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QUARTERLY PROGRESS REPORT

Activity

Action Against Corruption and Impunity

Period: October 1 through December 31, 2017

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Collaboration Agreement: AID 522-A-17-00001

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I. Executive Summary

On June 15, 2017, the National Anticorruption Council (CNA in Spanish) and the United States Agency for International Development (USAID) signed the five-year Cooperative Agreement AID-522-A-17-00001 for the purpose of implementing the Activity entitled “Action Against Corruption and Impunity” for the total amount of US\$4.5 million. This Activity is framed in Development Objective #3 of the USAID/Honduras Strategic Framework, stated as “More Transparent Public Administration with Accountability at National Level”.

The objective of the Action Against Corruption and Impunity Activity is to “Contribute to national efforts to improve transparency and reduce impunity in Honduras by strengthening the internal capacity (technical as well as organizational) of the National Anticorruption Council (CNA) as well as the ability to work jointly with relevant government institutions for the prevention, detection, investigation and prosecution of cases of corruption”. This objective will be driven through three results: 1) Improve the organizational effectiveness of the Council in matters of the struggle against corruption and the promotion of mechanisms of prevention; 2) Enhance CNA’s technical competence resulting in improved investigation services and advanced social audit processes; and, 3) Improve CNA’s external commitment by consolidating relationships with the government and promoting citizen responsibility with regards to corruption.

Implementation of the Activity during the second quarter (October – December 2017) adhered to actions included in the work plan for the period with an emphasis on following up the monitoring processes, reporting a high impact case of corruption, holding the event

for signing of the Moral Act with the presidential candidates, the presentation of the 2017 Annual Report of the Actions of the CNA to the public during an accountability event, the continuation of the processes for contracting personnel and the revisions or adjustments made to official documents of the Activity. The socio-political context of the post electoral period led to taking actions such as reprogramming follow up visits to public entities or the search of information to document cases under investigation, in order to avoid exposing CAN staff to unsafe situations. Thus, the decision was made to postpone an event regarding accountability programmed for the first week of December 2017.

This report presents advances made in our actions during the second quarter of the Activity. Further, the report describes the challenges encountered, uncompleted actions and those which were programmed for the following quarter.

II. Contextual Analysis

The socio-political panorama in Honduras in the framework of the general elections, with nine presidential candidates including the re-election of the President for the first time, generated reactions from the opposition from different parts of the country.

In view of this situation, Hondurans exercised their right to vote on Sunday, November 26 in a peaceful environment and awaited the results at all levels. However, the delay by the Supreme Elections Tribunal (TSE in Spanish) to demonstrate the initial voting trends as well as other irregular situations such as: completing and sending the acts, moving the ballot boxes, computer system failures and delays in the dissemination of data, among others, generated distrust in a large sector of the population. Added to this, without access to official TSE data, two presidential candidates declared themselves winners on election

night.

This situation resulted in accusations of election fraud which in turn generated massive protests, shop lootings, highway closings and a state of emergency declared by the government who suspended constitutional guarantees for the following 10 days at national level.

The Elections Tribunal (TSE) addressed the objections submitted by candidates from different political parties who participated in the election process and complied with the recommendations provided by international organisms such as the Organization of American States and the Mission for the Observation of Elections from the European Union, to provide transparency to the electoral process. This process took some time and it wasn't until December 16 that the TSE provided a statement of the election results with the National party candidate declared as the winner.

Subsequently the country continued to experience road blocks, protests (some included acts of vandalism in the country's main cities) and manifestations directed by the party of the Alliance in Opposition against the Dictatorship who refuses to recognize the election results stated by the TSE. In view of this situation, through the US Embassy Chargé d'Affaires, Ms Heide Fulton, the government of the United States called for Hondurans to stop participating in acts of violence and urged the political parties and their leaders to emphasize to their followers the need to resolve their differences peacefully.

In the middle of the post electoral crisis experienced in Honduras on November 26, 2017, the re-elected President, Juan Orlando Hernández, proposed a national dialogue with the participation of all sectors, in particular the opposition who rejected the results of the elections process. In the meantime, the President is holding meetings with representatives

from diverse civil society sectors, private enterprise, and minority political parties, in order to discuss suggestions and find a rapid solution to the crisis faced by the country.

Added to the above, problems of corruption continue to come into the fore in the country.

As the 2017 administration period came to a close, the National Anticorruption Council (CNA in Spanish) referred to the identification of around 200 million Lempiras squandered by different government entities.

III. Report on Activities by Results

The following is a report on progress made to achieve each of the three results included in the Activity of Action against Corruption and Impunity.

Result (R) 1: Improved Organizational Effectiveness

In order to achieve greater organizational effectiveness, activities during the quarter included in this Result were aimed at continuity in the formation of the technical team financed for the Activity, strengthening capacities for the management of accounting systems, improving institutional planning processes, updating handbooks and procedures for better internal control of institutional management aiming towards a model of continuous development for the CNA. Actions carried out to achieve this result are described as follows:

Sub result 1.1: Improved internal security and systems controls (including those related to personnel, data, finance and infrastructure).

