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Final Evaluation

Project AD/BRA/05/S07

**“4th Forum on Fighting Corruption and Implementation
of Anti-corruption Measures in Brazil”**

Corruption and Economic Crime

Brazil

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Acronyms

ABC: Brazilian Agency for Cooperation (in Ministry of Foreign Affairs)

CGU: Office of the Controller General (Controladoria-Geral da União)

CLP: Core Learning Partner

CONACI: National Council of Internal Controls

FGV: Gutulio Vargas Foundation

GPAC: Global Program against Corruption

M&E: Monitoring and evaluation

NGO: Non-Governmental Organization

OECD: Office of Economic Cooperation and Development

OSI: Open Society Institute

PM: Project Management

ROBRA: Regional Office for Brazil and Southern Cone (UNODC/Brazil)

SICONV: Management System of Agreements, Contract Transfers and Terms of Partnership
(Sistema de Gestão de Convênio, Contrato de Repasses e Termo de Parceria)

SOW: Scope of Work

SPCI: Corruption Prevention and Strategic Information Secretariat

UCB: Catholic University of Brasilia

UFMG: Federal University of Minas Gerais

UFPE: Federal University of Pernambuco

UNCAC: United Nations Convention against Corruption

UNODC: United Nations Office on Drugs and Crime

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Summary of Findings, Supporting Evidence, and Suggestions

Findings	Supporting Evidence	Suggestions
1. Project consistent with UNODC mandate, ROBRA strategic objective, CGU strategy.	Documents and interviews	None
2. IV Global Forum (SO1) gave useful orientation to CGU during its early, formative period	Interviews	Conduct assessment of the value of such events to participants at the time of the event, or soon thereafter in order to learn how it has been useful.
3. All activities contributed in some measure to strengthening CGU, which is Project goal.	Interviews (mostly) and documents	None
4. Activities under SO2, SO4, and SO6 are among major achievements, but they came over last two years of Project.	Interviews and documents	When possible, do a diagnostic of project needs at project inception, so that activities can be prepared accordingly. That this project was a pilot effort accounts in some measure for failure to do this.
5. Quality of academic studies (SO2), of work with youth (SO4) and private sector (SO6), and of Observatory of Public Expenditure (SO3) is excellent, and activities highly useful.	Interviews and documents	Results of indicated SOs suggest locus of any future efforts, when project should narrow its thematic focus. More work at municipal level is suggested.
6. Project management was good for a pilot effort, where management had to keep pace with changes in CGU during its early formative period. UNODC/Brazil has little evaluation experience. Project documentation was weak.	Interviews, documents, and evaluator experience in conducting the evaluation	(A) Improve documentation in order better to align it with requirements of Results-Based Management; (B) develop monitoring and evaluation system related to documentation; and (C) improve coordination between IEU and UNODC/Brazil.

Executive Summary

Project AD/BRA/05/S07, crafted to support Controladoria-Geral da União (CGU) in fighting corruption, began in 2005 with the first of two Phases. Phase I supported the IV Global Forum on Fighting Corruption, and Phase II, from 2006 to September 2011, supported anti-corruption measures. The Project's life coincides with a formative time in Brazil's fight against corruption. CGU emerged in 2003, and Brazil ratified UNCAC in 2006, one year after it became effective. The Forum exposed Brazil to the experiences of other countries—useful at this early time. Project support to CGU thereafter continued as CGU evolved. To keep pace, the Project had three revisions, in 2007, 2009 and 2011. There was no mid-term evaluation. CGU executed the Project under auspices of the Brazilian Cooperation Agency (ABC), and also funded 97 percent of costs. UNODC was an advisor, and gave support in accordance with CGU's needs and requests.

Called for in the Project work plan, this external evaluation was conducted under the supervision of UNODC (Vienna and Brasilia) and CGU. It covers both Project phases. Methods consisted of an initial desk review of documentation, followed by five working days in Brasilia to interview stakeholders. A survey questionnaire expanded coverage only somewhat. The evaluation's major limitation is the short time in Brazil, and only in Brasilia, for interviews. The survey questionnaire did not compensate. Weak Project documentation—in part perhaps resulting from system-wide changes that UNODC made concerning documentation over the course of the Project—obliged the evaluator to construct a Results Framework to guide the effort. Preparation for the evaluation and management of the effort were in general also weak.

The Project squared with UNODC's anti-corruption mandate throughout, and with ROBRA's country objectives. Its relevance evolved in parallel with CGU at a formative time. Phase II objectives remain valid; any future support can continue to target changing needs, but with a tighter focus.

Strategic Objectives with % of Direct Costs of Activities (\$US 4,241,946)	
33.2%	SO1—Fourth Global Forum Held
20.3%	SO2—Studies Conducted
10.7%	SO3—CGU Strengthened
18.3%	SO4—Civil Society Mobilized
1.5%	SO5—Laws Improved
9.8%	SO6—Private Sector Trained to Implement Integrity Measures
6.1%	SO7—Public Administration Strengthened

The Project divides into seven Strategic Objectives (SOs), or “Outputs” (see chart). Each Output consists of Activities, which largely sort into research and training (some technical assistance). Because the Project coincides with CGU's formative period, the Activities are reasonable.

Despite a lack of performance indicators, it is reasonable to conclude that all the Activities contributed in some way to reaching the seven SOs. The Global Forum (SO1) exposed Brazilians to experiences from elsewhere when CGU was in early growth. SO2, SO4, and SO6 have been the thrust of Phase II, and evidence suggests them to be the greatest contribution—and major Phase II expenditures. They did not begin, however, until late 2009, some of them not until 2010.

The studies are of exceptional quality and of great usefulness: they can help CGU as it expands and refines its work, notably in the municipalities—where citizens experience government firsthand. Project work with ethics and citizen responsibility among youth is so important that one CGU official deemed it the major achievement. Yet its effects are intangible, and will materialize in future. Work with the private sector is creative, and also vital. With recent high economic growth rates, Brazil is today the world's ninth largest economy. The private sector has played a key role. But as elsewhere, the potential for corruption is always present.

One planned Activity (originally under SO7), a corruption-risk assessment of Brazilian bureaucracy, never happened. The Project opened bids twice in search of a qualified firm, but only one firm applied. There was no time for a third try before Project termination.

It bears noting that the creativity and excellence of some of the Project activities qualifies them for export, and not only from South to South, but in some cases from South to North.

With regard to management and constraints, the Project experienced implementation delays related to CGU budget cuts and to weak coordination between authorization and disbursement of Project funds. Also, as Brazil's premier anti-corruption agency, CGU was notably cautious in handling funds. The Project reached its highest implementation rate in 2010.

CGU personnel opined that Project operational capacity could have been increased had human resources been available both from UNODC and CGU. Furthermore, national legislation is apparently murky as to what a project like SO7 (subject to UN and Brazilian implementation rules) can fund. Remedial talks on the matter were said to be pending.

The Project operated across a wide range of activities, involving public and private sectors, youth, entrepreneurs, academic institutions, and NGOs. The wide range is both a strength and a weakness: a strength because a successful fight on corruption is necessarily multi-pronged, a weakness due to the capacity of a project with small staff and few funds to manage and monitor.

With the exception of management of the evaluation, evidence points to good management, and to a strong commitment to the Project, despite weak documentation—which may have challenged external consultants. There is no evidence of implementation impediments as regards communication or collaboration between CGU and UNODC/Brazil.

The Project clearly improves CGU's capacity to fight corruption, which is the Project goal. The Global Forum oriented CGU and provided ideas at a formative time. As CGU evolved, the Project continued its support, and notably to SPCI after it was created in 2006. With Project support, SPCI developed highly creative activities to work with youth and the business sector.

While Project Activities may be one-off in nature, their results involve institutionalization or culture change. And so by their very nature, the results are sustainable. In a larger sense, perhaps the greatest *overall* threat to sustainability of the entire anti-corruption enterprise in Brazil is impunity. Impunity has serious ramifications. For many citizens, justice *is* democracy. If citizens think that crime pays, especially among elected officials, their trust in government—and in democracy—waned.

AD/BRA/05/S07 was novel and pioneering International projects and partnerships to fight corruption were few to non-existent in Brazil.. Moreover, it came at a time when CGU was recent and evolving. Beginning with the Global Forum in 2005 and continuing into 2011, the Project, through a broad range of activities, provided CGU with ideas and allowed it to learn from experiences acquired elsewhere. And it allowed CGU to experiment—very important at a formative time. In all these ways, it helped CGU define its multifaceted anticorruption role.

And with UNODC s participant, the Project underscored the importance of fighting corruption and brought Brazil into the larger community of corruption-fighting nations. Furthermore, it opened a space for collaboration between CGU, Brazil’s excellent universities and research institutions, and the private sector; it showed how each could learn from the other. It also opened a space for corruption-control in the municipalities, and with civil society at a level where citizens directly experience government. Perhaps most important, the Project strengthened the CGU-internal thinking process and gave CGU the confidence to develop other projects.

Brazil’s experience in fighting corruption, and some of the excellent activities described in this report, qualify Brazil as an “exporter” of that experience and the associated “best practices,” some of which are cited in the report.

