Application for Project Cooperation in OSCE ODA-approved CIS countries

Application to be forwarded to the Norwegian Ministry of Foreign Affairs, see address below, according to the regulations for the Grant Scheme in question.

Summary	
Project/Program title	Monitoring of Implementation of European Neighbourhood Policy
Geographical focus	South Caucasus (Armenia, Azerbaijan, and Georgia)
Application amount	For three year of Project activity: EUR 942.906

Brief description of the Project for statistical purposes, 255 characters maximum

Transparency International proposes to develop a well crafted methodology, based on indicators and benchmarks, and to monitor and assess the implementation of governments' commitments within the framework of European Neighbourhood Policy Action Plans

1. Information about the Applicant

Contact Information	
Name and abbreviation (English)	Transparency International Secretariat (TI-S)
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E-mail address	ti@transparency.org
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Bank account no.	09 33 21 45 00
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Swift code	DRES DE FF 100
Contact person	Ms. Svetlana Savitskaya
Telephone no., contact person	49 30 34 38 20 32
E-mail address, contact person	ssavitskaya@transparency.org

Type of organisation (tick two of the alternatives below)

☐ Norwegian ☒ Non-Norwegian ☐ Multinational

☐ Private Sector ☐ Governmental/Public ☒ NGO

Brief information about Applicant (financial turnover, number of employees, number of years in operation, affiliation to larger network(s)
Financial turnover 2007: 9,093,000 € // Number of employees (31.12.2008): 95 // Most important affiliations to larger networks: TI has membership status at CIVICUS (World Alliance for Citizen Participation), INGO (Committee of International NGOs), IDEA (Institute for Democracy and Electoral Assistance)
Brief description of Applicant's financial situation
The audit reports for the financial years 2006 and 2007 have already been published: http://transparency.org/about_us/annual/financial_reports. The audit for the financial year 2008 is currently in preparation.

Does the Applicant have:

Internal control systems	◉ Yes	○ No
Anticorruption routines	◉ Yes	○ No
Documented procurement routines	◉ Yes	○ No

Has the Applicant previously received financial support from the Norwegian Ministry of Foreign Affairs, a Norwegian Embassy/Diplomatic Mission or Norad? (If Yes, tick two of the alternatives below)

☐ No ☒ Several times ☐ Once

☐ Under this grant scheme	☒ Other grant scheme
Last project-/agreement no.:	Last project-/agreement no.: GLO-3115 GLO-08/223

To be continued on next page

2. Information about the Project

Cooperating/implementing partner

Name	Transparency Armenia

Type of Organisation (tick two alternatives below)

☐ Norwegian	☒ Non-Norwegian	☐ Multinational

☐ Private Sector	☐ Governmental/public	☒ NGO

Address	Aygestan Street 9, Building #6, Yerevan 0025, Armenia
Telephone no.	+ 374 10 58 55 78, +0374 10 52 69 14
E-mail address	amalia@transparency.am
Web-address	www.transparency.am
Contact person	Ms. Amalia Kostanyan, Chairwoman

Applicant's previous experience with this partner

TI Armenia has been one of the most active and strongest National Chapters of Transparency International since 2001. Ever since, the Chapter continues to make a significant contribution to the TI Movement and remains a vocal anticorruption NGO in Armenia.

If more than one partner, use Annex 1: Other cooperating/implementing partners

Applicant and Partner's respective roles in the Project

Describe applicant's technical competence/knowledge in relation to the Project, experience from the geographical area in question and any other relevant experience

Transparency International (TI) is a global movement of around 90 established National Chapters (NC) around the world, aimed at creating change towards a world free of corruption. Our core values are transparency, accountability, integrity, solidarity, courage, justice and democracy. All of these add up to good governance. In developing coalitions with stakeholders from all sectors of society, TI works with high-profile individuals and decision-makers, civil society, think-tanks and other institutions to strengthen integrity systems in their respective countries. A key element of TI's work is the analysis and diagnosis of corruption in a holistic manner.