❖ Recruitment of personnel

By December 31, 18 of the 23 persons considered for contracting as of Year 1 of the Activity had been contracted. However, for reasons of *force majeure* two of them are no longer part of the team. As such, for the next quarter two additional persons will be contracted to substitute those who left.

Included in considerations related to personnel are the following:

- During October 2017 the accounting assistant submitted his resignation and a new selection process was initiated which resulted in contracting Yuri Ramirez as the replacement. She began working on November 7.
- As of November 1, the vacancy of Driver IV was filled by Mr. Elio Yuviny García.
- In December the contract was terminated with the communications specialist who had completed the probation period.
- With regards to key Activity personnel, the vacancy of financial coordinator was offered to an economist who participated in the recruitment process including an interview, verification of references and USAID vetting. However, when the decision was made to hire her, the candidate was no longer available to immediately fill the vacancy.

Other personnel related considerations:

- It is reported that by close of fiscal year (December 31, 2017) and in compliance with the agreement of the CNA General Assembly, payment of the labor liabilities was made to all CNA permanent personnel including USAID funded personnel. As such, payment

was also made for life and health insurance coverage corresponding to the October-December quarter for all personnel funded by USAID.

- The level of effort of the personnel with actions related to the Activity is reflected below:

Chart No.1. Full time staff with USAID resources:

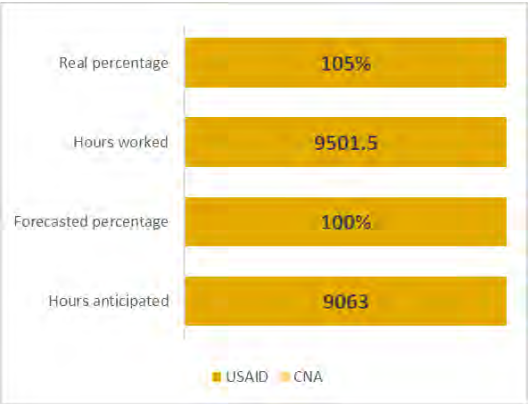


Chart No. 1 records the time dedicated by USAID funded personnel (18 persons) with the Activity. During the quarter it was anticipated that 9,063 hours would be invested in the Activity. However, a total of 9,501.5 hours

Chart No. 2. Personnel with shared time. This refers to personnel with a level of effort distributed in percentages for institution work as well as operational actions related to the USAID Activity.

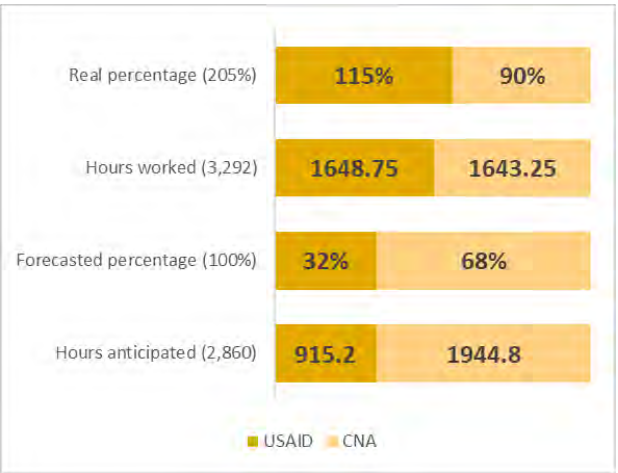


Chart No. 2 demonstrates that for personnel with shared time (5 persons), it was anticipated they would dedicate an average of 32% of their time to the Activity. However, the true investment in time increased to 115%, as related to the estimated average. The chart

Chart No.3. Full time personnel funded with CNA resources:

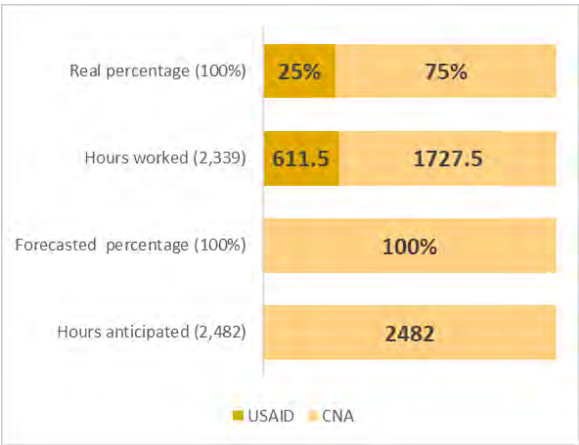


Chart No. 3 shows that of the personnel paid by CNA, 5 persons invested 25% of their time to the Activity.

❖ Process for obtaining exonerations

The process to obtain tax exoneration continues for the Activity of Action against Corruption and Impunity and has been proceeding during six months. CNA provided additional information requested by the USAID Finance Office in December 2017 and we expect the Ministry of Finance to finalize the process by January 2018. For its part, CNA will be establishing communication with Ministry of Finance staff in order to follow up this process.

❖ Acquisition of computer hardware and other equipment for Activity operations.

