

**INTER-AMERICAN DEVELOPMENT BANK
TECHNICAL COOPERATION PROGRAM
SUPPORT FOR THE OPERATION OF THE ANTICORRUPTION ACTIVITIES FUND III**

**TC BRIEF
RG-T1868**

I. GENERAL INFORMATION

- | | |
|---------------------------------|---|
| 1. Title of the TC Project | Support for the Operation of the Anticorruption Activities Fund III |
| 2. Name of the Trust Fund: | Anticorruption Activities Trust Fund (AAF) |
| 3. Beneficiary Country: | Regional |
| 4. Beneficiary Agency | Inter-American Development Bank |
| 5. Estimated Project Cost: | US\$ 149,984 |
| • Financed by Trust Fund: | US\$ 149,984 |
| 6. Execution and Disbursements: | Execution: 24 months

Disbursements: 30 months |

II. BACKGROUND AND JUSTIFICATION

- 2.1 In recognition that corruption is a serious threat to economic growth and social equity and undermines efforts to promote good governance and enhance service delivery, the Inter-American Development Bank signed, on March 19, 2007, an agreement with the government of Norway for the establishment of the first Anticorruption Activities Fund (AAF) under the Bank's Program for Development of Technical Cooperation among Member Countries of the IDB.
- 2.2 The objective of the Fund is to strengthen the IDB member countries' institutional capacity in order to improve overall governance as a means to prevent and reduce corruption. To achieve this purpose the Fund will strategically focus on operations seeking more transparent societies by strengthening access to information in the IDB's member countries.
- 2.3 Projects or initiatives financed by the AAF are expected to: (i) foster the development and implementation of innovative practices to promote access to information as a tool for controlling and preventing corruption; (ii) build up the capacity of public institutions, civil society organizations, and the private sector to use access to information for promoting integrity and curbing corruption; and (iii) strengthen strategies for prevention and control of corruption in Bank operations.

- 2.4 The Institutional Capacity of the State Division (ICF/ICS) has technical responsibility over the Fund activities. The scope of ICF/ICS technical responsibility implies: (i) providing technical inputs to enhance quality of Fund supported interventions within the context of the Fund's strategic objective; (ii) providing technical advice over Fund's strategic objectives and scope of intervention; (iii) generating knowledge from Fund supported interventions and (iv) identifying and consolidating best practices and lessons learned. The Grants and Co-financing Management Division (VPC/GCM) has fiduciary and administrative responsibilities over the Fund's activities.
- 2.5 The first Amendment to the Donor Agreement for the Establishment of the AAF, agreed between the Government of Norway and the Bank on February 4, 2010, included:
- a. A new section 6 was added to Article 2, which reads as follows: "In accordance with the applicable IDB policies, the resources of the Fund may also support technical cooperation operations executed by the IDB staff members, by financing their costs of delivering Fund-financed technical cooperation operation (including salaries, benefits, travels and overhead costs). For the avoidance of doubt, the resources of the Fund may not supplement the budget of an IDB department or division for routine or customary activities".
 - b. A new section 7 was added to Article 2, which reads as follows: "To support activities of the Fund, the resources of the Fund may also be used to finance a trust fund appointee(s) and the benefits that the IDB recognizes for such appointments".
- 2.6 The program will support the continued functioning of the AAF and its operation, including (i) the provision of Technical Guidance for the Operation of the AAF; (ii) the provision of technical inputs in the preparation and execution of AAF-financed Projects; (iii) the contribution to Regional Cooperation; and (iv) the contribution to Knowledge Generation on the strategic priorities of the AAF.

III. OBJECTIVES

- 3.1 The overall objective of the program is to more effectively help the Inter-American Development Bank (IDB) and its member countries in their ongoing efforts to combine access to public information and transparency with enhanced governance and the prevention of corruption.
- 3.2 Specifically, the program seeks to provide strategic guidance and orientation to the operation of the AAF, in order to achieve its purpose of strategically focusing on operations seeking more transparent societies, through a Trust Fund Appointee (TFA) position.

IV. PROGRAM DESCRIPTION

- 4.1 The Technical Cooperation (TC) will finance five pillars of activities: (i) Technical Guidance for the Operation of the AAF; (ii) Contribution to Regional Cooperation and (iii) Support Knowledge Generation based on the activities financed by the AAF.
- 4.2 **Pillar I: Technical Guidance for the Operation of the AAF:** Activities under this pillar will seek to develop technical inputs and tools to support project teams and reporting to the donors on the Fund's activities. Specific activities will include:
- a. Reviewing of expressions of interest, receiving and processing technical consultations on AAF activities;
 - b. Producing periodic reports on the activities financed or seeking financing from the Fund; Developing and updating a webpage for the AAF in the Transparency and Anticorruption webpage of the Bank, create brochures and promotional materials on the Fund and its financed activities so as to uplift the topic and disseminating the topic of transparency and anticorruption internally and externally;
 - c. Reviewing and updating the Fund Operational Guidelines and other technical documents related to the Fund;
 - d. Identifying opportunities for additional contributions to the AAF from the international community of donors (in coordination with ORP/ORP);
 - e. Producing the Donor Annual Reports for 2010 and 2011, based on achieved results and impact of the activities financed by the Fund (in coordination with VPC/GCM).
- 4.3 **Pillar II: Technical Support to the Preparation and Execution of AAF-projects:** There is a need to provide continued technical support to the evaluation, execution and consolidation of results of AAF-financed projects. Activities to be financed under this pillar will add value by:
- a. Conducting follow-up and evaluation missions to support mid-term reviews and technical workshops;
 - b. Identifying projects challenges and execution bottlenecks;
 - c. Providing support to consolidate results and lessons learned from projects and events.
- 4.4 **Pillar III: Contribution to Regional Cooperation:** This pillar will support awareness raising and anticorruption mainstreaming internally and at the regional level. Specific activities will include:

- a. Supporting the organization of a Regional Anticorruption Conference focusing on specific sector/s of AAF-intervention;
 - b. Promoting transparency and anticorruption at the Bank's policy level, seeking alignment between AAF-financed activities and Bank-wide initiatives regarding transparency and corruption control and prevention;
 - c. Organizing internal events (BBLs) in order to seek engagement from operational divisions in topics such as transparency and access to information;
 - d. Providing continued support to the implementation of the Fund's outreach and dissemination strategy.
- 4.5 **Pillar IV: Support Knowledge Generation:** Activities under this pillar will be focused on developing knowledge products that build upon the programs and initiatives financed by the Fund and contribute to document its experiences. Specific activities will include:
- a. Producing a report on Lessons Learned from project implementation;
 - b. Developing a working paper to build upon programs and initiatives financed by the Fund;
 - c. Enhancing cooperation with universities and other relevant academic institutions to share knowledge around the activities supported by the AAF. Potential candidates include the Chr. Michelsen Institute (CMI); and the Kennedy School of Government, among others.
- 4.6 Activities to be financed under pillars II, III and IV will be implemented in support of but not in replacement of Bank standard departmental or division routine or customary activities in ways that could be perceived as supplementing the Bank's administrative budget for said activities.

V. REQUIRED CONSULTANCY SERVICES

- 5.1 Selection and contracting consultancy services will be carried out following the provisions of GN-2350-7 ("Policies for the Selection and Contracting of Consultants") of August 2006. The procurement of goods is not anticipated in the Program, but if necessary during Program execution, it will be carried out in accordance with the provisions of GN-2349-7 ("Policies for the Procurement of Works and Goods") of August 2006. For details, please see Annex II.
- 5.2 The main consultancy needed is detailed below:
- a. Type of Appointment: Trust Fund Appointee (for more information see Annex III: Terms of Reference).
 - b. Duration: Total of 24 months starting on the date of approval of this Technical Cooperation, until April 30, 2012.

- c. Place of Work: The consultancy will take place at the Bank's headquarters in Washington DC.
- d. Travel: it is expected that implementation of this Technical Cooperation will involve limited traveling, in relation to the promotion of the Fund's objectives, i.e., enhanced governance, anticorruption, transparency, access to information and evaluation of projects that are financed by the Fund.

VI. BUDGET

Table 1 - Program Budget in US\$

TYPE OF EXPENSE	UNIT	TOTALS
<i>I - Trust Fund Appointee</i>		
Honorarium/Fees		
<input type="checkbox"/> 12 months x US\$ 5,670	5,670	68,040
<input type="checkbox"/> 11 months x US\$ 5,954	5,954	65,494
<input type="checkbox"/> US\$ 250 insurance x 23 months	250	5,750
<i>II. Travel and Per-Diem</i>		
Travel Costs and Per Diem		
<input type="checkbox"/> 4 flight Tickets (US\$1,500 average)	1,500	6,000
<input type="checkbox"/> 20 days x US\$ 150 average	150	3,000
<i>III. Contingencies</i>		
<input type="checkbox"/> Contingencies	1,700	1,700
Total		149,984

VII. ENVIROMENTAL AND SOCIAL IMPACTS

- 7.1 Given the focus of this Program, no social or environmental issues are foreseen. According to the Environment and Safeguards Compliance Guidelines, the operation has been classified as "C".

VIII. RESPONSIBILITY IN THE BANK

- 8.1 Technical Responsibility: Ms. Paloma Baena, ICF/ICS, phone 202-623-2536, email palomab@iadb.org will have technical and disbursement responsibility of the Program.

IX. RECOMMENDATION

- 9.1 Paloma Baena, designated Team Leader, recommends the approval of the Program and the use of US\$149,984 of the AAF to finance its activities.

X. CERTIFICATION

- 10.1 I hereby certify that this operation was approved for financing under the Anticorruption Activities Trust Fund (AAF) through a communication dated on May 18, 2010 and signed by María Bouroncle (VPC/GCM). Also, I certify that resources from the Anticorruption Activities Trust Fund (AAF) are available for up to US\$149,984 in order to finance the activities described and budgeted in this document. This certification reserves resources for the referenced project for a period of twelve (12) calendar months counted from the date of signature below. If the project is not approved by the IDB within that period, the reserve of resources will be cancelled, except in the case a new certification is granted. The commitment and disbursement of these resources shall be made only by the Bank in US Dollars. The same currency shall be used to stipulate the remuneration and payments to consultants, except in the case of local consultants working in their own borrowing member country who shall have their remuneration defined and paid in the currency of such country. No resources of the Fund shall be made available to cover amounts greater than the amount certified herein above for the implementation of this TC Brief. Amounts greater than the certified amount may arise from commitments on contracts denominated in a currency other than the Fund currency, resulting in currency exchange rate differences, for which the Fund is not at risk.

(Original Signed)

05/19/2010

Marguerite S. Berger
Chief
Grants and Cofinancing Management Unit
VPC/GCM

Date

XI. APPROVAL

(Original Signed)

05/20/2010

Xavier Comas,
Division Chief
Institutional Capacity of the State Division

Date