Describe cooperating/implementing Partner's qualifications in order to add value and contribute to the Project

TI Armenia, TI Azerbaijan, TI Georgia are among the strongest National Chapters of the TI movement. They are committed to reducing corruption in their respective countries through promotion of transparency and accountability. To achieve this objective, these NCs establish programmatic activities that aim at fostering access of local population to information on corruption and reforms, solicit input on reform from local and international experts, and offer policy recommendations to governments based on feedback and analysis. All three NCs have a 2-year experience of contributing to the annual EC Progress Reports on implementation of ENP Action Plans.

Division of responsibilities and description of the added value in the Project by the Applicant and the Cooperation Partner respectively

The TI Secretariat in Berlin (TI-S) will be responsible for the co-ordination of the project, including quality control, overall financial management, financial and technical reporting and contract compliance. However, all activities within Armenia, Azerbaijan, Georgia will be undertaken by three respective National Chapters in these countries. Through its TI Brussels Office, TI-S will seek involvement of relevant stakeholders in the European Institutions (e.g. Commission DG for External Relations), to present project findings and accomplish planned advocacy.

About the Project

Brief description of present situation and the justification for the Project (baseline)

The region of South Caucasus and its three countries - Armenia, Azerbaijan, Georgia - are critical to Europe's future due to geographic location and economic potential. During the last decades the governments of these countries began to address corruption through a range of legislative and administrative initiatives, including ratifying international conventions against corruption, establishing governmental working groups, devising anti-corruption strategies and cooperating with international advisory groups. All these countries are making significant strides in establishing political, economic, and social ties with Europe. The European Neighbourhood Policy (ENP) is arguably a powerful policy tool to bring these countries closer to Europe. Albeit participation in the ENP does not constitute a path to EU membership, it is viewed by EU and the governments of ENP countries as a platform for policy reform and as a stepping stone in the EU engagement with the region.
The ENP Action Plans (ENP APs) negotiated and formulated between the European Commission and the governments were adopted and launched for implementation in each of these three countries in 2006. The APs have a central role to play in advancing the objectives of the ENP; they effectively establish a set of conditions that the EU expects the governments to meet in order for future political, economic, and legal cooperation to commence on ideal terms.
In essence, the ENP is designed as a 'positive' policy based on incentives rather than sanctions. ENP Action Plans are political documents, that is, they are not legally binding and therefore can be adapted accoding to evolving needs. The EU approach has primarily been to provide incentives to encourage ENP partner countries to implement their commitment. In April each year European Commission (EC) publishes Progress Reports on how ENP Action Plans are implemented in each of the ENP country, where inputs of civil society organisations are included. TI Armenia, TI Azerbaijan and TI Georgia have been part - working in a broader coalition comprised of other Civil Society Organisations (CSOs) - of the monitoring process and thereby were able to identify obvious flaws in how the EC and governments approach and conduct monitoring of Action Plans' implementation.
The major weaknesses of the ENP as identified by TI National Chapters in South Caucasus are as follows:
- The lack of benchmarking and adequate monitoring mechanism. The EC is increasingly aware of the need to develop benchmarks that go beyond adherence to international standards and conventions to assess progress, but a common methodology still needs to be developed to measure performance and set appropriate benchmarks and targets. As a result, although APs are assessed by civil society organisations and subsequently the EC Progress Reports are published, this does not entail a rating or scoring exercise which would invoke the complex and multi-faceted nature of governance in ENP countries.
- ENP Action Plans lack concrete time table, specific objectives and identification of financial and human resources needed to implement the agreed upon measures;
- Action Plans are formulated in broad terms, lacking the precision and rigour in which gaps were identified in the initial country reports prepared by the Commission. Action Plans' objectives, including those related to governance and the fight against corruption, are generally neither specific not quantified and can not be easily monitored and compared.
- Preparation of the ENP strategy papers and the negotiations of the Action Plans are conducted in an intergovernmental setting, with insufficient civil society participation. Such approach is likely to undermine local ownership of anti-corruption efforts and reforms and limit the development of local accountability, where citizens should hold their governments accountable.

