

**General Secretariat of the Organization of American States
Secretariat for Strengthening Democracy
Department of Sustainable Democracy and Special Missions**

**Mission to Support the Fight against Corruption and
Impunity in Honduras (MACCIH)**

**First Semiannual Report
October 19, 2016**

“With the signing of this agreement establishing the MACCIH, we conclude a period of dialogue with the Government of Honduras, key stakeholders from Honduran civil society, “los indignados”, political actors, and the private sector in order to now initiate a new course of action in the country, with the aim of implementing a cultural change in its legal institutions, guided by transparency, probity, and accountability. It will not be an easy task. With this there is no instant gratification. This is an unprecedented initiative with the goal of putting an end to corruption and impunity in Honduras and bringing about structural reform in the administration of justice in a country that is saying enough to corruption.”

Luis Almagro
Secretary General of the OAS

For the courageous Hondurans
who one by one are joining the process
of change to prevent and combat corruption
in their country

Executive Summary

The Mission to Support the Fight against Corruption and Impunity in Honduras (MACCIH-OAS) has just completed six months of work in the country, and pursuant to the signed Agreement, must therefore submit to the Secretary General, its semiannual report, in which it will provide an account of its actions, results, problems and challenges.

The MACCIH-OAS was established to pursue a comprehensive approach to fighting corruption and impunity in Honduras by strengthening the institutional system and increasing civil society participation. It is an initiative designed to make the shift from protests to proposals which signifies channeling the wishes of the population into reforms and participation in order to tackle corruption.

In addition to its joint work with the Office of the Attorney General (Ministerio Público) on investigating cases of corruption and subsequently prosecuting them, the Mission may formulate proposals for legal and institutional reform designed to improve how corruption and impunity are handled. These proposals may be targeted at improving supervisory bodies, reforming the criminal justice system, solidifying judicial independence, overcoming problems with criminal investigations and improving the country's public security, protecting justice workers, and cleaning up political party financing, among other matters.

The MACCIH-OAS works with civil society to develop instruments for citizen oversight of the criminal justice system, seeking to create a forum for accountability through a decentralized system of criminal justice system observatories.

The MACCIH-OAS has four complementary areas of work: (1) preventing and combating corruption and impunity; (2) criminal justice system reform; (3) political and electoral reform; and (4) public security.

It is important to emphasize in this semiannual report that the MACCIH-OAS is politically and financially autonomous and independent. It does not depend on the Government of Honduras and it is financed with funds from international cooperation. It is led by the Secretary General of the OAS, who works to fulfill the mandate set forth in the Agreement signed last January 19, 2016 through his Special Representative and Spokesperson of the MACCIH-OAS in Honduras.

In these first few months, the Mission has striven to support the fight against corruption and impunity in Honduras through adopting a strategic action-oriented approach towards the architecture required for this fight. That is to say, in legal reforms. The Mission, in collaboration with the Office of the Attorney General, also launched a joint investigation of the Honduran Social Security Institute (IHSS, Instituto Hondureño de Seguridad Social). The following results were achieved during these first six months:

1. The MACCIH-OAS began operations in the country on April 19, launching the operating and logistical procedures required to roll out its regulations, organization, and 70-employee structure. As of the date of this semiannual report, the Mission has 19 employees. Thanks to contributions from the United States of America, Canada, Germany, the European Union, Italy, and Peru, the Mission was able to raise 65% of the cooperation funds needed to finance its first year of operations. The communications, security, and computing strategies are also operational.
2. With MACCIH-OAS support, the National Congress approved the Law on the Financing, Transparency, and Oversight of Political Parties in Honduras, known as the "Clean Politics Law."