Computer equipment was received and verified (3 desktop computers and a laptop including batteries), delivered by Jetstereo. Subsequently, the new equipment was configured and started up for Activity users in accordance with institutional security requirements. In addition, professional photographic and video cameras were also

acquired in order to produce high quality graphics during coverage of events. This equipment will provide greater resolution in the recorded images and audio, once they are uploaded to the social networks.

- ❖ Monitoring, evaluation and information management actions.
- The first technical and financial quarterly report was submitted to USAID for the activity of “Action Against Corruption and Impunity” corresponding to the period from July to September 2017.
- As requested by USAID, adjustments continued to be made to deliverable Activity documents, as follows:
 - Plan for Environmental Monitoring – CNA received the USAID letter of approval of the plan dated October 16, 2017.
 - Marking Plan – On December 19, 2017 a meeting was held with the USAID communications specialist and the AOR for the purpose of receiving orientation regarding the definition of exceptions to the Marking Plan.
 - Security Plan – submitted and pending approval
 - Monitoring, Evaluation and Learning Plan/ME&L – A meeting was scheduled with the MESCLA/USAID team for the purpose of receiving feedback on the indicators initially proposed by the Activity. The meeting was scheduled for the second week of January 2018.
 - Annual Work Plan – The plan will be re-submitted to USAID and will include the adjustments requested in December.
- During this period, the Activity presented to USAID a total of ten (10) weekly summaries of progress made on actions carried out by CNA in the framework of the Activity in

order to keep the donor informed with regards to the status of advances made in the actions planned for the period.

- In compliance with the Collaboration Agreement between USAID and the CNA, the financial liquidations and requests for advances of Activity funds were submitted to cover the months of October, November and December 2017. As such, at the request of USAID other requirements were submitted. These were, the projection of expenses for the period between October 2017 and March 2019 and accruals for the quarter from October to December 2017.
- A two hour institutional event was carried out to approach the issue of “Ethics and Transparency in CNA Employee Performance” presented by Dr. Odir Fernández for all the personnel. The purpose of this activity was to create awareness in teams from the different CNA units of the importance of putting institutional values into practice and to keep the mission and institutional vision in mind during the daily activities related to their functions.
- Two meetings were held to socialize progress made and the scope of the Activity “Action against Corruption and Impunity,” The first was held only with personnel contracted with Activity funds and the second with all of the CNA personnel.
- The annual institutional personnel performance evaluation process was carried out at the close of the calendar year (December) which is the established practice included in the CNA administrative policies. This process included the evaluation of the personnel contracted by the Activity, which considers valuations of performance in relation to knowledge of the work, attitudes and aptitudes regarding institutional vision and mission.

❖ NUPAS Plan of Action.

Actions were followed up regarding compliance with the recommendations in the NUPAS report, which demonstrated progress made in each of the six categories:

1. Governance

CNA has a draft code of ethics which includes the CNA governing bodies. Still pending is the socialization and approval of the code, considering strategic aspects in relation to the institutional context.

2. Financial management and internal controls

A consultancy was initiated to improve the accounting processes. A consulting firm (QuickBooks Honduras) was contracted to train the management personnel on the use and updating of the QuickBooks accounting system. TIC personnel participated in this training and once the consultancy finalizes they will provide support for the functioning of the system.

3. Acquisition systems

An internal review was initiated of the Manual for Purchasing and Acquisitions. The Institutional Reinforcement and Administration Unit is responsible for this action for the purpose of making adjustments to improve the processes of purchasing and acquisitions carried out by the institution.

4. Human resources systems

- Beginning with the internal work regulations, CNA is preparing a draft of the positions and salaries manual, with an emphasis on the issues found in the NUPAS diagnostic.
- Filling out personnel time sheets was implemented, which will be submitted monthly to the administration office. Due to efforts made by the staff for implementation of this Activity, CNA personnel were included in recording the time used.

5. Management of program performance

The Activity has the initial draft which includes matrixes to evaluate data quality:

- Matrix to follow up the POA and the Strategic Plan
- Templates to follow up indicators

6. Organizational sustainability

In order to follow up compliance with the recommendations found in the NUPAS diagnostic, an anonymous survey was carried out on line at the close of fiscal year 2017 regarding the organizational environment which was applied to 100% of the staff (40 persons), as a first exercise in the collection of critical thinking of CNA collaborators. The purpose was to identify strategies for continuous improvement, which is part of the institutional learning process. These findings include:

- To the question, Do you think the organization optimizes your competencies?, 35% responded that they were in total agreement and 53% responded they were in agreement, for a total of 88% of the personnel who recognize that their competencies have been optimized by the work they do for the CNA. Only 12% responded they did not agree with this question.

- In reference to the opportunity for professional growth in the organization, 28% responded that they were in total agreement and 50% were in agreement, for a total of 78%. Only 22% responded that they disagreed which reflects that consideration should be given to including additional actions oriented towards providing opportunities for professional growth to the staff.

In reference to managing knowledge and external liaisons, the CNA participated in the encounter of Catholics with political responsibilities in service to Latin American people, which took place in Bogotá, Colombia on December 1 – 3, 2017.