If relevant: Status from earlier phases of the Project

N/A

If relevant: Status for reporting to the Norwegian Ministry of Foreign Affairs from earlier phases of the Project

N/A

Target Group(s) and to what extent target Group(s) participate in the Project

The ultimate target group will be public at large. Intermediary target group will be the institutions identified in the course of the project as needing improvements and priority reform.

Brief description of the project/program to be supported

Fighting corruption features high on the agenda of ENP, with all ENP reference documents including corruption, fraud, and organised crime as part of the reform process. However, corruption is a cross-cutting issue and as a renowned expert on governance, former Director of the World Bank Institute Daniel Kaufmann recently put it: "One doesn't fight corruption just by fighting corruption. One has to look at levers and determinants of corruption." The World Bank Institute, which produces the Worldwide Governance Indicators, defines governance as follows: "Governance consists of the traditions and institutions by which authority in a country is exercised. This includes the process by which governments are selected, monitored and replaced; the capacity of the government to effectively formulate and implement sound policies; and the respect of citizens and the state for the institutions that govern economic and social interactions among them." TI's approach to fighting corruption is through promoting Transparency, Accountability, and Integrity. Therefore, TI proposes to develop a well-crafted monitoring and assessement mechanism and based on this to analyse a broad spectrum of policy-making and implementation processes the governments of Armenia, Azerbaijan, Georgia have committed to under the ENP Action Plans.
Specifically, the project pursues the following goals and objectives:
1. Transparent Monitoring Mechanism: Develop a methodology to measure and monitor progress made by governments on ENP Action Plans. Given that corruption is a horizontal issue of systemic nature, TI will assess and analyse anti-corruption related policy-making and implementation processes envisaged by Action Plans, and will comment on how transparent and participatory these processes are.

2. Visibility and Transparency of the ENP, government's commitements and progress made: Preparing and publishing reports on governments' implementation of the anti-corruption relevant elements of ENP Action Plans in Armenia, Azerbaijan, and Georgia. Rationale: Although ENP and Progress Reports are published by governments, there is still insufficient information on the implementation of reforms enshrined in the Action Plans. Moreover, on many accounts there is a general lack of understanding within the ministries themselves (i) on the concept of ENP, (ii) on the content of Action Plans, and (iii) on the implementation of these commitments. Transparency International will generate and publish detailed reports on progress made by governments. These reports will be published in February, prior to the EC Progress Reports which are published annually in April. In doing so we will feed the EC with neutral, comprehensive, reliable onformation and assessement of how governments implement ENP Action Plans. The reports will be released in English and native languages of participating countries, and will be made open to wide public nationally, on the EU level through TI Brussels Office, and will be communicated within the European Institutions (mainly European Commission and Parlament) and other relevant stakeholders in Brussels. Publicity of our findings will be attained through series of roundtable discussions with stakeholders, press events involving media, and targeted press statements published nationally and on EU level.

3. Advocating for policy reforms with the far-reaching goal to eliminate corruption.
What gets monitored and assessed/measured, gets done. A well-crafted methodology and subsequent monitoring and assessement of ENP implementation will produce an increased and up-to-date understanding of countries' performance, shortcomings and/or accomplishments. Findings of the monitoring and assessment process will be used for holistic evidence-based advocacy on a national level, which will be done by National Chapters in their respective countries (Armenia, Azerbaijan, Georgia). Beyond this, advocacy will be convened on the national and EU level as a cooperative, collective effort of three National Chapters together with the TI Brussels Office and the Transparency International Secretariat based in Berlin. By doing so, TI will work with and embed its monitoring and advocacy into the already existing structures of Civil Society Organisations - at country and EU level.