The Mission worked on this initiative in collaboration with the Supreme Electoral Court, the Electoral Affairs Committee of the National Congress, and the political party leaderships, and with support from the UNDP. “The Clean Politics Law” includes a number of changes, such as limits on contributions, ceilings on campaign spending, the prohibition of government advertising and of project inauguration ceremonies, and a system of sanctions that goes so far as to include the cancellation of a party’s registration and the annulment of the election of candidates who received illegal financing. The most significant innovation is the creation of a Financing, Transparency, and Oversight Unit with the power to investigate financing operations, lift bank and tax secrecy, and apply sanctions, among other measures. The MACCIH-OAS maintains that this Unit should not be swayed by political party influences, but rather must maintain the independence necessary to properly monitor illegal campaign financing. The National Congress is to choose the members of this Unit.

3. On the Mission’s recommendation, a national anti-corruption jurisdiction was created by law of the National Congress, as part of the strategic design of a new institutional system to fight corruption and impunity. This jurisdiction signifies a qualitative change in the way justice is delivered for corruption offenses. Furthermore, a rigorous selection mechanism has been created and the competition process for judges has already begun. The MACCIH-OAS is participating and civil society is involved in this process.
4. The MACCIH-OAS team took the decision to join the Office of the Attorney General in investigating the IHSS case, working on the 47 cases under investigation and the 15 cases under prosecution.
5. In the context of the Mission’s active cooperation with the Office of the Inspector General (PGR, *Procuraduría General de la Nación*), the decision was made to implement an anti-corruption policy that disallowed conciliation in corruption cases, a common practice up to that point according to the findings of the Mechanism for Follow-Up on the Inter-American Convention against Corruption (MESICIC) and of the MACCIH-OAS itself. This new policy was put to the test with one of the individuals implicated in the Astropharma case, who was denied conciliation.
6. The Mission made a number of technical recommendations on the draft Criminal Code currently under debate in the National Congress, with a view to improving the criminal prosecution of crimes of corruption whose definitions need to be revised, increasing penalties, and eliminating mechanisms that hamper the prosecution of corruption cases, thus bringing the code into line with Inter-American Convention against Corruption standards.
7. The core group for the decentralized criminal justice observatory system was installed in the country. The observatories will serve as information platforms, generating justice, impunity, and corruption indicators defined by civil society organizations themselves, and creating opportunities for dialogue, reflection, and social participation that can contribute to legal and institutional reforms. The observatories will also analyse the challenges facing the justice system.
8. The National Congress has been asked to take into account the MESICIC’s recommendations in choosing the judges of the High Court of Auditors (TSC, *Tribunal Superior de Cuentas*). These recommendations address the need for the top supervisory bodies to be autonomous and for their members to meet professional and technical requirements as well as ethical standards, so as to safeguard the bodies’ autonomy and their members’ independence. The MACCIH-OAS



considers this a significant decision, since the High Court of Auditors plays an important role in the stewardship of State resources, as well as in the fight against corruption and impunity. The selected judges will lead the TSC starting on December 7, 2016, and for the next seven years.

9. The MACCIH-OAS appreciates the decisions made by the State of Honduras to improve the design of the country's institutions and to ensure it has the tools to fight against corruption and impunity. The Mission recognizes that firm decisions must be made in the reform and strengthening processes in order to tackle corruption and impunity, and commends the attitude and openness towards the MACCIH-OAS shown by the National Congress, Executive Branch, Judicial Branch, Office of the Attorney General, Office of the Inspector General, and the High Court of Auditors. With that in mind, the MACCIH-OAS considers that a state anti-corruption policy must be consolidated, and that all institutions must work toward this national goal, identifying the lingering challenges posed by those individuals and institutions that could create resistance to these changes.