Suggestions for future actions include:

- The Project’s work with children and with training at the municipal level was successful, but in part web-based. The Institute of Geography and Statistics reports that only 35 percent of Brazilians had access to the Internet in 2008. Many of them are undoubtedly in remote municipalities, in poorer areas of the country. Impoverished citizens there, perhaps more so than those elsewhere, need to experience good government firsthand. In this, ***CGU should extend this work to municipalities lacking Internet and literacy using other forms of communication such as community radio and television.***
- Studies commissioned under the Project yielded useful results and excellent recommendations. These studies highlighted the value of academic institutions conducting applied research to further the public good as well as opened up future possibilities for cooperation in which applied research serves the public interest. In this, ***CGU should make the most of what has been learned from the studies, follow up on recommendations, and further support the continuation of such studies.***
- Studies funded through the Project point to the importance of the municipal level, and provide some guidance for operating there. Moreover, experts at a 2007 conference on corruption identified there was little focus on transparency and probity in sub-national governments, especially in times of decentralization. As such, corruption prevention and control at sub-national levels is vital, even more so at the municipal level, where citizens experience government directly. In this, ***CGU should work on transparency and accountability at sub-national levels where the focus is not only on the handling of federal funds by federal officials at those levels, but also coordinate with State and Municipal funds and officials in order to integrate efforts.***

- Experts at a 2007 conference on corruption identified the lack of enforcement of anti-corruption laws as a priority area for concern. Anti-corruption work by sector at the local level can be an efficient way to enlist citizen participation in the oversight of government. Work on health and education can bring quick returns in creating citizen participation (and confidence) in government: citizens can see directly that participation improves their lives. In this, *CGU should focus strongly on encouraging citizen oversight of spending in the sectors of health and education at the municipal level.*
- One of the strategic objectives that greatly contributed to the success of the project overall was mobilizing civil society (SO 4). In fighting corruption, there are able NGOs that play a vital role, often as watchdogs. Many of them refuse to accept government funds so as not to compromise their independence. Identifying civil-society organizations that can and will exercise an oversight function is important to this work. In this, *UNODC, along with CGU, should bring competent NGOs that play a watchdog role into any future project, and help them find independent funding.*
- International projects and partnerships to fight corruption were few to non-existent in Brazil.. With UNODC as a participant, the Project underscored the importance of fighting corruption and brought Brazil into the larger community of corruption-fighting nations. In this, *UNODC should serve as a two-way communications platform and continue to support Brazil in its efforts to allow it to serve as a central clearing house in a global anti-corruption network.*
- The system for Project documentation is weak as well as the preparation and management of the evaluation. There should be a close working relationship between project-design and M&E, where M&E begins with project design. In the case of UNODC, they are widely separated. *In this, UNODC should improve Project documentation in order better to align it with the requirements of Results-Based Management; develop a monitoring and evaluation system related to documentation; and improve coordination between IEU and the UNODC country team.*

Lastly, this evaluation identified lessons learned for consideration in future actions. They include the following:

- In this Project, if the Pro-Ethics Registry had been available earlier, for example, studies could have been conducted on company and people profiles in order to highlight the risks. In this, public- and private-sector corruption risks should be mapped at the outset of an anti-corruption project in order to know how better to formulate activities.
- The findings of the studies that the Project has supported are coming in too late for the Project to use them. If research is indicated in order to fight corruption, arrangements should be made to conduct it early in a project cycle so that results can be used to guide the project.
- The Project operated across a wide array of activities over the period of implementation, which would have taxed any management staff of its small size. With limited amounts of money and small management staff, it is important to establish priorities, which implies a selection of activities commensurate with funding and management staff.

I. Introduction

Project Background and Context

Project AD/BRA/05/S07 was designed to support the Government of Brazil in fighting corruption. It began in 2005, with the first of two planned phases. Phase I supported the IV Global Forum on Fighting Corruption, held in Brasilia June 4-10. Held in different countries biennially, the Forum convenes representatives from more than one hundred countries. Phase II began in 2006, when the Project initiated support to anti-corruption measures in Brazil.

The Project's inception coincides with events of moment in the fight against corruption, globally and in Brazil. In 2000, Brazil ratified the 1997 Office of Economic Cooperation and Development Convention on Combatting Bribery of Foreign Public Officials. In 2001, Brazil created the Federal Inspector General's Office, expanding its powers in 2003 and changing its name to Controladoria-Geral da União (CGU). CGU enjoys ministerial status within the Executive Branch, and is charged with protecting public resources through administrative transparency, internal control, and oversight of expenditures. It operates at federal, state, and municipal levels, as the central government's key anti-corruption agency.

In 2002, Brazil ratified the 1996 Inter-American Convention Against Corruption. And in 2003, the United Nations General Assembly created (Resolution 58/4 of Oct. 31) the United Nations Convention Against Corruption (UNCAC), which went into effect in 2005 (after ratification by 30 countries) and which Brazil ratified in 2006.

The idea of holding the IV Global Forum on Fighting Corruption in Brazil was to give the country a boost as it began to fight corruption in an organized way. It was thought that the Forum would allow Brazilians to mingle with persons from other countries, and thus exchange ideas in a way that would be useful to CGU in its early programming.

The objective of Phase II, whose implementation began in August 2006, was to (a) train CGU technical staff in auditing and investigation; (b) design a national integrity system; (c) develop a strategic anti-corruption plan; and (c) design and initiate strategic actions for preventing and fighting corruption, including legal reform and mobilization of civil society.

The Project underwent three revisions, one in 2006 one in 2009, and another in 2011.¹ The first revision did not change the original five Outputs, but did eliminate several activities and added a new one. It also increased the initial budget of US \$1,169, 200 to US \$4,474,600 and extended the Project for two years, until March 2009. The second revision added two Outputs, made other program adjustments to accommodate Brazilian conditions, and extended the Project into 2011.

Brazil has made significant progress in its fight on corruption over the six years of the Project. But the popular sense that Brazil needs to address corruption has also grown over this period. As The Project comes to a close, much remains to be done. At the moment, several important

¹ The third revision was to extend the Project for six months in order to complete activities underway and to conduct a final evaluation.

legislative bills that might produce much-needed anti-corruption laws are bottled up in the Congress, some of them there for a decade. One in particular is crucial: a freedom-of-information law. Such a law is fundamental to transparency and accountability in a modern democracy.² As of September 2011, 15 countries in the hemisphere had such laws: Argentina, Belize, Canada, Chile, Colombia, Dominican Republic, Ecuador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Peru, USA, Uruguay, Antigua and Barbuda, Jamaica, Trinidad & Tobago. In addition, all OECD countries have such laws.³ Although its 1988 Constitution enshrines access to information, Brazil has not yet been able to pass such a law, although a bill is currently pending once more in the Congress. Such a law is a vital, for it allows public refusals for information to be challenged in the courts.

In 2010, OECD conducted an excellent integrity review of Brazil, the first such OECD review of a G20 country. The review's findings and proposals were launched in Brasilia on International Anti-Corruption Day, Dec. 9, 2010. This review cites several areas that continue to need attention. To its credit, CGU placed this report on its internet Transparency Portal.⁴

The Transparency Portal itself is a major achievement, yet remains a work in progress. For example, Management System of Agreements, Contract Transfers and Terms of Partnership (SICONV) lists agreements, their objectives, their value, and the number of their beneficiaries. But their content—the text of the Agreement itself—is restricted, with entry requiring a code.⁵

The size and diversity of Brazil form the challenging backdrop to this Project. Brazil occupies 48 percent of South America's land area, and has roughly 51 percent of the continent's people. Divided into 26 States, the Federal District, and 5,564 municipalities, it has great geographical and human diversity. Many of its municipalities are located in remote areas, of difficult access.

Evaluation Purpose and Scope

This external, independent evaluation addresses the full Project period, April 2005-September 2011. But Phase II takes precedence, for there is no *designed* link between the two phases. Under the then-new Lula Government, Brazil wanted to host the Forum, and for reasons of

² While transparency and accountability are often paired conceptually, they remain different sides of a single coin. Transparency can exist absent accountability, but accountability cannot exist absent transparency. Transparency is a tool for reaching the greater goal of accountability, which in turn validates transparency—and ultimately, democratic governance itself.

³ Citizen right to information is historically recent. It was not codified in the U.S. until 1966, with the Freedom of Information Act. Then came the Federal Advisory Committee Act in 1972, and the Sunshine Act in 1976, both giving citizens access to public meetings. Similar laws were later enacted in all 50 states and the District of Columbia. There has been resistance to such laws—which might open up the past—from the military and other sectors in countries of the Americas that were under military rule (as was Brazil between 1964 and 1980).

⁴ *OECD Integrity Reviews: Brazil: Managing Risks for a Cleaner Public Service: Preliminary Main Findings and Proposals for Action*. 2010. Paris: Office of Economic Cooperation and Development <http://www.cgu.gov.br/Publicacoes/AvaliacaoIntegridadeBrasileiraOCDE/AvaliacaoIntegridadeBrasileiraOCDE.PDF> p. 22

⁵ See <https://www.convenios.gov.br/siconv/>

expediency asked UNODC to organize it. UNODC thus designed a project, with the Forum as Phase I and a series of activities as Phase II. The activities then began to address CGU's needs as they evolved. One important role of the Forum was to help identify some of those needs.