On the tool side, the Project will seek to combine development of a common approach to measure implementation of the anti-corruption relevant parts of ENP Action Plans in South Caucasus, and to report on progress made by governments on ENP implementation. On the policy side, the Project will initiate public debate and pursue strategic anticorruption advocacy and follow up activities. This will be accomplished in a non-adversarial manner through targeted advocacy campaigns on national level in each of these countries, and on EU level in Brussels.

Regional focus: by working together, TI Armenia, TI Azerbaijan and TI Georgia will be able to exchange information about best practices, successes and problems; besides, the Chapters will be able to compare the three countries -- which one is doing better in which sectors and vice versa. Also, one country's positive experiences will be used by another country; or, TI's Chapter in one country can use other country's success story to put pressure on its own government. Lastly, in general, there is quite a big interest in comparative regional assessments. This project will address this interest.

Goal Hierarchy (may be attached)

5 Development Goal /Impact on society

Long term desired effect

One goal only

The overall objective is to increase Transparency, Accountability, and Integrity of policy-making and decision-taking of governments in Armenia, Azerbaijan, Georgia, and thereby eliminate corruption.

4 Purpose/outcome

The positive effect on the target group by the end of the Project's implementation/finalisation

One goal only

Description	Indicators	Assumptions/Risk factors
Well-crafted, visible, transparent monitoring mechanism of ENP; structured dialogue with CSOs.	Monitoring methodology developed and applied; CSOs meet with governments and EU regularly	Clear and comparable assessment of country progress on ENP AP. Essential to design methodology at early stage.

3 Output

Measurable results from the planned activities to be "guaranteed" within the scope of the Project

Description	Indicators	Assumptions/Risk factors
Methodology and reports.	Methodology developed and Reports written and published.	Reports will show country progress in area of good governance. To be of added-value, methodology needs to be well-designed in advance.
Targeted advocacy campaign.	Communication of and follow-up on reports with national governments and EU institutions.	Advocacy and dialogue will be the key tool to bring anti-corruption progress on the agenda. Thorough stakeholder assessment is essential before advocacy. Country and EU-level advocacy needs to be coordinated.
Structured dialogue between TI, national governments and EU.	Regular meetings with governments and EU.	

2 Planned Activities

Planned concrete activities in order to obtain the desired results (as specified in 3 above)

Description	Indicators	Assumptions/Risk factors
Development of methodology	Monitoring methodology, scope of shadow reports and advocacy agreed upon.	Meeting is of high importantce as it will define monitoring methodology. It has to combine different monitoring approaches and must not be too technical in order to have results in presentable form.
Preparation and release or reports(interim and main report)	For main report (Feb'10): Press conferences (Brussels and country level) and roundtable events with different stakeholders.	The launch of reports will be crucial as they communicate the results to a wider public. Need to establish press contacts and guarantee high coverage.

1 Present situation (baseline)

Description of the present situation as a basis for analyzing deviations from the purpose intanded

Description	Indicators (to be associated to indicators specified under 4. Outcome)
Country-level monitoring activities of anti-corruption parts of ENP Action Plans.	No systematic, methodology-based assessment on anti-corruption relevant progress. Potential for visibility and impact of CSO shadow reports not fully exploited.

Comments to the table above, if any

How will identified risk factors be dealt with?

METHODOLOGY: This will be addressed at earliest stage possible. It will be defined drawing on the experience of: TI National Chapters, TI-S Research team and other NGOs active in the field of ENP monitoring (e.g. environmental).

ADVOCACY: Stakeholder assessment will be conducted at early stage at country level and EU level. Past experiences with advocacy (country and EU level) will be used and ways to coordinate them will be identified. A permanent follow-up mechanism with stakeholders will be established for advocacy to be effective.