The Latin American Episcopal Council (CELAM) and the Pontifical Commission for Latin America (CAL), organizers of the encounter, invited CNA Executive Director Gabriela Castellanos to speak on the issue of corruption. During her dissertation, Ms. Castellanos referred to "*the Catholic contribution in the face of the phenomenon of corruption in the public scene in Latin America*". During the event there was an exchange of experiences, testimonies and reflections by the participants on important issues in the public scene in Latin American countries. Participation of the CNA in this space supported liaisons with important representatives from the religious sector as well as other civil society actors which positioned the Council as a benchmark organization in Honduras in the struggle against corruption.

❖ Acquisition of software.

Two platforms were installed: Welcome (system that records visitors) and the new version of the QUICKBOOK platform (Accounting Management System).

Sub result 1.2: Key operational needs identified and addressed.

❖ Strategic and operational planning.

Institutional planning was carried out by integrating CNA POA actions with those of the Activity Year 1 POA. This process was carried out in several phases:

Phase 1 Analysis and review of the institutional strategic goals (strategic plan 2015 – 2020).

Phase 11 Analysis of results and the identification of actions of the CNA POA and of the Activity for each CNA technical and operational unit. On this occasion, consideration was given to actions corresponding to the CNA POA in addition to those of the Activity for each CNA technical and operational unit. During this phase, the added value of the Activity was seen in the meetings held with the unit chiefs and their teams for the identification of specific tasks included in the actions in the plan for the unit as well as consensus regarding the goals established for the CNA fiscal year (January to December 2018) and Year 1 of Activity (June 2017 to July 2018).

Phase 11I Review and adjustment of dynamic templates for recording information to facilitate follow up and monitoring data from each unit. This process also facilitates the analysis of data quality.

Phase IV Definition and structuring of the final document with POA 2018 goals for each unit which including a process of institutional feedback and learning by considering lessons which, based on inputs from the Activity's technical-administrative processes, have contributed to the institution's management. This phase also included socialization of each unit's plan with the rest of the units, which resulted in feedback from the teams and institutional learning based

on inputs in relation to the technical-administrative processes carried out by the institution.

❖ Strengthening the system of institutional security.

- Security for the CNA infrastructure and personnel:

As of October 2017, INTER-CON Security Systems de Honduras S. de R.L. began to provide services which, in comparison with the company previously contracted, include the application of the highest standards for security services.

- Technology security

In the framework of security for the CNA computer information systems, the digital policy for technology and information was distributed to each member of the staff.

Result (R) 2: Improved CNA Technical Competence

Under this result, actions were carried out from the Investigation Unit, focused on a report of a high impact case and the respective follow up, continuous consultations with the Public Ministry (Ministerio Público) with regards to advances made on the cases submitted by the CNA and the internal analysis of the actual functioning of the platform for citizen reports in order to identify areas to improve. This will result in a platform for reporting that is friendlier for those accessing it. During the quarter active supervision processes were developed by the Social Audit unit with three government entities to promote transparency and accountability in relation to the application of standards in the contracting, procurement and bidding processes of the government. Documenting *“the how”* of how these processes are carried out at the CNA will support the identification of gaps and aspects of improvement that could be implemented in future actions directed

internally (the CNA team) as well as externally (recommendations for the entities government). Actions to be undertaken in relation to this result are detailed below:

Sub result 2.1: Improved investigative performance and the application of new techniques

❖ Updating the platform for citizen complaints.

- Through its various mechanisms, during the period between October and December 2017 CNA received a total of thirty-five (35) complaints, of which three (3) were admitted for processes of verification and investigation.
- The Terms of Reference (TdRs) were prepared and approved to initiate the process for the identification, selection and contracting the consulting firm which will provide services for adjusting and updating the CNA web platform for citizen complaints. Requests for offers were made to specialized companies, three offers were received and of these the International Bureau of Technology – Honduras (Bit.hn) was selected which met the majority of expectations included in the terms of reference.

❖ Submission of accusations of high impact acts of corruption.

The 2017 report (January to December), on CNA actions records that 8 lines of investigation were carried out through which hard evidence was submitted against current and previous public employees involved in supposed acts of corruption. Just during the period of this report (October-December) a high impact case was submitted related to the crime of embezzlement of public funds by appropriation by an ex-first lady of the nation amounting to L12.2 million. It is worth mentioning that the crime of

embezzlement of public funds by appropriation is one of the difficult to argue criminal acts. However the CNA filed this complaint with the Public Ministry along with the appropriate means of proof. This action led to the involvement of the Office of the Prosecutor of the Republic of Honduras and the Technical Agency for Criminal Investigations (ATIC in Spanish) to carry out their own investigations linking a former high official. As such, the Mission in Support Against Corruption and Impunity in Honduras (MACCIH) spoke out in relation to this case. *Annex b and c – identification sheet of the case and publications in local newspapers.*

- ❖ Follow up of the prosecution of the cases submitted.