The evaluation is called for in the Project work plan as also in the agreement between the United Nations Office on Drugs and Crime (UNODC) and CGU. It was conducted under the supervision of UNODC/Vienna, UNODC Regional Office for Brazil and Southern Cone (ROBRA), and CGU. The three entities allowed the evaluator the independence required.

According to the Terms of Reference, the evaluation will:

- Assess quality of the Project concept and design
- Assess Project effectiveness vis-à-vis reaching its planned objectives of both UNODC and CGU mobilization and management of resources (budget, inputs, activities)
- Assess unanticipated results, either positive or negative, from implementation
- Identify lessons learned and best practices
- Provide recommendations regarding management and any follow-up actions required by UNODC and CGU to sustain or improve support to future programs
- Help stakeholders (Core Learning Partners—CLPs) reflect on what works well and what does not, and thereby learn from Project—a *key dimension of the purpose*.

The Project's Core Learning Partners are:

- The Project Director and Coordinator
- CGU senior officials
- Technicians from Corruption Prevention and Strategic Information Secretariat (SPCI, created in Jan. 2006) and CGU
- Senior officials from the Brazilian Agency for Cooperation (ABC)
- UNODC ROBRA staff, current and previous
- UNODC Independent Evaluation Unit, Vienna
- UNODC staff at Corruption and Economic Crime Branch, Vienna

Executing Modalities

CGU is the executing agency for the Project. It also funds 97 percent of *all* Project costs, thus “owning” the Project; it is UNODC policy that a host country “owns” such a project, regardless of country share of project costs. UNODC/Brazil has played a consulting role through dialogue with national partners and through providing technical assistance. Participation of UNODC/Vienna has been relatively small, consisting of monitoring and providing staff experts.

Letters of Agreement with private entities—NGOs and research entities like universities and foundations governed the implementation of several important Project activities. Although the agreements were between the entity and UNODC, both and CGU and UNODC drafted the terms of reference and monitored the activity.

The Project was implemented under the auspices of the Brazilian Cooperation Agency (ABC), and in accordance with UN as well as Brazilian rules governing international cooperation. Implementation occurred at the convergence of these rule sets.

Evaluation Methodology

The scope of the evaluation includes activities over six years (2005-2011). Data for the evaluation are decisively qualitative and come from documents, stakeholder interviews, and a simple stakeholder survey questionnaire.

An initial desk review included documents given to the evaluator by UNODC. These included Annals of the IV Global Forum, the Project Document, Project Revision documents, Annual Project Reports, Project Progress Reports, minutes of Tripartite meetings, and consultant mission reports (see Annex B). The evaluator drew only marginally from information on the Web, mostly from CGU's Portal, but more heavily on his own knowledge acquired while conducting a review of Open Society Institute's Transparency and Accountability Program in Latin America in 2009.⁶

Using documentation, a Results Framework was prepared to structure and guide the evaluation. This was necessary to eliminate confusion, given the information dispersal and lack of a single document synthesizing Project objectives, activities, and indicators. The Framework went through several iterations, led by the evaluator with UNODC/Brazil participating. An early version was included in an Inception Report, required in the TORs prior to a mission to Brazil.

The evaluation occurred over the period June 1-September 12, 2011. The evaluator spent five working days in Brasilia, conducting face-to-face open-ended (yet structured) interviews with stakeholders—management personnel, government personnel, and persons from civil society and academia (see Annex C). He interviewed stakeholders not in Brasilia by telephone from UNODC offices. He prepared “protocols” (simple notes) for use in the interviews. Many of the interviews were conducted through an interpreter; the evaluator has only a passive command of Portuguese. A brief questionnaire (Annex D) was sent to six persons, all of whom replied. This expanded coverage only marginally. Twenty-seven persons in all were consulted (see Annex A).

The findings and recommendations in this report draw from all of the above-cited sources, in an effort to learn the strengths, weaknesses, and outcomes of the Project over the six-year period.

⁶ James C. Jones, *Review of Transparency and Accountability Subprogram, Latin America Program* (Washington, D.C.: Open Society Institute, 2009). Unpublished report. This subprogram was the major thrust of OSI's Latin America Program at the time. Conducted over a period of almost two years, this major review required the author to consult a large body of documentation as well as visit several Latin American countries.

Evaluation Limitations

Arguably the major limitation of the evaluation lies in the limited time—and related number and range of persons consulted about the Project and about corruption—that the evaluator spent in Brazil, where he remained in Brasilia. While headquartered in Brasilia, CGU has offices at subnational levels, where it seeks to expand activities. Also, some of the entities with Letters of Agreement had worked in the municipalities. More time (and resources) would have allowed visits to these levels, and thus greater evaluation coverage. In sum, persons consulted for the evaluation represent a sample of those involved in the Project.

Problems faced during the preparation and management of the present evaluation, combined with difficulties in following project documentation, limited the evaluator’s analysis. Some examples will suffice. First, the “Logical Framework Matrix” of the Project Document details Project “Outputs,” with achievement indicators defined only by sources for verification. Among the sources: Annual Progress Reports. Yet Annual Reports describe activities rather than “indicators.” And later documentation describes the indicators cited in the Project Document as “tentative,” and says that a corruption vulnerability assessment would be carried out at the beginning of Phase II, and would provide indicators to replace those mentioned in the Project Document. But the assessment never occurred.

Furthermore, the term “Overall Objective”—“to reduce corruption in Brazil”—appears in the second Project revision. The term “Outputs” continues to be used, and the term “Objectively verifiable performance indicators” is introduced. But the “indicators” take the form of “training provided,” or “research carried out,” or “courses and seminars held,” or “number of citizens mobilized.” And “sources and means of verification include “Headcount,” “audit records,” “research projects, reports and research results.” The 2009 Annual Progress Report uses “Outcomes” rather than “Outputs,” with “Outputs” sometimes in parentheses. And the 2010 Annual Progress Report uses “Outcomes” and “Outputs” synonymously.

In order to achieve a clear appreciation of the structure and *specific* content of the Project—of its objectives, results, activities, indicators—and thus provide guidance to the evaluation, the evaluator prepared a Results Framework, a tool used in Results-based Management (Performance-based Management). (UN agencies have in recent years adopted results-based management. ABC is also using it to monitor international-cooperation projects.) The Framework replaces “Outputs” (the UNODC term) with “Strategic Objectives” (SOs) and tries to fit some of the activities into the category of “Intermediate Results” (IRs). The Framework, which appears in the text below, is only partial and is a bit unorthodox since the evaluator elected originally to treat some “activities” as IRs. The evaluator’s idea was to create a Framework that would resonate with management. And it did resonate enough for us to refine it together.⁷

⁷ Nevertheless, Project Management (PM) prepared its own Results Framework, but did not send it to the evaluator until after this report was first drafted. It appears as Annex E. In the PM framework, SOs are called “Outputs,” whereas IRs are universally called activities and sub-activities. According to PM, some of the inconsistency in Project documentation relates to changes that UNODC made with regard to documentation over the course of Project implementation.

This state of Project documentation—inconsistency in the use of terms, indicators used synonymously with activities, lack of a concise summary of Project evolution—while a source of confusion, frustration, and delay for the evaluator prior to his visit to Brazil, did not in the end qualify as an insurmountable limitation to the evaluation. Nor, as for that matter, is there indication that the documentation affected *internal* Project monitoring or implementation. However, it did oblige the evaluator to be creative in assessing Project achievements, which cannot always be assessed following UNODC *evaluation* guidelines (per 2008 Handbook) as detailed in the SOW. There is a disconnect between the SOW and the documentation.

II. Major Findings and Analysis

Project Relevance

The Project has been consistent with UNODC’s mandate throughout. UNODC launched the Global Program against Corruption (GPAC) in 1999, which obligates it to support Member States in their fight against corruption. The UN Convention against Corruption (UNCAC) emerged in 2003, and was ratified by Brazil in 2006, the year that the Project’s Phase II began. Moreover, Corruption Prevention is a “Result” in UNODC’s 2008-2011 Strategy, and UNODC’s “Strategic Objective” for Brazil for the period 2006-2009 is “to cooperate with the Brazilian Government in reducing corrupt practices and their impact on the country’s development.”

On the Brazil side, the Project was formulated at a time when CGU and anti-corruption activities were relatively recent and still evolving. By its very nature, the Project had to evolve in parallel. In early 2006, for example, and in compliance with UNCAC, a new unit was created within CGU: the Corruption Prevention and Strategic Information Secretariat (SPCI). This unit, whose technical staff have played an important part in Project implementation, signaled a move within CGU toward preventing corruption as well as detecting it. Project revisions reflect these changing needs. Project management did a good job of keeping the Project relevant.

On Transparency International’s Corruption Index for 2010, Brazil, with an index of 3.7, ranks 69 (i.e., the 69th “cleanest”) out of 178 countries indexed.⁸ The index aside, Brazil lost five ministers this year for alleged mismanagement of funds. (Major corruption scandals were reported in the press during the evaluator’s visit.) In truth, however, there is no good evidence of the extent or severity of actual corruption in Brazil. Yet it is fair to conclude that Phase II Project objectives remain valid. Future support can target changing needs.

