

# **PARTNERSHIP FOR TRANSPARENCY FUND**

## **Project Completion Assessment Nicaragua: Grupo Cívico Ética y Transparencia**

### **Project: Media Campaign Against Serious Abuses in the Remuneration of Top Officials**

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In July 2003, the Partnership for Transparency Fund (PTF) signed a grant agreement with *Grupo Cívico Ética y Transparencia (ET)* in the amount of US \$ 25,000 for funding a media campaign against serious abuses in remuneration of top officials. The purpose of the grant was to assist *Grupo Cívico Ética y Transparencia (ET)* to broadcast a series of radio and TV “spots” aimed at building a public campaign for the passage of new legislation to limit the compensation paid to the country’s President, former Presidents and top official leaders.

An assessment of the project has been conducted in May 2004, guided by a methodology including: (a) review of pertinent literature, materials related to the project, products originated by the project, background information about Nicaragua and about the incumbent organization, and (b) a site visit to *Grupo Cívico Ética y Transparencia (ET)* in Managua, Nicaragua and interviews with key staff members (Mario Medal, Program Coordinator and Heriberto Herrera, Communications Department). An interview was also held with Mr. Diego Achard (international consultant for several international organizations and an expert in governance and political parties). Experts in Governance at the Institute of Public Policy of the University Centroamericana, UCA and members of the Coordinadora Civil, an umbrella organization comprised by more than 300 civil society organizations and social movements were also consulted.

### **Background**

Nicaragua –one of the poorest countries in Latin America and the Caribbean– has qualified for debt relief from the enhanced Heavily Indebted Poor Countries (HIPC) Initiative, being one out of four countries qualified for the HIPC in the Latin American and Caribbean Region (Bolivia, Guyana and Honduras are the other three countries). According to recent studies by the UN Economic Commission for Latin American and the Caribbean (ECLAC), more than 75% of the population in Nicaragua lives in poverty and they survive with less than US \$ 2 per day.

Corruption is an issue of concern in Nicaragua, i.e. in terms of the degree to which it is perceived to exist among public officials and politicians. The Transparency International (TI) Corruption Perceptions Index (CPI) 2003 score for Nicaragua was 2.6 (88th out of 133 countries), which means Nicaragua is among the countries where a high level of corruption is perceived.

Important changes are however taking place in Nicaragua. The prosecution and further arrest of former President Arnaldo Alemán<sup>1</sup> is a step forward in Nicaragua and in the Region in the road to bring impunity to an end. Corruption has become an issue of utmost importance to public opinion, to independent journalists, to media and civil society organizations, who are increasingly vigilant of wrongdoers. Work has begun at a structural and legal level to tackle the taproots of corruption, but there is much ground still to cover to ensure that the former president's prosecution is not the only bright spot in an otherwise dark sea of impunity. The *Grupo Cívico Ética y Transparencia (ET)* is making important contributions in this direction.

*Grupo Cívico Ética y Transparencia (ET)* was established in 1996 and has since then been working continually to fight corruption and to promote democratic values and transparency in the public arena. ET currently develops activities in four programmatic areas: Governance; Justice; Anticorruption and Internal Development.

Besides the support from PTF, ET received in 2003 economic support from a variety of sources, both governmental and non governmental sources, bilateral and multilateral agencies, as the governments of Norway, Switzerland, Finland, Canada, The Netherlands, Germany, Japan and UNICEF and TI for a total of approx. US \$ 200,000, according to the information provided in the *Grupo Cívico Ética y Transparencia (ET)* 2004 Annual Report. It is worth to mention that their Annual Report has made a positive impression, since to inform to the general public about their budget, expenses and donors is not very frequent with civil society organizations in Latin America and in many parts of the world.

## **Objective and design of the project**

To specifically address the corruption problems related to the high compensations paid to the country's President, former presidents and top officials, *Grupo Cívico Ética y Transparencia (ET)* designed a campaign including: 1) Design, preparation, script writing, casting and recording the spots; 2) Get in touch with media to present the radio and TV campaign for lobbying purposes, including prices for prime-time slots. 3) Execution of the campaign, including multiplying effects. 4) Draw on the results of the campaign and its sensitization results to lobby for legislation, specially on two counts: one law to reform the immunity law that included very

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<sup>1</sup> Arnaldo Alemán occupied Nicaragua's highest office from 1997 to 2002 and was jailed in August 2003 for money laundering, fraud and embezzlement.

excessive perks to former presidents and vice-presidents and legislation to regulate salaries and benefits of public employees.

