the Philippines

Knowledge Sharing

The relationship between state and civil society (citizen actors, journalists, and groups) is going through a rapid transformation around the world. Increasingly, citizens do not only want to know what their government is doing, they also want to participate in the design and implementation of programs and policies that affect them directly. Arming citizens with the proper tools is vital to help them hold their elected officials to account.



Girl with employment guarantee card in India

Sharing knowledge is an integral part of the PTF approach. We strive to share the outcomes and lessons from our 200 projects with CSOs, activists, major development institutions and governments. In 2011 we published more than 25 case studies on our website and launched an official blog. PTF also undertook a major study for the World Bank on how it should engage in Good Governance programs. The result was the publication: *Stimulation the Demand for Good Governance: Eight Strategic Recommendations for Intensifying the Role of the World Bank*. Also in the works is a book titled *Citizens against Corruption* that will detail the history of PTF's actions across the globe over its first 10 years.

Through workshops, PTF convenes CSOs from various regions that are active on similar issues to discuss successful approaches and share lessons learned.

Over the past five years, PTF has sponsored or hosted workshops in Argentina, Bangladesh, Cameroon, Germany, India, Kenya, Nepal, Philippines, Tanzania and Uganda. In December 2011, PTF hosted its largest workshop in Jaipur, India bringing together representatives of 38 CSOs from 8 countries in Asia. Past experiences and future approaches to fighting corruption were discussed taking into account a number of factors from overcoming political economy constraints to effective use of traditional and social media to achieve impact. Workshop outputs are available on our website.

CARTA

PTF's newest project, Citizen Action for Results, Transparency and Accountability (CARTA), aims to build a significant body of knowledge and good practice in the citizen demand for good governance while promoting civil society engagement in local and national development objectives in Bangladesh and Nepal. PTF has joined with local partners, the Manusher Jonno Foundation in Bangladesh and Helvetas Swiss InterCooperation in Nepal to guide a local and bottom-up approach in the monitoring of ongoing World Bank financed projects. The project includes three robust components around providing small grants to local CSOs, on-the-job capacity building and knowledge sharing. CARTA is funded by a \$1.9 million grant from the Japanese Social Development Fund.

World Bank project financing typically includes fund for monitoring, creating an inherent conflict of interest. CARTA's model allows for an independent third party channel that aims to create a more accurate and real time feedback loop to inform development agencies in the field as well as donors. This is the first time the World Bank is piloting this model.

Since CARTA's launch in June 2011, PTF has been establishing project implementation arrangements and developing a strong foundation of "constructive engagement" among government implementing agencies, the World Bank and local partners in Bangladesh and Nepal. As a result, in Bangladesh six World Bank financed projects have been identified as appropriate for third party monitoring. Of those, two have advanced through the CSO selection phase and toward project implementation. In Nepal, nine projects have been identified as good candidates for the CARTA Program. Of those, three have begun to advance. These projects are listed in the below chart. Through close collaboration with PTF's local partners, the CARTA team anticipates that on the ground project monitoring by local CSOs will begin by August 2012.

World Bank Financed Projects Currently Under CARTA	Implementing Country
Local Government Support Project II (LGSP)	Bangladesh
Rural Electrical Renewable Energy Project (RREP)	Bangladesh
Rural Access Improvement and Decentralization Project (RAIDP)	Nepal
Poverty Alleviation Fund II (PAFII)	Nepal
Enhanced Vocational Education and Training (EVENT) Project	Nepal

New Projects

Africa

Cameroon - AGDGG	\$21,300
Cameroon - Asyoused	\$35,000
Cameroon - IGI FITCAM	\$30,000
Ghana - SAVE Ghana	\$26,500
Kenya - Clarion	\$35,000
Kenya - IGI Kenya	\$26,300
Kenya - NCKK	\$26,000
Kenya - Pact Kenya	\$23,400
Kenya - TI Kenya	\$25,600
Kenya - YAA	\$32,000
Uganda - ACCU	\$35,000
Uganda - INFOC	\$30,000
TOTAL	\$346,100



East Asia

Philippines - CCAGG	\$35,500
Philippines - G-Watch	\$34,045
Philippines - NLGCC	\$39,500
Philippines - PCSDI 2 Bantay Red Plate	\$39,500
Philippines - SK-Watch	\$29,799
TOTAL	\$178,344

South Asia

India - Adhar Phase 2	\$34,999
India - Ayauskam Phase 2	\$35,000
India - Jananeethi Phase 2	\$35,000
India - NJMO Prerana 2	\$34,867
India - Paraspara Phase 2	\$35,000
India - Prem Phase 2	\$35,000
India - RLEK Phase 2	\$35,000
India - SVYM Phase 2	\$35,000
India - YSD Phase 3	\$35,000
India - Suraksha Phase 2	\$35,000
India - CFAR Phase 2	\$35,000
India - Sambahn Phase 2	\$35,000
India - VICALP Phase 2	\$34,986
Nepal - Forest Action	\$34,996
Nepal - Samuhik Abhiyan Phase 2	\$29,108
TOTAL	\$518,956