⁸ The index for Brazil is based on seven surveys (on 10 surveys in India, the highest number for any country). Nearly three-quarters of the 178 countries score below “5,” which indicates a “serious corruption problem.” Brazil is the 9th “cleanest” of the 28 countries indexed in the Americas. Only eight of the 28 score above “5.” Indices for Brazil since 2005 are: 2005: 3.7 (62 countries indexed); 2006: 3.3 (70 countries indexed); 2007: 3.5 (72 countries indexed); 2008: 3.5 (80 countries indexed); 2009: 3.7 (75 countries indexed). The validity of the index is controversial in Brazil; the Project supported a study (Passas study, IR9, SO2) to reach a more-objective measure.

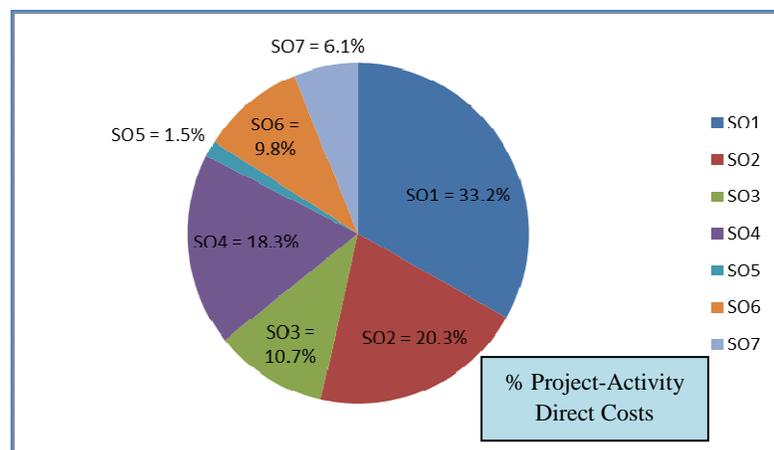
Objectives and Activities

The Project divides into seven Strategic Objectives (SOs), or “Outputs,” as shown in the Results-Framework below. A quick scan of these Objectives and their associated activities (IRs) reveals that research and training (with some technical assistance) are the nub of the Project’s Phase II. Because the Project coincides with CGU’s formative period, the activities are reasonable.⁹

Principal activities under SOs are assessed below, with their relative costs shown in the pie chart.

SO1—Fourth Global Forum Held

The Global Forum on Fighting Corruption, held in 2005, was the Project’s Phase I. It addressed five themes: international conventions, money laundering, public procurement and electronic government, measuring corruption, and conflict of interest. Despite lack of a formal link between the two phases, the Forum exposed Brazilians to



experiences from elsewhere—at a formative time, when such exposure yielded ideas. As one CGU official put it, “Different areas within CGU were being organized, and there was thinking about how the different departments could work together. The Forum aided this process.” In so doing, it helped strengthen CGU. Forum presentations were later published as *Annals*.

SO2—Studies Conducted

This is a major Phase II thrust. The evaluator talked with researchers from two research entities: Federal University of Minas Gerais (UFMG) and Getulio Vargas Foundation (FGV).

Using a survey of federal workers and public-policy counselors (some from civil society) in all Brazilian states, the UFMG study assesses perception of corruption and its control (it uses data from a corruption survey—i.e., IR3). Begun in 2009 and completed in 2010, the study identifies vulnerabilities and related strategic control points. It uses a tripartite control typology: internal control, external control, and judicial control.¹⁰ One main study conclusion is that Brazil needs a State corruption-control policy rather than only separate control agencies. Another is that the judiciary—especially impunity—represents a major internal-control weakness, one with serious

⁹ Research and training activities pose peculiar evaluation challenges, for their impact lies in the future.

¹⁰ In transparency and accountability parlance, internal control (self-control exercised by bureaucracy) is often called “horizontal accountability,” and external control (control from outside—e.g., by civil society) “vertical accountability.” Judicial control is an example of “horizontal accountability.” See Fox, Jonathan. 2000. “Civil Society and Political Accountability: Propositions for Discussion.” Presented at the Institutions, Accountability and Democratic Governance in Latin America, Helen Kellogg Institute for International Studies. <http://www.nd.edu/~kellogg/events/pdfs/Fox.pdf> P. 4

implications for public perception of State corruption and the political will to control it. And yet a third is the need for greater transparency of deliberations within the Councils. The study offers remedial recommendations.

The FGV study, begun in 2010 and ongoing, has two parts. One involves creation of a database from CGU's annual random audit of municipalities receiving federal funds. The research takes data from audit reports and standardizes it to allow a window onto how decentralization (Brazil decentralized with the Constitution of 1988) is managed at the municipal level. This will allow a comparison of municipalities with regard to how funds are managed by sector. It will show irregularities, which alone do not reflect corruption but suggest where it might be. Results on the health sector are now coming in. Plans are to put this sectorial program performance data on the Internet. The second part addresses public management in the municipalities. A primary conclusion is that legalistic, bureaucratic control does not necessarily reduce corruption; greater management capacity in weak municipalities is needed. The study argues for more communication between controllers and managers, with controllers teaching managers how to be accountable as well as learning from them how public policy plays out at the local level. The study also notes the heterogeneity among ministries—some more politicized than others—and sub-national public entities, and stresses that anti-corruption strategies must be tailored accordingly. Civil society can monitor and control some public agencies, but not others.

Two more studies, begun with Letters of Agreement in late 2009, include one conducted by the Federal University of Pernambuco (UFPE), and another by Catholic University of Brasilia (UCB). The UFPE study, with results to be published in 2011, profiles municipal human capital (officials, counselors, community leaders) being trained by CGU's social-control program, "Sharp Eye on Public Money" (*Olho Vivo no Dinheiro Público*). This government program trains municipal officials and civil society to monitor public expenditures. By better defining the target milieu, the UFPE study will improve the training and allow the program to operate more effectively. The UCB study, with results to be published in 2011, looks at the use of information systems to support corruption prevention.

The Project also supported a study (IR9, now published) to measure corruption; measurement is a controversial issue in Brazil, with TI's index and other measures questioned by some officials.

In addition to these studies, the Project supported creation of a corruption repository that offers a broad range of materials on corruption—official documents, scientific research, and links to specific web sites with further information. The repository is on CGU's Transparency Portal at <http://bvc.cgu.gov.br>. (The Portal itself was created in 2004, before the Project began.)

The studies detailed above are well-selected and are a valuable contribution to CGU: they give direction to an evolving institution in its fight against corruption as well as refine its instruments. One might argue that they should have been conducted sooner in the Project.

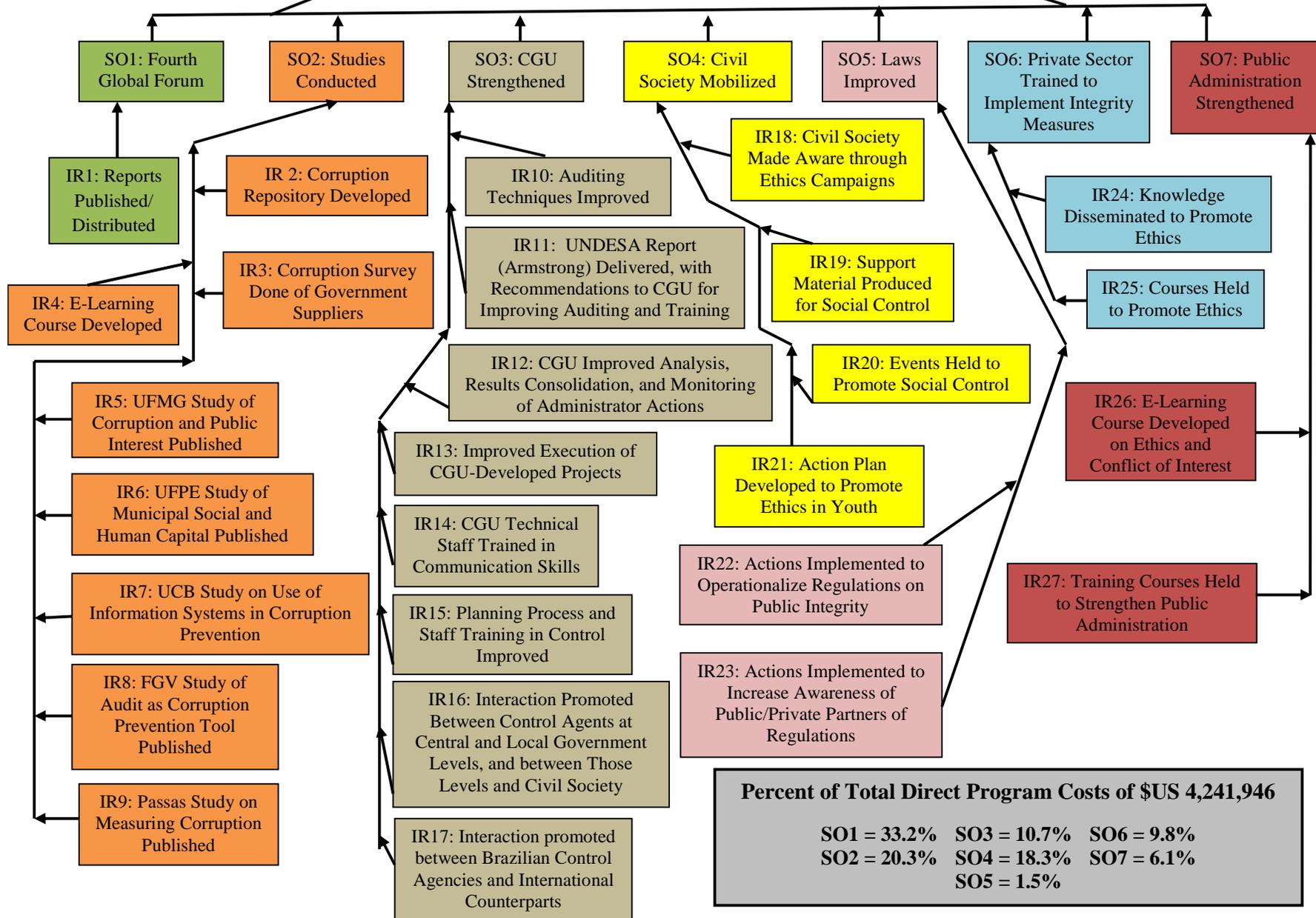
SO3—CGU Strengthened

This SO includes numerous activities, some of greater moment than others and not all of which involve Project expenditures. Included are agreements between UNODC and government