Glossary – List of abbreviations (in alphabetical order)

ASJ	<i>Asociación para una Sociedad más Justa</i>
CEJA	Justice Studies Center of the Americas (<i>Centro de Estudios de Justicia de las Américas</i>)
CICC	Inter-American Convention against Corruption (<i>Convención Interamericana contra la Corrupción</i>)
CN	National Congress
CNA	National Anti-Corruption Council (<i>Consejo Nacional Anticorrupción</i>)
COPINH	Civic Council of Popular and Indigenous Organizations of Honduras (<i>Consejo Cívico de Organizaciones Populares e Indígenas de Honduras</i>)
CSJ	Supreme Court of Justice (<i>Corte Suprema de Justicia</i>)
CVR	Truth and Reconciliation Committee (<i>Comision de la verdad y reconciliación</i>)
DSDSM	Department of Sustainable Democracy and Special Missions
EU	European Union
GS	General Secretariat
IACHR	Inter-American Commission on Human Rights
IHSS	Honduran Social Security Institute
MACCIH	Mission to Support the Fight Against Corruption and Impunity in Honduras
MESICIC	Mechanism for Follow-Up on the Implementation of the Inter-American Convention against Corruption
MP	Office of the Attorney General (<i>Ministerio Público</i>)
OABI	Office for the Administration of Seized Assets (<i>Oficina Administradora de Bienes Incautados</i>)
OAS	Organization of American States
PAGAH	Honduras Open Government Action Plan (<i>Plan de Acción de Gobierno Abierto Honduras</i>)
PGR	Office of the Inspector General (<i>Procuraduría General de la República</i>)
PJ	Judicial Branch (<i>Poder Judicial</i>)
SSD	Secretariat for Strengthening Democracy
TSC	High Court of Auditors (<i>Tribunal Superior de Cuentas</i>)
TSE	Supreme Electoral Court (<i>Tribunal Supremo Electoral</i>)
UNAF	<i>Unidad de Apoyo Fiscal</i>
UNDP	United Nations Development Programme
USAID	U.S. Agency for International Development

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Introduction

The MACCIH-OAS is the practical result of Honduran society's concerns and demands for an international Mission whose principal objective is to establish a mechanism to fight corruption and impunity that will help dismantle the country's networks of corruption, as well as improve the quality of services provided by its justice system.

The Mission's objectives, scope, components, mandate, and powers are set forth in the Agreement signed last January 19, 2016, by the President of the Republic of Honduras, Juan Orlando Hernández, and the Secretary General of the OAS, Luis Almagro. The Agreement is valid for four years and was passed by the National Congress this past March 29.

This Mission is the first of its kind in the Organization of American States; it was designed based on the successful experiences of other countries, but with a singular commitment to the context of and state of affairs in Honduras as an OAS member state. It fits within the mandate of the organization's four pillars, in considering corruption a threat that must be addressed, and makes OAS experience on the matter available to the people and Government of Honduras. The Mission seeks to build a *Honduran model for the fight against corruption*.

The MACCIH-OAS's objective is to establish an integrated system for fighting corruption and impunity in Honduras by pursuing several areas of action. Active support, established in the Agreement's numbered paragraph 3.1, is an innovative concept in international technical cooperation in Honduras. It entails supporting the State, from designing effective strategies to applying, monitoring, and evaluating them, in order to address the most pressing social and political problems. The international community must also be involved in certifying real achievement and fulfillment of those objectives. The MACCIH-OAS is the only international mission with the authority to work on investigations of cases of corruption in Honduras.

It works with civil society organizations on a system of criminal justice observatories, seeking to create opportunities for dialogue in order to steer and debate proposals designed to improve the justice system and ensure citizen oversight thereof. This active participation will give the Mission significant influence supporting the country to make the reforms necessary for the fight against corruption and impunity.

The MACCIH-OAS has five objectives, eight lines of action, and forty-six functions, grouped into four thematic areas, namely:

- The Division for Preventing and Combating Corruption has a unit of prosecutors, judges, and international experts on anti-corruption matters who will select and certify a group of judges, prosecutors, and national police officers with whom they will collaborate on investigations to identify and dismantle corruption networks in cases selected by the Mission. This division verifies compliance with the Inter-American Convention against Corruption and, through its Reform Unit, supports the design of regulations necessary in order to prevent and combat corruption, including anti-corruption regulations for the private sector.