The periodical follow up by the legal analysts of the CNA Investigation Unit has resulted in achieving timely actions by the prosecuting entity for developing the pertinent investigations. Among these we can emphasize decommissioning information and freezing bank accounts belonging to those accused, among others.

Sub result 2.2: Expertise in social audits and reinforced advocacy

- ❖ Development of instrumentalization or the tools for processes in matters of transparency and accountability for social audits
 1. An analysis was prepared of the methodology applied during the different oversights and the instruments to reinforce the documentation and analysis for every case. Included in the instruments, we can mention: oversight report in general (timely events or meetings), a matrix of hearings for opening offers and a general

matrix of the accompanied processes by year. *Annex d – Document for the methodology of social audits*

2. A review was carried out of the data base of the nine (9) oversights carried out during 2017 and a report was prepared on the accompaniment provided by the CNA through the Unit for Social Audits (UAS in Spanish) for each process, emphasizing important incidences that should be rescued and recorded. Below is a list of the three oversight processes carried out during the period from October until December 2017:
 - a. Accompaniment during the national public bid for the acquisition of medical equipment for the City of Women center in Choloma - LPN-DNPPCM-001-2017.
 - b. Accompaniment during the public competition to fill 255 positions, distributed in 23 different work areas of the Adjunct Directorate of Customs Revenues (DARA in Spanish), in coordination with the General Directorate of Civil Service (DGSC).
 - c. Accompaniment during the auction of four fixed assets, located in the department of Cortés and delivered in payment to the government of Honduras through the Ministry of Finance and the National Directorate of Assets of the State (DNBE in Spanish) - SEFIN/DNBE 002/2017.
3. A document was prepared with the description of the oversight process that the CNA is carrying out in different government institutions. This document describes the procedure utilized to date, with no consideration to valuations regarding successes and failures in order for this to be analyzed, reinforced and improved.

- ❖ Development of advocacy processes with government institutions to incorporate criteria of transparency and accountability in the management of public assets.

In relation to processes of advocacy through active oversight with government institutions, during the period from October until December 2017, CNA accompanied three processes framed in contracts and acquisitions, public bids and auctions of goods of the government, specifically:

Institution	Advocacy Action	Results
Adjunct Directorate of Customs Revenues (DARA) – Competition for 255 positions	<p>Thirty six visits or participation in timely events linked to the competition developed from July until October 2017.</p> <p>Preparation of two technical reports (one in a condensed version and another contained detailed results of the oversight, recommendations and advocacy).</p> <p>Analysis of published information (derived from monitoring and a review of the contents published on the platform - http://www.dara.gob.hn/concurso2017/</p>	<p>Effective follow up and participation in the competition by advising with technical knowledge, good practices and transparency indicators for the reinforcement and improvement of the competition.</p> <p>Obtaining the documentation in support of the oversight process for the Adjunct Directorate of Customs Revenues on November 1.</p> <p>This process should have been carried out at the end of each phase of the competition. However, taking into account that during other processes this was not achieved at all, this is considered to be very positive, despite the gap in the time between the preparation of the closing protocol (October 23) and the delivery of the information to CNA.</p>

Institution	Advocacy Action	Results
		DARA officials informed CNA that the list of 46 eligible candidates were sent to the General Directorate of Civil Service (DGSC in Spanish), which is the office that subsequently submits to the nominating authority (DARA) the final list in order to appoint the selected applicants."
National Directorate of the Program for the City of Women (DNPCM) – Acquisition of medical equipment	<p>Nine meetings or visits were made for observation and accompaniment between the months of April and October 2017.</p> <p>Preparation of two technical reports on the oversight process, one in a synthesized version and the other with greater detail, including results and recommendations that contributed to achievement of the objective.</p>	Adjudication of the 5 offered lots to four different companies, for a total amount of L10,283,768.58.
National Directorate of Assets of the State (DNBE) – Auction of goods.	<p>Presence of the CNA for the bid opening during the public auction on November 23.</p> <p>Preparation of the report on oversight emphasizing relevant aspects, discrepancies observed, suggestions and other inputs for the improvement of future processes.</p>	This process resulted in the lack of offers for 3 of the 4 fixed assets, while the firm of Desarrollos Corporativos S. de R. L. was awarded the fourth fixed asset (registration no. 123249), with a total value of L23,330,116.00.

- ❖ System for the management of knowledge in anticorruption and impunity.

- With support from Mr. Allan McDonald, consultant, and in the framework of improving institutional positioning, audio visual material was prepared which included the following:
 - The design of three proposals for the design of banners for the event related to the networks of corruption.
 - The design of a certificate of recognition for Grupo Roble for having allocated spaces free of charge to hold the CNA accountability event.
 - Advisory services for the concept and image for editing the video on the event on “The Weight of Conscience”
 - Two book covers were designed (UIASC Management Report – 2017 and “Shelved Justice”).
 - Invitations were designed for the event on networks of corruption.

Result (R) 3: Improved CNA External Commitment

Activities carried out during the quarter aimed towards carrying out advocacy in order for the presidential candidates to commit to respecting citizen rights and in the struggle against corruption. As such, a public accountability event was held by the CNA which demonstrated efforts made in the area of anti-corruption during 2017. Below are activities carried during the period under this result:

Sub result 3.1: More effective relationships with the government are promoted and maintained.