Results Framework

Goal: CGU Better Able to Fight Corruption

Legend
 SO = Strategic Objective
 IR = Intermediate Result



Percent of Total Direct Program Costs of \$US 4,241,946

SO1 = 33.2%	SO3 = 10.7%	SO6 = 9.8%
SO2 = 20.3%	SO4 = 18.3%	SO7 = 6.1%
	SO5 = 1.5%	

agencies. One such was signed in 2008 with the National Council of Internal Controls (CONACI) in order to standardize procedures in the 22 Brazilian states, and thus allow information exchange that would avoid overlap with CGU. Other activities involve training, or take the form of missions from UNODC headquarters to consult with CGU on auditing issues.

A more-tangible Project result is support to CGU to develop an Observatory of Public Expenditures. An auditing tool, the Observatory crosses procurement data from the several ministries, including CGU, which audits the whole of the federal government. For CGU internal use only (its data are not public), the tool identifies atypical situations for further review in a corruption search. The tool will help CGU spot vulnerable areas and ultimately improve policy. The Observatory was cited in a 2010 OECD integrity review of Brazil (see Note 4).

SO4—Civil Society Mobilized

Important activities were carried out under this SO, although their impact will likely be captured over the years to come. The Project supported the implementation of CGU’s program, “Sharp Eye on Public Money,” which allowed the program to strengthen and expand. Begun in 2004, the program seeks to sensitize, involve, and guide not only public servants, but also members of civil society in monitoring government expenditures in the municipalities.

CGU’s creative Corruption Prevention unit (SPCI) invested in new activities, such as the promotion of ethics and citizenship among children and adolescents. It created “Citizen Child Day,” celebrated in the same week as “Children’s Day” in Brazil. First held in Brasilia in October 2008, the event drew 600 children in a single day. It has since spread to other areas. Through games, story-telling workshops, computers, dance and the plastic arts, children learn in a fun way lessons on citizenship. SPCI also developed a website for children. In this work, the unit drew importantly on cartoons by Brazil’s famous cartoonist, Mauricio de Sousa, whose cartoons (Monica’s Gang—*Turma da Mônica*) have attracted children for two generations. The program uses guidebooks, posters, folders, games and activity books, all with illustrations of Monica’s Gang, to educate students and make them aware of their role as citizens. It also sensitizes educators, families, and the community on the importance of everyone’s participation to fight corruption and construction a more-equitable society. The work with children is of high quality, and is thought by some to be the Project’s major strength.

Beyond this, the Project has in general funded training, festivities, and the preparation of radio spots and other material for campaigns—e.g., on International Day Against Corruption—to instill ethics and fight corruption. All of this squares with UNODC’s anti-corruption mandate.

SO5—Laws Improved

Little Project money was invested in SO5. As management explained, CGU, with its army of lawyers, has ample legal expertise—its director, Jorge Hage, is a retired and well-regarded federal judge. This legal expertise was developed over the years, and so there was no reason to invest much on SO5. The Project did, however, muster international expertise to offer a vision of legislation elsewhere. Also, UNODC was an advocate not only for ratification of UNCAC, but for the incorporation of its specific provisions in Brazilian law.

SO6—Private Sector Trained to Implement Integrity Measures

SO6 did not enter the Project until 2009. Through it, the Project has invested to strengthen business ethics in Brazil's private sector, and thus bring its behavior into line with international agreements. This investment is valuable, given the sector's important role in economic growth.

With Project support, CGU's Corruption Prevention Unit (SPCI) developed a Pro-Ethics Registry (*Cadastro Empresas Pró-Ética*), which rewards firms that demonstrate a concern for ethics by including them in the Registry. To enter the registry, firms complete a questionnaire, which is then analyzed by a committee that decides whether they warrant entry. Presence in the Registry enhances firm image, and this, in theory, is an incentive to be ethical. According to SPCI, the Registry's underlying philosophy is that not only should bad behavior be punished, but good behavior should be rewarded. The media have shown interest in this Registry, and SPCI thinks that the novel approach may be of interest to other countries.

Related to this work is that of Ethos Institute, which the Project has supported through two Letters of Agreement, one in 2006 and another in 2009. An NGO founded by entrepreneurs in 1998, Ethos promotes social responsibility among businesses by creating opportunities for them to be responsible and comply with international agreements. Ethos has functioned as a bridge between UNODC, CGU (i.e., SPCI), and the private sector. It has developed an Integrity Manual and an E-course for firms. It also awards a "Clean Company Seal" to companies who voluntarily join a Pact whose rules the companies agree to follow. Whereas the Pro-Ethics Registry gives visibility to firms, the Pact provides them with instruction and monitoring. The Pact thus helps firms qualify for inclusion in the Registry. Pact Members receive training from Ethos, which monitors their conduct in order to spot problems. The Pact now includes 267 firms, including some large ones—Petrobras, Siemens, Walmart, BP, Shell, Nike, and Alcoa. Membership has value to firms wanting to be seen as socially responsible. The value can also be practical: if a firm wants to provide services to, say, Petrobras, it must demonstrate minimal ethical standards.

SO7—Public Administration Strengthened

SO7, like SO6, did not enter the Project until 2009. Unlike SO3, which focuses on CGU, SO7 focuses on the entire public sector. Perhaps the main activity under SO7 has been Project support to SPCI to strengthen public-sector management in the municipalities. SPCI staff teach management courses in the municipalities, which apply for the training. It includes public budgeting, for example. A firm was also hired to develop an E-learning course for the public sector on ethics and conflict of interest. That course is now delivered electronically.

One planned activity (under SO7), a corruption-risk assessment of Brazilian bureaucracy, never happened. The Project tried to hire a qualified firm to conduct it, but only one company submitted a bid. The idea of such an assessment was novel, and management thinks that the experience of firms (including Price Waterhouse Coopers) was in market risk, not corruption risk. The Project unsuccessfully tried twice, until too little time remained for a third try.

Summary Analysis

Despite a lack of supporting performance indicators, it is reasonable to conclude that the activities described above have all contributed in some measure to achieving the seven SOs. The Global Forum (SO1) exposed Brazilians to experiences from elsewhere at a time when CGU was learning. The Forum provided ideas, at a time when ideas were needed and in demand. SO2, SO4, and SO6 have been the thrust of Phase II, and evidence suggests that these objectives represent the greatest contribution. It is of interest that the activities under these three SOs, which account for major Phase II expenditures, did not get underway until late 2009, and some of them not until 2010.¹¹ Major contributions, that is, came relatively late. This accords with the constraints cited below.

The studies described above are of high quality and of great usefulness: they can help CGU as it expands and refines its work, notably in the municipalities. This level is critical, for it is there that citizens experience government firsthand. Democracy is built from the bottom up.

Project work with ethics and citizen responsibility among youth is also important—so much so that one CGU official involved in implementation called it the major achievement. Yet whatever its effects, they are intangible (but no less important), and will materialize in the future.

Work with the private sector is of much importance. Brazil has enjoyed enviable growth over the past several years and is today the world's ninth largest economy. And the private sector has played a key role in that growth. But as elsewhere, a potential for corruption is always present.

On the auditing side, Project support to creation of the Observatory of Public Expenditures ranks as a major contribution, for it allows the crossing of procurement data across government agencies, thus allowing the efficient finding of irregularities.

It bears noting that the creativity and excellence of some of these activities qualifies them for export, and not only from South to South, but in some cases from South to North.

Project Management and Constraints

With regard to administration, documents and interviewee comments point to implementation delays, related to CGU budget cuts and, perhaps mostly, to weak coordination between authorization and disbursement of Project funds.¹² Compounding the problem, CGU, as Brazil's premier anti-corruption agency, was notably cautious in handling funds. It finally assigned a public auditor to the Project, who helped decide whether a given activity was valid under government rules. The presence of the auditor expedited funds handling, and the problem of

¹¹ As regards the five major studies, that of UFMG began in 2009; those of UFPE and UCB in late 2009; those of FGV and Passas in 2010. Work with Ethos began in 2008 (with a second letter of agreement for major work in 2009), and youth activities began in 2009 and 2010.

¹² The process for handling Project funds is cumbersome. Brazilian funds for the Project are approved in Brazilian reales, which are then transferred in tranches to a UN dollar account in New York. The Project then draws them out for disbursement in reales in Brazil. The funds are converted according to rates of exchange of the moment. Differing exchange rates over the life of the Project makes all figures in this report only approximate.

delays seemed to have been resolved in 2009. According to documents, the Project reached its highest implementation rate in 2010.