### **Findings on the project implementation**

*Grupo Cívico Ética y Transparencia (ET)* organized the activities according to the different components mentioned above. The spots<sup>2</sup> prepared and recorded for the campaign are very direct and clear convey their messages, with a song of a very popular Dominican Republic singer used as background. The singer, Juan Luis Guerra, authorized *Grupo Cívico Ética y Transparencia (ET)* the free use of his song “*El Niágara en Bicicleta*” (no any cost or any royalties had to be paid).

The spots also uncover the participation of voluntary work and donated time in different manners. In fact, most of the “actors” appearing on the spots are volunteers from the *Grupo Cívico Ética y Transparencia (ET)* network in the cities of Managua and Granada. At the same time, places where the spots were recorded were also given for free and transmission time was either discounted or donated by several TV channels and radio stations for the broadcast of the spots. Then, by making very economic use of the funds and combining voluntary work and donated time from media, *Grupo Cívico Ética y Transparencia (ET)* has successfully stretched the resources to do more than was originally envisaged.

### **Impact of the PTF project**

There are several important impacts of the project as follows:

- The support received from PTF had a multiplier effect with *Grupo Cívico Ética y Transparencia (ET)*, since media (TV Channels 2, 10, 8, 12 and 23 and different radio stations) doubled or tripled the broadcast time of the campaign spots. According to an initial estimate done by Channel 2, the cost of transmission would have been much higher if the discounts and donated time would not have been obtained.
- The issue of remunerations of top officials was raised prominently during the last quarter of 2003 in all media. Press clippings from *El Nuevo Diario*, *La Prensa* and other written media show the issue present almost daily in October, November and December 2003<sup>3</sup>, by means of interviews to Congress members, Civil Society leaders (including leaders of *Grupo Cívico Ética y Transparencia*) and academics. The common ground (remunerations to public officials

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<sup>2</sup> The TV and radio spots “*No a la corrupción*” (*No to corruption*) were made available to this PCA mission and a hard copy is being sent to PTF CEO.

<sup>3</sup> Press clippings available and also sent to PTF CEO

according to the situation of Nicaragua) was presented and skillfully defended.

- The campaigns had unquestionably important effects: after hard and long negotiations at Congress, legislation was approved to eliminate the excessive benefits received by former presidents and vice-presidents and to reduce in 10% the salaries and benefits of 236 public employees earning more than 50,000 Córdobas or US \$3,125 (1 USD = 16 Córdobas). In Nicaragua, there minimum wage is only US \$ 70 per month (and a few people earn the minimum wage) such salaries represent inequalities and unfair practices.
- The legislation was passed at the end of 2003 and was included in the Annual Budget Law (Law # 446) and has an effect for the whole period of year 2004. The mentioned law will save public expenditure more than 2 million dollars during 2004, which given the situation of Nicaragua represents an important attainment.

### **Problem areas**

Although the PTF project implemented by *Grupo Cívico Ética y Transparencia (ET)* has had important positive results and impact, corruption is and unfortunately will continue being a very important problem in Nicaragua and salaries received by top officials still exceed Latin American norms. Given the situation of extreme poverty of Nicaragua, such salaries represent abuse in the management of public finances and resources.

Even if the savings of more than 2 million dollars represent an important success the law that was passed was not the legislation defended by the *Grupo Cívico Ética y Transparencia (ET)* and Civil Society organizations, who lobbied for the so called Law for Regulation of Salaries of Public Employees (*Regulación Salarial de los Funcionarios Públicos*), a broader law with longer mandate and which implementation would bring an estimate saving of almost 20 million dollars. The passed law (Law # 446) is limited in its mandate, though Budget Laws only are valid for one year.

Thus, the work of *Grupo Cívico Ética y Transparencia (ET)* and other Civil Society organizations in Nicaragua must continue and must keep going to achieve new accomplishments in the fight against corruption and the promotion of democratic values.

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