❖ Strategic alliances and collaborative relationships.

- On October 3 at *Casa Morazánica* located in the city of Tegucigalpa, CNA held the event to launch the Morazanin Manifesto in order for the 9 candidates to the presidency to commit to a frontal struggle against corruption. With this event, CNA advocated for the presidential candidates to encourage a culture of ethics, transparency and accountability, once they are in office. This event was broadly covered by the printed communications media, as well as radio and television, including Televiscentro (Hoy Mismo, TN5, HRN Radio), Radio América, HCH, Telesur and Radio Globo, among others. In addition, the event was published on the CNA web page and social networks. Below are the links to the social networks regarding the event:

<https://www.facebook.com/notes/consejo-nacional-anticorrupt%C3%B3n-cna-honduras/por-qu%C3%A9-del-manifiesto-moraz%C3%A1nico-contra-la-corrupt%C3%B3n/1096638290467301>

<https://www.facebook.com/notes/consejo-nacional-anticorrupt%C3%B3n-cna-honduras/firma-acta-moral-de-lucha-contra-la-corrupt%C3%B3n/109802827032830>

- From November 6 to 13, 2017 an event was held for “Signature of the Moral Certificate” against corruption at CNA with the presence of the nine presidential candidates in representation of the political parties who will participate in the primary election process – Honduras 2017:

1. José Alfonso Díaz Narváez, Democratic Unification Party (UD)

2. Lucas Aguilera Pineda, Christian Democracy Party Honduras (PDCH)
3. Salvador Nasralla Salum, Alliance in Opposition to the Dictatorship
4. Luis Zelaya Medrano, Honduran Liberal Party
5. Isaías Fonseca Aguilar Broad Front Party
6. Romeo Vásquez Velásquez, Honduran Patriot Alliance
7. Marlene Elizabeth Alvarenga, Anticorruption Party of Honduras (PAC)
8. Eliseo Vallecillo Reyes, Center Social Christian VA Party, VAMOS Solidarity Movement.

The ninth presidential candidate and current President of the Republic was the only candidate who did not confirm his participation in the act to sign the Moral Act against Corruption. The media (the press, radio and television) held interviews as the candidates and their delegations arrived at the CNA to sign the Moral Act, with the transmission of the event on the weekly news programs. As such, photographs and videos of the candidates were posted on the CNA social networks on the day the Moral Act was signed. With the signing of the Moral Act, CNA urged the presidential hopefuls to put into practice all actions and measures conducive to complying with the law which, by undertaking a firm struggle against corruption, would improve the lives of all citizens. *Annex e – Moral Act Against Corruption.*

Sub result 3.2: Increased accountability by the CNA towards the country's citizens

❖ Accountability by CNA.

In the framework of the International Day against Corruption, on November 18 and 19 CNA held an event of accountability for Honduran citizens, which consisted of the

presentation of a step drama (*drama de paso*) called “The Weight of Conscience” containing a reflective message on the illicit actions practiced in the country and how Honduran society should guard against them by incentivizing denouncing and citizen participation.

This session was developed in the Metromall and Multiplaza shopping malls, which are places with a large presence of adults, youths and children in the cities of Comayagüela and Tegucigalpa. The presentation of the step drama (*drama de paso*) included the delivery of the printed report of actions carried out by CNA 2017, the distribution of a pamphlet regarding the types of claims investigated by CNA, the exhibition of the book, “100 Years of Corruption and Impunity in Honduras” from the perspective of citizens, as well as a gallery of caricatures on corruption by the Honduran artists Darío Banegas and Allan McDonald. During the event, promotional material was provided which consisted of balloons with the message “CNA – promoting citizen values”. Further, six animated masks were presented depicting corrupt officials and a 3D structure of the letters CNA was installed near which the public was invited to see the dramatic presentation and participate in the rest of the programmed activities.

The attendees generally demonstrated interest in each of the event activities, as observed in the attitudes and attention they expressed when they received information, the spontaneous applause when the drama ended and as they approached CNA personnel with consultations or to express their discontent due to the acts of corruption carried out in the country, as well as their positive words and congratulations offered for the work done by CNA. The CNA social networks were active during the event, and 7,577 users were recorded in the Facebook page during both days.

Subsequent to the accountability event, CNA issued a report via the radio on the impact of corruption on the country, highlighting the work carried out by CNA in the anticorruption struggle. It was transmitted via RDS radio and their network of community stations.

In addition, a video was edited for the “Weight of Conscience” drama, which was shared through the CNA social networks. <https://youtu.be/C6GKrLQY5F8>

Information was posted on social networks related to:

- The 2017 accountability report in the framework of the celebration of the International Day against Corruption.
- The CNA mechanisms for filing claims (pamphlet: I am NOT part of corruption I denounce it!)
- The official OAS and UNO publications in the framework of the International Day against Corruption (a video, editorials and opinion articles with the hash tags *#DíaInternacionalContraLaCorrupción* and *#UnidosContraLaCorrupción*).