Personnel in CGU said that the Project’s operational capacity could have been increased had experienced human resources been available from both UNODC and CGU. CGU is understaffed vis-à-vis its challenges, and neither it nor UNODC was able to increase personnel for the Project. The evaluator was also told that national legislation is murky as to what a project like S07 (subject to two sets of implementation rules) can fund, and that remedial talks were pending.

With a small sum of money and a small management staff, the Project operated across a wide range of activities during its implementation. This wide range of activities and corresponding counterparts—public and private sectors, youth, entrepreneurs, academic institutions, and NGOs—is both a strength and a weakness: a strength because a successful fight against corruption is necessarily multi-pronged, yet a weakness in terms of the capacity of a small project with limited funding to manage and monitor. Yet it is a tribute to this management that the evaluator cannot point to any specific lax in monitoring that might link to a stretched capacity. This wide-ranging focus probably also relates to the changing nature of CGU over the period of Project implementation, and to CGU’s formative quest for ideas and direction.

Weak Project documentation, as mentioned earlier, might by definition qualify as a management deficit—even if one allows that over the period of Project implementation, system-wide UNODC changes regarding documentation created confusion. This deficit is seen clearly in the way the Project handled “indicators.” To quote from the Project Document:

“After the[Global Forum] a costed workplan for phase II providing details on the activities to be carried out, approaches to be followed as well as indicators of achievement to be used for monitoring and evaluation will be worked out. This will also entail a revision of the budget taking into account any balances that may be available after completion of phase I. The division in two phases has been made to increase the transparency of the project.”

A subsequent Project revision document (“Revision B”) says:

“The achievement indicators shown in this logical framework matrix are preliminary. At the beginning of phase II, the project will carry out a corruption vulnerability assessment study, based on which achievement indicators will be developed.”

A matrix accompanying this revision includes a category for “objectively verifiable indicators” and one indicator described as “Substantial increase in CGU personnel.” Its stated source: “staffing tables.” Yet no actual indicator figures appear in any of the documents provided for this evaluation. The term “indicator” is not mentioned in Annual Reports until 2009—yet no indicators as such appear in reports for 2009 or 2010. The term “indicator” does not appear in Project Reviews for 2006 and 2007 (the only years for which the evaluator received reviews).

Yet there is no evidence that weak Project documentation affected *internal* Project monitoring, implementation, or management. Indeed, notwithstanding UNODC/ROBRA’s limited experience with preparation and management related to evaluations, evidence points to good management, to good activity monitoring, and certainly to strong commitment to the project. The documentation may, on the other hand, have challenged external consultants relying on it prior to their engagement.

III. Impact and Sustainability

According to the Project Document,

“The beneficiaries of the project are all agencies involved in actions aimed at preventing and repressing corruption, such as the CGU, the Office of the Public Prosecutor, and the Federal Police. CGU will particularly enjoy benefits derived from improvements in its actions and public policies under way and from the enhanced visibility of its mission in Brazilian society.”

The primary beneficiary is thus CGU, with other beneficiaries as subsidiaries. CGU executed and “owns” the Project. It assumed ownership at Project inception, and is responsible for the Project’s content. This favors sustainability.

The Project clearly improves CGU’s capacity to fight corruption, which is the Project goal. The Global Forum had a very positive impact on Brazil, for it provided orienting ideas to CGU at a formative period as well as brought Brazil into a global corruption-fighting orbit. It was both an enlightening and a motivating force.

As CGU evolved, and created SPCI in 2006, a technical unit with highly trained staff, the Project stepped in to support the new unit. This support resulted in some innovative activities. One such is a website developed for children, using games and cartoons well-known to children. Another such is the creation of Citizen Child Day in Brazil. These activities raise the citizenship and anti-corruption consciousness of children and their families. These results are of high quality, and would be of interest to other countries in the region and beyond. SPCI also developed a Pro-Ethics Registry, which complements a “Clean Company Seal” developed by Ethos Institute (also with Project support) and rewards firms by including them in the Registry. SPCI is also engaged in a much-needed strengthening of public-sector management in the municipalities. All of these activities are first-rate, and all received Project support.

The Project-funded studies carried out by academic institutions are another noteworthy achievement and stand to have substantial impact once their recommendations are implemented. The UFMG study, for example, identifies corruption vulnerabilities and makes solid recommendations to address them. The two-part FGV study focuses on municipalities and addresses public management and corruption at that critical level. The UFPE study also focuses on municipalities by profiling their human capital with a view to improving the training of officials and civil society so that they can better monitor public expenditures. This municipal focus is very important, for at this level citizens most directly feel the effects of government.

Several activities aim to strengthen the public bureaucracy, including CGU. Among these are the creation of a corruption repository on the Portal, which offers readers access to research findings, official documents, and links to other sites, all related to the fight on corruption. Another activity is the creation of an Observatory of Public Expenditures, a valuable auditing tool that enables the analysis of procurement data in order to spot anomalies.

Activities to improve ethics, whether in corporations or in the public sector, do much to highlight the *importance* of ethics in their respective cultural spheres; this is an immediate effect, which stands reasonably in turn to change culture, and thus future behavior. And this could begin to happen soon, especially if firms think that good ethics is economically profitable. Activities to

instill ethics among youth also aim at culture change, with benefits being captured in future. The programs' sophistication and high quality virtually assure a good outcome, if an intangible one.

Activities to strengthen controls at the municipal level, and to open the door to civil-society oversight, are likely to begin showing returns over the short term—and precisely at the level where citizens interact directly with government.

The results of activities to improve auditing are also readily applicable, yet their effects are more subtle, yet no less positive.

While these activities may be one-off in nature, their results involve institutionalization or culture change. And so by their very nature, the *results* are sustainable. Threats to this sustainability are more theoretical than real. They would include policy reversals—i.e., fighting corruption ceases as policy—or economic crisis of a severity that threatens anticorruption programs. Neither is a realistic scenario.

As for the larger picture, perhaps the greatest *overall* threat to sustainability of the entire anti-corruption enterprise is impunity. Those consulted for this evaluation, when asked what Brazil most needed in this fight, overwhelmingly cited an end to impunity. Sometimes this was couched as part of a need for political reform. In the measure that citizens think that crime pays, that corruption goes unpunished, especially among elected officials, their trust in government—in democracy—waned. For many citizens, justice *is* democracy. And long delays in justice equate to impunity. The lengthy appeals process seems to be at the heart of the problem.

Recent high-level corruption scandals have led citizens to demand that government act to reduce corruption, as shown by marches and demonstrations in Brazilian cities at the time of this evaluation. In a democracy, such manifestations favor sustainability.

IV. Conclusions

AD/BRA/05/S07 was novel and pioneering. International projects and partnerships to fight corruption were few to non-existent in Brazil. It was a pilot project in all but name. Moreover, it came at a time when CGU was recent and evolving. Beginning with the Global Forum in 2005 and continuing into 2011, the Project, through a broad range of activities, provided CGU with ideas and allowed it to learn from experiences acquired elsewhere. And it allowed CGU to experiment—very important at a formative time. In all these ways, it helped CGU define its multifaceted anticorruption role.

The Project operated across a wide range of Brazilian society. It assembled a critical mass of social groups, economic sectors, levels of government, and public and private agencies in an assault on corruption. Business groups, youth, universities, civil society, and the public sector at federal, state, and municipal levels all participated, each collaborating with the others and learning from them. Such breadth of involvement and cooperation to fight corruption was new.

Some of the activities and kinds of collaboration were new and creative. Project-funded studies conducted by Brazil's excellent academic institutions not only yielded useful results to CGU, but opened up future possibilities for cooperation in which applied research serves the public interest. Most of this research targets the municipalities, which is highly positive. CGU's work

with children, led by SPCI, is highly innovative, as also its work with the private sector through creation of a Pro-Ethics Registry and its collaboration with the business NGO, Ethos Institute. And SPCI's training of municipal agents and municipal civil society, and the complementarity of this training with the academic research just cited, is vitally important. This work opens a wedge for fighting corruption where citizens most directly experience government. One hopes that the wedge will be widened and deepened in future.

In a word, the Project strengthened a CGU-internal thinking process and gave CGU the confidence to develop other projects. This is notably so of SPCI, with its young, highly trained, creative technical staff. Such also enhances sustainability. With UNODC as participant, the Project enjoyed global cachet, which gave Brazil—once it ratified UNCAC—the energizing confidence deriving from formal partnership in a community of nations fighting corruption.

As has been pointed out in this report, the Project suffered delays, and its documentation was deficient. Many of the stellar activities came late in the Project cycle. But given that the Project operated over a broad range of activities and stakeholders, as one might expect of a pilot, experimental effort, what might otherwise appear as a deficit is perhaps better thought of as growing pains. Also, this Project, unlike many others, is different in that the “project” does not stand apart from its “target.” In philosophical terms, it is both “subject” and “object.” CGU is the “object,” but as Project executor, also the “subject.” Both subject and object move together.

It is appropriate to conclude with some thoughts on future directions. Future projects of this kind (i.e., limited funding, small staff), rather than operate broadly, should probably have a narrow focus. This is also reasonable because the corruption and anti-corruption terrain is better known than it was in 2005. And CGU knows its needs better now than it did six years ago.