- The Division of Criminal Justice System Reform works to effect change on criminal justice matters, seeking to make criminal prosecutions effective, reduce the backlog of judicial cases, consolidate judges' independence, improve judicial practice, and establish a clear criminal policy, among other actions. Of note in this division is the creation of the decentralized criminal justice observatory system, with the participation of civil society and academia. It will be crucial for the MACCIH-OAS to network with civil society in order to build capacity for citizen oversight of the justice system and to generate a constant flow of information, with a view to reflecting on and evaluating the Honduran justice system.
- The Division of Political and Electoral Reform works on drafting regulations and the law on financing, transparency, and oversight of political parties. It also works on the mechanisms for enforcing them to prevent the flow of illegal capital to political campaigns.
- The Division of Public Security works jointly with the Office of the Attorney General and the government ministries to implement the recommendations made in the OAS report evaluating the National Citizen Security System (*Sistema Nacional de Seguridad Ciudadana*). This division also provides support for and places special emphasis on creating mechanisms to protect witnesses and justice workers involved in anti-corruption cases.

It bears repeating that the MACCIH-OAS is politically and financially autonomous and independent. It does not depend on the Government of Honduras and it is financed with funds from international cooperation. It is led by the Secretary General of the OAS and works pursuant to the mandate set forth in the Agreement signed on January 19, 2016.

The MACCIH-OAS does not supplant Honduran institutions. The Office of the Attorney General and the Judicial Branch are both in charge of fulfilling their own constitutional responsibilities. It is Honduran prosecutors who will make the criminal accusations against those charged with crimes of corruption, and it is a Honduran sentencing court that will hand down judgments convicting the parties guilty of crimes of corruption. That said, the MACCIH-OAS does work with the prosecutors on the investigations of certain selected complex cases of corruption. It must be clarified that the Mission cannot and will not work on all of the country's corruption cases, but rather only on those that it autonomously selects. These chosen cases will all involve corruption networks.

The Mission also works with the Judicial Branch to improve the administration of proceedings and thereby reduce the case backlog. It helps propose better management of the hearings and use of procedural techniques to fight impunity. Its international experts furnish knowledge for prosecuting high-impact cases and provide training on shaping judicial practice in corruption offenses, in accordance with international legal standards. The Mission bolsters the judges' independence by training them on legal argumentation techniques so that they will be governed only by the Constitution and the law.

The objective of fighting corruption and impunity, as formulated in Honduras, requires developing a new institutional design. All of the countries that have resolutely faced the challenge of corruption and impunity have had to create special bodies in the Office of the Attorney General and in the Judicial Branch, due to those institutions' lack of independence early in the process.

For that reason, the MACCIH-OAS brings together a multidisciplinary team with recognized experience, forming a group of international prosecutors and judges, as well as forensic accounting specialists, crime

analysts, experts, and investigators from different countries around the world who will join the efforts being made by the national authorities. The first group of experts has already arrived, and the international competition process to choose the second group is in its final stage. In a few weeks the first international prosecutor will arrive.

In this first report, we present the first-stage challenges and results, emphasizing how the Mission has implemented a team-based approach to creating a new design that will make it possible to tackle corruption. Of note is the initiative that establishes a new campaign financing scheme for political parties and candidates, the idea being to design rules that will slow the advance of organized crime and corruption into the political system.

We must also highlight the creation of a national anti-corruption jurisdiction, as well as the establishment of a new institutional policy at the Office of the Inspector General that prohibits conciliation in corruption cases, thus remedying the practice thereof that has taken place to date. We must also call attention to the start of investigative work with the Office of the Attorney General in the IHSS case.

In this first semiannual report, the MACCIH provides a short summary of the actions taken, results achieved, and challenges faced in implementing its mandate.

1. Brief account of the state of affairs in Honduras upon the MACCIH-OAS's arrival

The MACCIH-OAS recognizes that for some time now, moving forward on crafting plans for a new institutional framework has been a priority issue. The best-known of these processes is the “Country Outlook 2010-2038 and National Plan 2010-2022,” which was passed by the National Congress in Decree 286-2009 and consolidates actions and policies needed by the country for the medium- and long-term. But this is not the only one.