IV. Matrix of advances made in compliance with goals by result

Percentage of completion of activities according to result and subresult	First Quarter				Second Quarter				Third Quarter				Fourth Quarter				Total			
	Goal	Achieved	Goal	Achieved	Goal	Achieved	Goal	Achieved	Goal	Achieved	Goal	Achieved	Goal	Achieved	Goal	Achieved	Goal	Achieved	Goal	Achieved
Result 1: Improved organizational effectiveness	208	15.5%	187	14.0%	223	16.7%	214	16.0%	381	28.5%	0	0.0%	527	39.4%	0	0.0%	1339	100%	401	29.9%
Sub result 1.1: Improved internal security controls and systems (including those related to personnel, data, finances and infrastructure).	202	15.8%	181	14.1%	220	17.2%	211	16.5%	352	27.5%	0	0.0%	506	39.5%	0	0.0%	1280	100%	392	30.6%
Sub result 1.2: Key operational needs identified and addressed.	6	10.2%	6	10.2%	3	5.1%	3	5.1%	29	49.2%	0	0.0%	21	35.6%	0	0.0%	59	100%	9	15.3%
Result 2: Improved CNA technical competence	0	0.0%	0	0.0%	15	13.2%	15	13.2%	51	44.7%	0	0.0%	48	42.1%	1	0.9%	114	100%	16	14.0%
Sub result 2.1: Improved investigational performance and new techniques are employed	0	0.0%	0	0.0%	10	15.2%	10	15.2%	25	37.9%	0	0.0%	31	47.0%	0	0.0%	66	100%	10	15.2%
Sub result 2.2: Advanced expertise in social audits and advocacy	0	0.0%	0	0.0%	5	10.4%	5	10.4%	26	54.2%	0	0.0%	17	35.4%	1	2.1%	48	100%	6	12.5%
Result 3: Improved external commitment by the CNA	0	0.0%	0	0.0%	13	6.6%	8	4.0%	55	27.8%	1	0.5%	130	65.7%	0	0.0%	198	100%	9	4.5%
Sub result 3.1: More effective relationships with the government promoted and maintained	0	0.0%	0	0.0%	0	0.0%	0	0.0%	33	23.1%	0	0.0%	110	76.9%	0	0.0%	143	100%	0	0.0%
Sub result 3.2: Increased CNA accountability with the Honduran citizens	0	0.0%	0	0.0%	13	23.6%	8	14.5%	22	40.0%	1	1.8%	20	36.4%	0	0.0%	55	100%	9	16.4%
General Total	208	12.6%	187	11.3%	251	15.2%	237	14.4%	487	29.5%	1	0.1%	705	42.7%	1	0.1%	1651	100%	426	25.8%

Chart No. 4. Percentage of compliance with year 1 of the Activity POA

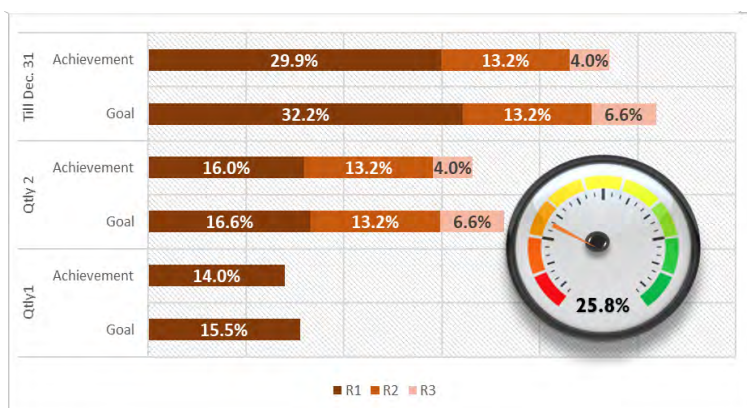
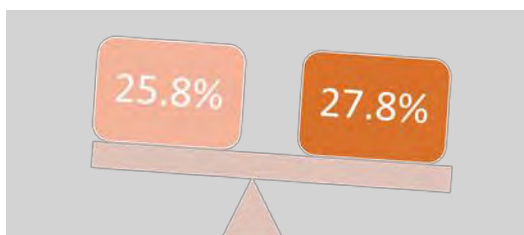


Chart 4 reveals that during the reporter quarter (October - December 2017), result 1 achieved 16% of the expected 16.7%. 100% of Result 2 was achieved and 4% of Result 3 was achieved in relation to the goal of 6.6%. This last result was affected by the cancellation of an accountability event (*details are found in the section "Challenges during the Period"*).

Chart No. 5. Accumulated fulfillment of advances made in the Activity.



The accumulated percentage of fulfillment of the Activity reached 25.8% of the established goal (27.8%) for the first semester of implementation.