Substantial returns on investment can occur from work at the municipal level. Some of this work should focus on strengthening civil society—on pursuing greater “vertical accountability” (see Note 10). The studies funded under the current Project as well as the work of SPCI point in this direction. Work like this should continue. The role of the media cannot be overlooked, both for their role in publicizing CGU's work and for their role in investigating corruption. The current national-level corruption scandals in Brazil are instructive, for the investigation behind them as well as their revelation are a result of media efforts. And the marches and demonstrations in cities round the country are the result. This process can also take place at the municipal level (although the physical risks to journalists can be high). But any future project efforts in this regard will have to consider that the media as well as some excellent NGOs that support the training of investigative journalists will not accept public funds out of fear of compromising their independence. So any future project may need to exercise some creativity in this regard.

One final word. Brazil's experience in fighting corruption, and some of the excellent activities described in this report, qualify Brazil as an “exporter” of that experience and the associated “best practices,” some of which are cited below. UNODC can use its platform to help with this.

V. Lessons Learned and Best Practices

Lessons Learned

All of the following lessons learned but the last were provided by individuals involved in Project management or Project implementation; all but one relate to the *timing* of activities. Despite many good practices identified, the evaluator elected to highlight the following ones, based on their importance to the project:

- Public- and private-sector corruption risks should be mapped at the outset of an anti-corruption project in order to know how better to formulate activities. (In this Project, had the Pro-Ethics Registry been available earlier, for example, studies could have been conducted on company and people profiles in order to highlight the risks.)
- If research is indicated in order to fight corruption, arrangements should be made to conduct it early in a project cycle so that results can be used to guide the project. (The findings of the studies that the Project has supported are coming in too late for the Project to use them.)
- Because citizen trust in government institutions is vital in the fight on corruption, priority should be given to activities to build citizen trust at levels where citizens directly experience government's effects. (Preliminary results of research funded under the Project point strongly to the importance of the municipal level.)
- With limited amounts of money and small management staff, it is important to establish priorities, which implies a selection of activities commensurate with funding and management staff. (The Project operated across a wide array of activities over the period of implementation, which would have taxed any management staff of its small size.)

Best Practices

- Letters of Agreement with academic institutions to conduct applied research to define and refine ways to fight corruption.
- Awareness-raising work with youth: Children's website, games and Turma da Mônica cartoons for Web and public schools, designation of Children's Citizen Day.
- Work with the business sector resulting in a Pro-Ethics Registry and a Clean-Company Seal.
- Work to develop an Observatory of Public Expenditures, a tool to cross procurement data from federal agencies; the Observatory was cited in a 2010 OECD integrity review of Brazil.

VI. Suggestions for Future Actions

The Recommendations below divide into those for CGU and those for UNODC. Preceding some of the recommendations below are contextual comments, followed by the recommendation proper in bold italics flagged by arrows.

For CGU

- The Project’s work with children, and with training at the municipal level, is in part web-based. This excellent work should be continued. Yet the Institute of Geography and Statistics reports that only 35 percent of Brazilians had access to the Internet in 2008. Many of them are undoubtedly in remote municipalities, in poorer areas of the country. Yet good governance, including ethics consciousness-raising and the training of local officials, not to mention the engagement of civil society in its oversight function, is also important in these areas. Impoverished citizens there, perhaps more so than those elsewhere, need to experience good government firsthand. As the OECD report notes, “A challenge facing the federal government of Brazil is to ensure that leveraging transparency on new technologies is balanced with other measures given the level of Brazil’s Internet penetration.”¹³
 - *Using culturally appropriate communication, extend to municipalities lacking Internet and literacy the excellent and creative work that SPCI has done with children and in training officials and members of civil society. Consider using community radio and television; this has been effective elsewhere. While not easy, SPCI can meet this challenge.*
- Project-funded studies have made excellent recommendations. The studies highlight the value of academic institutions conducting applied research to further the public good.
 - *Make the most of what has been learned from the excellent studies commissioned under the Project, and follow up on recommendations. Support other-such studies. In general, good research takes time, and so allow more time for studies. Also consider using well-focused case studies as an efficient way to identify and resolve problems.*
- Corruption prevention and control at sub-national levels is vital, even more so at the municipal level, where, as has been often said in this report, citizens experience government directly. Studies funded through the Project point to the importance of the municipal level, and provide some guidance for operating there. Identifying civil-society organizations that can and will exercise an oversight function—and providing enough information for them to exercise it—is important to this work. Experts at a 2007 conference on corruption identified priority areas for concern. Those included weakness of civil society, and resulting inability to play the critical role of holding government accountable; lack of enforcement of anti-corruption laws; and little focus on transparency and probity in sub-national governments, especially in times of decentralization. Among conference recommendations: refocus anti-

¹³ See Note 4, p. 19

corruption efforts on local-government; pay more attention to State capture and failure to enforce conflict-of-interest laws; and seek greater monitoring by civil society.¹⁴

- ***Work on transparency and accountability at sub-national levels. Focus not only on the handling of federal funds by federal officials at those levels, but also coordinate with State and Municipal funds and officials in order to integrate efforts.***
- Anti-corruption work by sector at the local level can be an efficient way to enlist citizen participation in the oversight of government. Work on health and education can bring quick returns in creating citizen participation (and confidence) in government: citizens can see directly that participation improves their lives. The first citizen experience of government is often through public education. Education is important not only for what it teaches formally in a curriculum, but also for what it teaches informally by example about citizenship and ethics. A corrupt education system sends a destructive message to child and parent. As for health, according to one report,

“In some countries, the health sector is considered to be the most corrupt sector of all. [C]orruption deprives people of access to health care and leads to poor health outcomes. Corruption has...been negatively associated with child and infant mortality, with the likelihood of unattended birth, with immunisation coverage and with low birth weight. As such, corruption potentially violates the ‘right to the highest attainable standard of health’ as set forth in a number of international human rights treaties... [T]he right to health is an inclusive right which not only extends to timely and appropriate health care services, but also to the underlying determinants for health, such as access to safe and potable water and adequate sanitation, healthy occupational and environmental conditions, and access to health-related education and information. This implies that when we analyse corruption in relation to a right to health, it is not only the health care sector that should, in principle, be under scrutiny, but also for example water provision and the occupational and environmental health sectors.”¹⁵

- ***Focus strongly on encouraging citizen oversight of spending in the sectors of health and education at the municipal level.***

For UNODC

- In fighting corruption, there are able NGOs that play a vital role, often as watchdogs. Many of them refuse to accept government funds so as not to compromise their independence.
 - ***With CGU, bring competent NGOs that play a watchdog role into any future project, and help them find independent funding.***
- The UN enjoys favored status in Brazil, and Project relations between UNODC/Brazil and CGU have been positive. UNODC has on occasion been an advisor, a sounding board for ideas, but perhaps above all, a facilitator. (And its role will grow if Brazil passes a freedom-of-information law, which will generate new demands.) A summary of what several persons

¹⁴ DeShazo, Peter. 2007. *Anticorruption Efforts in Latin America: Lessons Learned*. Washington, D.C.: Center for Strategic and International Studies.

¹⁵ Toebe, Brigit. 2007. "The Impact of the Acts of Corruption on the Enjoyment of the Right to Health: Working Paper." In. Geneva: The International Council on Human Rights Policy. pp. 1, 3

in the Project told the evaluator that UNODC's role should be leads to the following recommendation:

- ***Serve as a two-way communications platform. Help Brazil follow-up on Recommendations cited above. Host forums and visits; identify consultants; and otherwise act as a central clearing house in a global anti-corruption network, allowing Brazilians to learn of experiences elsewhere and share their own.***
- As detailed in this report, the system for Project documentation is weak. This may in part result from system-wide UNODC changes in project documentation over the course of the Project. IN any case, it was difficult for the external evaluator to understand what the Project was about and to follow its activities. Preparation for the evaluation and management of it were also weak. There should be a close—very close—working relationship between project-design and M&E. M&E begins with project design. In the case of UNODC, those functions are widely separated, to the detriment of country projects as well as of the IEU. This state of affairs placed the evaluator in the middle of a disconnect between IEU and UNODC/Brazil.
 - ***Improve Project documentation in order better to align it with the requirements of Results-Based Management; develop a monitoring and evaluation system related to documentation; improve coordination between IEU and the UNODC country team.***

Annex A—Persons Consulted

Persons Consulted

Abramo, Claudio; Executive Director, Transparency Brazil

Abrucio, Fernando; Professor, Center for Public-Sector Politics and Economy, Getulio Vargas Foundation.

Avelino, George; Professor, Center for Public-Sector Politics and Economy, Getulio Vargas Foundation

Cadondon, Karen; Independent Evaluation Office, UNODC, Vienna.

Castello Branco, Gil; Secretario-Geral, Contas Abertas

Castello Branco, Priscila; International Affairs Consultant (voluntary), Contas Abertas

Claussen Spinelli, Mario Vinícius; National Project Director, Corruption Prevention Secretary, CGU.