Assessment of the Project's sustainability

TI National Chapters in Armenia, Azerbaijan, and Georgia have tools at hand to conduct a clear and comparable assessment of anti-corruption-related country progress on ENP APs. TI National Chapters and TI-Brussels Office have established networks to effectively advocate for anti-corruption reform, using the reports.

Description of exit strategy/follow-up after the Project is finalized

The exercise of conducting country assessments of ENP APs implementation in Armenia, Azerbaijan, and Georgia will continue beyond the proposed project. The quality of the reports will be higher, as compared to the present situation, as the reports will be based on a sound methodology.
The established contacts with national governments and EU institutions will continue and will be used for further anti-corruption reform efforts.
TI will aim at transferring the produced methodology and lessons-learnt to other countries in the region.

Local ownership of the Project among the main stakeholders, including its integration into governmental policies/ institutions

Presently, our National Chapters in South Caucasus monitor the ENP implementation, in coalition with other NGOs, however, without any methodology in place, which undermines the impact of ENP monitoring. So, there is already local ownership among NGOs in these countries. With the comprehensive methodology in place and subsequent reports and targeted advocacy, the project will continue evolving, yet in a more profound way. In fact, the ENP monitoring methodology can be replicated by NGOs in other ENP countries, e.g. inUkraine, Moldova, Belarus.

Have considerations been made regarding environmental sustainability?

○ Yes ◉ No

Comments

TI is an environmetally conscientious organisation and we are consistently working on developing new and improving the existing policies to diminish environmental damage in our daily work.

Has an analysis been made regarding conflict sensitivty

○ Yes ◉ No

Comments

Regional meetings within this project will take place in Georgia as a neutral territory for TI Armenia and TI Azerbaijan, given the running tensions between these two countries. But the TI Chapters have good relations.

Will the Project have a positive impact on gender equality?

Transparency International is an equal opportunity employer.

To what extent are gender issues included in the recruitment and training process related to the Project?

Besides being an equal opportunity employer, it is to note that the Directors of TI National Chapters in Azerbaijan, Armenia and Georgia are female - as are the implementing Programme Coordinator of TI-S in Berlin and the Head of TI's Office in Brussels.

Plans for coordination with other actors/donor countries

During the complete project, close cooperation will be held with Civil Society actors at country and EU level. TI is well integrated into a broad network of Civil Society. This will serve the project positively as TI can 1) draw on other NGOs experienced in monitoring ENP APs implementation and 2) reinforce advocacy/outreach of these networks.

3. Budget (may be attached)

☐ Tick here if amount given in 1000

Budget Currency EUR	First year 2009 Amo. unt.	Price	Total (to be calculated manually)	Estimate Second year 2010	Following years - 2011	Total	% of total (to be calculated manually)
Equipment to be purchased (specify in separate attachment)							
Total amount equipment						0	0
Operating expenses (revisions in column one possible)							
Salaries, own employees (days accu.)	145	372	53.940	103.555	108.732	266.227	
Salaries/fees partners, Norwegian						0	
Partner salaries, non- Norw. (days accu.)	1.456	55	80.080	118.388	124.307	322.775	
Project management (if not included above)						0	
Travel (International)	17	680	11.560	12.138	12.745	36.443	
Travel (national)	33	57	1.881	2.155	2.262	6.298	
Subsistence (hotels and DSA)	56	277	15.512	16.288	17.102	48.902	
Events Brussels	2	1.900	3.800	3.990	4.190	11.980	
Events in countries AM, AZ, GE	6	1.183	7.098	8.568	8.996	24.662	
Printing and publishing (AM, AZ, GE)	2.100	5	10.500	19.425	20.396	50.321	
						0	
Translation (AM, AZ, GE - EN)	3	1.966	5.898	6.741	7.078	19.717	
Project-audit (partners in AM, AZ, GE)	3	1.950			5.850	5.850	
Administrative expenses (global sum)	1	16.500	14.300	17.325	18.191	49.816	
						0	
						0	
						0	
Total operating expenses			204.569	308.573	329.849	842.991	
Of which:							
Operating expenses - Applicant			0			0	0
Operating expenses - Partners			0			0	0
Project administration							
Administration (over-head), if NOT covered under items above.			0	0	0	0	0
Total			204.569	308.573	329.849	842.991	100