V. Challenges during the period and proposed solutions

Challenge		Solution
Forum on "The Networks of Corruption and how they Operate in Honduras."	<p>Because of the unstable socio-political situation in Tegucigalpa after the general elections, an institutional decision was made to postpone the event programmed for December 6, which was the forum "The Networks of Corruption and their Way of Operating in Honduras."</p> <p>This action implied cancellations of suppliers which had been identified to provide logistics for the event and CNA had to assume the cost of printed materials such as the UIASC-CNA 2017 Management Report.</p>	The event was postponed until January 17, 2018.
Exoneration Process	The process continues to request and receive exoneration of taxes for the Activity. The process moved from the Ministry of Foreign Relations to the Ministry of Finance where it is currently in process.	Constant communication is maintained with USAID to monitor progress made. As such, CNA has established contact with the Ministry of Finance personnel in order to speed up the process.

Challenge		Solution
Formation of the key team for the Activity	<p>As shown on the organization chart of the Activity six persons were contracted:</p> <ol style="list-style-type: none"> 1) Financial Coordinator 2) Security Specialist 3) Communications Specialist 4) Specialist in Financial Sustainability and Resource Management 5) Specialist in Government Contracts 6) Gender Specialist 	Profiles have been socialized with key contacts for the identification of potential candidates to fill the vacancies.
Submission of claims of high impact acts of corruption	The lack of financial information is considered a challenge which must be confronted in the struggle against corruption. CNA has discovered that at the end of each period of government when officials are no longer in their positions, all information disappears, making access to it difficult.	CNA resorts to alternative instances such as financial institutions in order to complete the files of the reported acts of corruption.
Accompaniment for oversight processes	The lack of programming, compliance with timelines and improvisation which characterize the actions of government institutions has impacted the accompaniment provided by CNA.	As part of the recommendations in the oversight carried out at government institutions, CNA has included improving their planning processes. Further, it is

Challenge		Solution
		required that the formal request for accompaniment include the programming anticipated for the process beginning with the initial phases.
	Government institutions require the presence of CNA as an entity that certifies or endorses its processes.	Emphasize that the work of CNA does not obligate the "certification" of any process, but that it is oriented towards providing preventive support for strengthening government institutions.

VI. Coordination and/or collaboration

a) With other donors or government initiatives

During this period, actions have been concentrated on refining the documents of the Activity and the development of events programed for closing the 2017 fiscal administration. Approaching other donors to request funds is of institutional interest, specifically for the issue of reinforcing values with the student population.

b) With other USAID Activities

- CNA participated in the meeting promoted by the USAID Office of Democracy and Governance to explore the possible opportunity of collaboration between Chemonics, DAI and CNA, which are institutions that currently implement the activities of Together in Action for Coexistence, United for Justice and Action Against Corruption and Impunity.
- A meeting was held between the CAN technical team and Deloitte Consulting for the purpose of learning the actions of the activities that both institutions implement with USAID funds and as such, to visualize possible collaborations.
- At the request of the USAID Office of Democracy and Governance, CNA carried out a presentation on the work it carries out in the struggle against corruption in Honduras. The USAID mission personnel demonstrated a great deal of interest, made some questions and expressed their recognition of the efforts made by a local civil society organization.

VII. Uncompleted Planned Activities

No.	Activity
1.1.1.2	Complete the key team of the Activity with the contract signed with the financial coordinator.
1.1.1.3	Complete the tax exoneration process.
1.1.1.5	Complete remodeling the offices to accommodate Activity personnel
3.2.2.2	Promote specific CNA accountability spaces on the processes of investigation in different spaces and with different key actors (Forum on the Networks of Corruption).

VIII. Priority activities planned for next quarter

No.	Activity
Result 1	
1	Continue following up recommendations issued in the NUPAS report
2	Carry out the process to identify resources to cover six pending vacancies for the Activity.
3	Identification and contracting the firm for the definition of the MIS – Management Information System.
4	Implementation of communications campaigns in social networks and traditional and alternative media
Result 2	
5	Presentation of a high impact line of investigation to the Public Ministry
6	Carry out mapping actors to establish strategic alliances
7	Coordination with Ministry of Education and National Autonomous University of Honduras authorities for the promotion of the professorship in anticorruption, according to Decree No. 63-2016.
8	Develop advocacy processes (2 oversights) with government institutions to incorporate criteria of transparency and accountability in public offices
9	Preparation of the policy for the functioning for the Center for Research in Anticorruption Criminal Policy and begin the process for its legalization.
Result 3	
10	Hold three CNA accountability events in the municipalities of Comayagua, Siguatepeque and Danlí.
11	Hold the forum on “The networks of corruption and the way they act in Honduras”.
12	Launch the book “Justice Shelved” and “The Corruptionary”.

IX. Annexes

- a) Summary chart of the level of effort of personnel for the activity
- b) Identification sheet – Line of Investigation CNA-DMCP-014-2017
- c) Publications on the case regarding the former first lady:
 - La Prensa Newspaper
 - El Tiempo Newspaper
 - El Herald newspaper
- d) Document on the methodology for social oversight carried out by CNA
- e) Executive Report on Oversight carried out by the CNA in DARA
- f) Moral Act Against Corruption – CNA
- g) Opinion Article on International Day Against Corruption - CNA
- h) Photographs