Corrêa, Izabela; Manager, Transparency and Integrity, Directorate of Corruption Prevention, CGU

Corrêa, Márcio; Manager, General Coordination of Received Cooperation, ABC

De Souza Aguiar, Luciana; Project Director, Instituto Ethos de Empresas

Domingues Pereira, Luis Carlos; National Project Coordinator, CGU

Dutra Moresi, Eduardo Amadeu; Professor, Catholic University of Brasilia

Filgueiras, Fernando; Professor, Department of Political Science, Federal University of Minas Gerais

Fontes de Souza Vasconcelos, Ana Lúcia; Adjunct Professor; Federal University of Pernambuco

Gilman, Stuart; Former Chief, Anti-Corruption Unit, Rule of Law Section, Human Security Branch, UNODC

Graziani, Daniel; UNODC/ROBRA Senior Assistant

Libório, Gilson, Directorate of Corruption Prevention, CGU

Lima, Petronio; Manager, Directorate of Corruption Prevention, CGU

Magri, Caio; Public Policy Specialist, Instituto Ethos de Empresas

Mathiasen, Bo; Regional Representative, UNODC

Navarro de Brito Filho, Luiz; Executive Secretary, CGU

Pedroso, Bianca; Former Project Assistant, UNODC

Pungs, Reiner; Former UNODC Chief of Anti-trafficking and Rule of Law Unit, ROBRA

Stopanovski, Marcelo; Former National Project Director, Corruption Prevention Secretary, CGU

Vieria, Vânia; Chief, Directorate of Corruption Prevention, CGU

Vitória, Rodrigo; UNODC/ROBRA Programme Office

Vlassis, Dimitri; Chief, Corruption and Economic Crime Branch, UNODC

Annex B—Documents Consulted

Project-Cycle Documents

Terms of Reference for the Evaluation
Original Project Document and two Project Revisions
Annual Progress Reports: 2006, 2007, 2008, 2009, 2010
Project Progress Reports: 2006, 2007
Tripartite Reviews: 2007, 2008, 2009, 2010

Consulting Reports

Stuart Gilman Report, 2007
Peter Armstrong Report, 2008

Studies Funded through Letters of Agreement

Getulio Vargas Foundation (drafts)

Subprojecto I: “A CGU e a Administração Pública Federal (APF) no sistema brasileiro de controle democrático: avaliação institucional e da percepção dos atores”

Subprojeto II (três relatórios) “A descentralização brasileira em perspectiva comparada – a gestão dos recursos federais transferidos aos municípios”.

Federal University of Minas Gerais

“Projeto corrupção, democracia e interesse público: Relatório Final”

Federal University of Pernambuco

“Avaliação do capital humano e social nos municípios brasileiros: o caso do programa OLHO VIVO NO DINHEIRO PÚBLICO”

CGU

Consulted numerous webpages that are part of the *Portal*.

Other Documents

Several documents are referenced in footnotes of the report, including a major assessment (unpublished) prepared by the evaluator for Open Society Institute on their Transparency and Accountability Program in Latin America (this contains a bibliography).

Documents prepared by OECD, World Bank, UN, OAS, and Transparency International.

UNODC documents, including Evaluation SOW and 2008 Evaluations Handbook.

ANNEX C: Protocols for Informal Interviews

Questions for Informal Interviews—Project Management Personnel

- Major achievements/strengths of the project?

- Major problems/bottlenecks/weaknesses the project has had? Efforts to overcome them?
- Do you think that the Outputs (the Objectives, or SOs) have been reasonable?
- Have project resources been well spent? And adequate for their intended tasks?
- If you could start the project again,
 - What changes would you make in the project design?
 - Changes in the “target groups”?
 - Changes in the project implementation?
 - Changes in the management?
 - Changes in project monitoring?
- Forgetting the project for the moment, what do you think is the best way to fight corruption in Brazil? What are the country’s greatest needs in its fight against corruption?
- Is there a future role for the project, or one like it? If so, what should its focus be?
- Any suggestions for UNODC with regard to its corruption-fighting role?
- Any suggestions for the Government of Brazil with regard to its corruption-fighting role? What/where should be pressure points be, or the leverage points, in this fight?

Specific points to address:

- At the SO level, one might conclude that SO3 and SO7 are the same, but with different IRs. Both aim to strengthen the public sector, of which CGU is part. Is this true? If not, what is the difference?
- Outputs 6 and 7 account for more than 30 % of project budget, and 34% of expenditures on subcontracts? What has the money been spent on? Why such heavy spending on subcontracts in Outputs 6 and 7, toward the end of the project?
- Why was there no mid-term evaluation? Was one called for?
- What were the main reasons for the delay in disbursement of project funds?
- What is current project expenditure by Output (or SO)? Are the figures that I use from the second project revision reasonably accurate?

Questions for Informal Interviews—Government Officials

Position: _____ Role vis-à-vis Project AD/BRA/05/SO7: _____

- Tell me about the Project product (i.e., the Intermediate Result, or “activity”) in which you are/have been involved.
 - What do you see as its contribution (actual or potential) to fighting corruption?
 - Any potential bottlenecks to its use?
 - Can anything be said about its impact thus far (which may be different, or go beyond its contribution)?
 - What do you see as the strengths of Project AD/BRA/05/SO7?
 - What do you see as the weaknesses of Project AD/BRA/05/SO7?
 - Have you any recommendations for the Project’s management?
- What are Brazil’s greatest needs in its fight against corruption? How can they best be addressed? What/where should the pressure points be, or the leverage points, in this fight?
- What are the greatest obstacles to fighting corruption in Brazil? How can they be overcome?
- How can the international community best help Brazil in this endeavor? Recommendations?

Questions for Informal Interviews—Consultants

Position: _____ Role vis-à-vis Project AD/BRA/05/SO7: _____

- Tell me about the Project product (i.e., the Intermediate Result, or “activity”) in which you are/have been involved.
 - What do you see as its contribution (actual or potential) to fighting corruption?
 - Any potential bottlenecks to its use?
 - Can anything be said about its impact thus far (which may be different, or go beyond its contribution)?
 - What do you see as the strengths of Project AD/BRA/05/SO7?
 - What do you see as the weaknesses of Project AD/BRA/05/SO7?
 - Have you any recommendations for the Project’s management?
- What are Brazil’s greatest needs in its fight against corruption? How can they best be addressed? What/where should the pressure points be, or the leverage points, in this fight?
- What are the greatest obstacles to fighting corruption in Brazil? How can they be overcome?
- How can the international community best help Brazil in this endeavor? Recommendations?

Questions for Informal Interviews—Civil Society

Position: _____ Role vis-à-vis Project AD/BRA/05/SO7: _____

- Tell me about the Project product (i.e., the Intermediate Result, or “activity”) in which you are/have been involved.
 - What do you see as its contribution (actual or potential) to fighting corruption?
 - Any potential bottlenecks to its use?
 - Can anything be said about its impact thus far (which may be different, or go beyond its contribution)?
 - What do you see as the strengths of Project AD/BRA/05/SO7?
 - What do you see as the weaknesses of Project AD/BRA/05/SO7?
 - Have you any recommendations for the Project’s management?
- What is the best way to involve civil society in the fight against corruption? Any suggestions for the Project? (e.g., through sectors such as health or education; through sectors at local levels, etc., etc.)
- What are Brazil’s greatest needs in its fight against corruption? How can they best be addressed? What/where should the pressure points be, or the leverage points, in this fight?
- What are the greatest obstacles to fighting corruption in Brazil? How can they be overcome?
- How can the international community best help Brazil in this endeavor? Recommendations?

Questions for Informal Interviews—University/Foundation/NGO

Position: _____ Role vis-à-vis Project AD/BRA/05/SO7: _____

- Tell me about the Project product (i.e., the Intermediate Result, or “activity”) in which you are/have been involved.
 - What do you see as its contribution (actual or potential) to fighting corruption?
 - Any potential bottlenecks to its use?
 - Can anything be said about its impact thus far (which may be different, or go beyond its contribution)?
 - What do you see as the strengths of Project AD/BRA/05/SO7?
 - What do you see as the weaknesses of Project AD/BRA/05/SO7?
 - Have you any recommendations for the Project’s management?
- What are Brazil’s greatest needs in its fight against corruption? How can they best be addressed? What/where should the pressure points be, or the leverage points, in this fight?
- What are the greatest obstacles to fighting corruption in Brazil? How can they be overcome?
- How can the international community best help Brazil in this endeavor? Recommendations?

ANNEX D: Questionnaire (Generic)

Questionnaire
(To be modified according to recipient type)
Project AD/BRA/05/S07

Name: _____ Current position: _____

Date: _____ Please answer in the square below the question, using font size 10

1. In what Project activity were/are you involved and know about?

2. How does the activity contribute to fighting corruption in Brazil?

3. What in your opinion are the activity's major strengths?

4. What in your opinion are the activity's major weaknesses?

5. Please rate with an "X" the activity's contribution to fighting corruption on the following 1-7 scale, with "1" representing "weak contribution" and "7" representing "strong contribution."

1	2	3	4	5	6	7
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6. Do you have suggestions for improving the activity?

7. If you were in charge of fighting corruption in Brazil, what three actions would you promote, and why? Describe them in the order of *most important* (greatest impact) to *least important*.

A. Most important (greatest impact):

B. Second in importance or impact:

C. Third in importance or impact:

Many thanks for your cooperation!

Annex E—Project Results as Provided by Project Management

Results Framework

Goal: CGU Better Able to Fight Corruption