4. Financial plan

☐ Amount given in 1000

Financial plan	First year	Second year	Following years	Total	% of Total (To be calculated manually)
	2009	2010	2011 -		
Financial requirements	204.569	314.054	329.754	848.377	100
- Equity/owner's contribution (use minus)	0	0	0	0	0
<- Other sources>				0	
				0	
				0	
= Amount applied for (from Norwegian Ministry of Foreign Affairs)	204.569	314.054	329.754	848377	0

Status for applications/grants from other sources

For moment, the applicant is applying for 100% of operating expenses for the proposed activity. It is, however, envisaged to apply to other sources for additional funding. For this purpose, the applicant is e.g. already in close contact with the Open Society Institute (OSI) to elaborate a possible co-funding of the proposed activity.

5. Activity plan (may be attached)

Including plans for information activities about the Project

Milestones/activities	Responsible party (abbreviation)	Planned start (mm/yy)	Planned finish (mm/yy)
Milestone 1: Develeopment of methodology			
Start up/preparatory workshop in Brussels	TIS,TI AR,TI AZ, TI GE	09/09	09/09
Process of designing the methodology	TIS,TI AR,TI AZ, TI GE	09/09	11/09
Milestone 2: Monitoring and assessment of ENP Action Plans			
Launch of monitoring process: meetings with stakeholders	TIS,TI AR,TI AZ, TI GE	11/09	01/10
Work with media to announce the launch of monitoring	TIS,TI AR,TI AZ, TI GE	11/09	01/10
Research and analysis of findings	TIS,TI AR,TI AZ, TI GE	11/09	01/10
Milestone 3: Preliminary/Interim reports prepared			
Draft reports shared and discussed between the project partners	TIS,TI AR,TI AZ, TI GE	01/10	01/10
Finalising the draft reports	TIS,TI AR,TI AZ, TI GE	02/10	02/10
Translation of reports into national languages	TIS,TI AR,TI AZ, TI GE	02/10	02/10
Milestone 4: Reports prepared and released			
Reports presented to the EC, EP, national governments	TIS,TI AR,TI AZ, TI GE	02/10	03/10
Media work in three countries and Brussels	TIS,TI AR,TI AZ, TI GE	02/10	03/10
Milestone 5: Advocacy			
Partner's meetings to define advocacy work on national and EU levels	TIS,TI AR,TI AZ, TI GE	04/10	04/10
Broad consultation with stakeholders in countries concerned	TIS,TI AR,TI AZ, TI GE	04/10	05/10
Launch and implementaion of advocacy campaigns	TIS,TI AR,TI AZ, TI GE	05/10	09/10

6. Additional information

Other information of relevance for the application

The table with Milestones and Activities above covers the activity in Project Year One, assuming the project starts in Sep 2009. We plan to produce the Preliminary/interim report and discuss it on a regional level in January 2010, in order to make regional comparisons and to plan how to finalise and present to wide public the reports in February 2010. In February we will release the final monitoring reports. Thus, in Project Year One we will need to move at a fast pace to generate the reports by February, before the EC releases the country Progress Reports in April. The earlier we start the project in 2009, the better it is.

7. Attachments

Tick boxes below if attached

☒ Attachment 1: Other cooperating/implementing partners Number 3

☐ Goal hierarchy

☐ Budget

☐ Specification of equipment to be purchased

☐ Activity plan

Other attachment (see guidelines for the Grant scheme)

8. Date and signature

Date (dd/mm/yy)	Place	Name
14/02/09	Berlin, Germany	Transparency Armenia