New Projects (Continued)

Eastern Europe

Albania - CPII	\$35,000
Azerbaijan - CESD	\$34,996
Azerbaijan - IAPA	\$29,788
Kazakhstan - PFDSC	\$26,400
Moldova - Soarta	\$38,500
Moldova - TI-Moldova	\$30,000
Montenegro - CDT	\$27,490
Romania - EFOR	\$29,200
Serbia - Juzne Vesti	\$30,900
Serbia - Toplica	\$32,400
Serbia - YUCOM	\$38,419
TOTAL	\$353,093

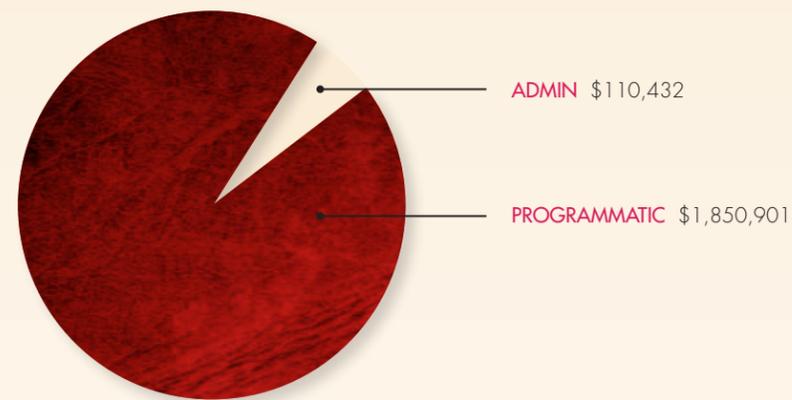
Latin America

Argentina - CIPPEC	\$40,000
Bolivia - Construir	\$25,000
Ecuador - Grupo FARO	\$35,000
Honduras - ASJ	\$35,000
TOTAL	\$135,000
GRAND TOTAL	\$1,531,493



2011 at a Glance

PTF Expenses	Cost
PROGRAMMATIC (grants, TA, workshops, knowledge sharing)	\$1,850,901
ADMIN (management & general expenses)	\$110,432
TOTAL	\$1,961,333



Expenses:	2008	2009	2010	2011
Grants	\$716,291	\$930,136	\$777,957	\$1,531,493
Salaries & Professional Fees	\$30,306	\$65,745	\$48,862	\$116,585
Capacity Building & Technical Assistance	-	\$39,600	\$119,209	\$64,013
Regional Partners	\$106,454	\$106,500	\$88,420	\$168,815
General & Admin	\$16,341	\$21,919	\$43,415	\$80,427
Total Expenses	\$869,392	\$1,163,900	\$1,112,028	\$1,961,333

2011 Contributions to PTF

UK Department for International Development	\$1,055,994
World Bank	\$400,000
Japanese Social Development Fund	\$108,500
Overlook International Foundation	\$150,000



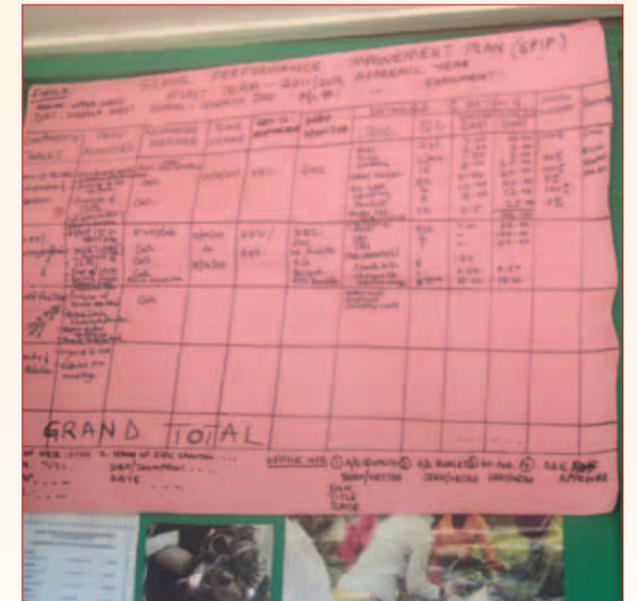
Monitoring Education Service Delivery in Ghana



Ghana Justice is Not for Sale



Primary school teachers trained to write Right to Information (RTI) applications in India



Ghana School Performance Improvement Plan (SPIP)

Officers and Staff

President
Daniel Ritchie

Secretary
Roger Sullivan

Treasurer
Ron Points

Chief Technical Adviser
Vinay Bhargava

Chief Operating Officer
Kathleen White

Program Officer
Colby Pacheco

CARTA Program Coordinator
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