There are also noteworthy initiatives on transparency and fighting corruption, such as the “Plan for Transparency and the Fight against Corruption 2011-2014” and, more recently, the “Alliance for Prosperity Plan,” which also contain a series of commitments on these issues. Furthermore, Honduras has joined the Alliance for Open Government and has drawn up action plans on this issue, the most recent of which was approved in 2016 and will last until 2018 (PAGAH). We should also mention the government’s strategic plan – the “Plan Estratégico de Gobierno: Plan de Todos para una Vida Mejor 2014-2018”, which includes anti-corruption initiatives.

The proposed changes and reforms contained in these documents are noteworthy, as they seek to address the problem of corruption in the country, which is a scourge that affects the Americas and remains a challenge for its societies. The MACCIH-OAS must acknowledge Honduras’s efforts, the most significant of which was the government’s decision to request the General Secretariat of the Organization of American States (GS/OAS) to cooperate with its authorities and institutions to combat corruption. Honduras acknowledged that there was a problem and that it had to be dealt with decisively. It is important for the international community to recognize the significance of this decision.

As in other OAS member states, corruption is a real problem in Honduras. The country is ranked 112 out of 167 on Transparency International’s 2015 Corruption Perceptions Index,¹ which nevertheless represents an improvement from its 2013 position of 140.

1. http://transparencia.org.es/wp-content/uploads/2016/01/tabla_sintetica_ipc-2015.pdf

In 2015, the Honduran Social Security Institute scandal sparked criticism from citizens, leading to massive street protests demanding solutions against corruption. The representatives of these movements called themselves *los indignados* (the outraged) and their street protests began to be referred to as “marches of the outraged” (*Marcha de los indignados*) or “marches of the torches” (*Marcha de las antorchas*).

The Government of Honduras decided to invite the GS/OAS to facilitate a national dialogue, and a dialogue mission was created. This process, which included the government, institutions, and civil society, concluded that it was necessary to establish an international body to support the country in its fight against corruption and impunity. The Mission to Support the Fight against Corruption and Impunity in Honduras (MACCIH-OAS) was thus born.

On its arrival in the country, and with the aim of confronting the problem of corruption, the MACCIH-OAS performed a preliminary assessment of the existing state of affairs at the institutional and civil society levels, in order to determine its impact and formulate a four-year strategic work plan.

This assessment was based on the working hypothesis that Honduras was suffering from *systematic corruption*.³ Likewise, the Mission expected that the country would need to pursue legal and institutional reforms to strengthen the anti-corruption and anti-impunity framework, in areas such as campaign finance; the prohibition of conciliation in corruption cases; the need for special anti-corruption units, with their own staff, in the Office of the General Attorney and in the judiciary; and the need to improve the TSC’s oversight of State resources, among others. The Mission also anticipated that it would need to support the Office of the Attorney General in its investigative work on the most significant corruption case in Honduras.

On this basis, the MACCIH-OAS began the challenge of organizing and planning its advocacy in the design of a criminal prosecution system for crimes of corruption. This entailed creating specialized bodies with independent employees in the Judicial Branch and the Office of the Attorney General. The MACCIH-OAS proposed a national anti-corruption jurisdiction, which was eventually passed by the National Congress. It also advocated on the issue of judges who should make up this new jurisdiction. The selection competition has already begun, with MACCIH-OAS participation within the scope of its authority to choose and certify anti-corruption judges.

The Mission worked to analyze the reform of the Criminal Code, which is currently being debated in the National Congress, and suggested that its classification of corruption offenses should adhere to international standards and MESICIC recommendations.

The MACCIH-OAS will continue to work on the reforms necessary to effectively fight corruption and impunity, such as the law of effective partnership, legislation on unjust enrichment, and the law on secrecy. The latter will be key to increasing access to citizen information services and to the media, both crucial elements in the fight against corruption.⁴ These reforms are fundamental in the battle against this scourge.

2. http://webantigua.transparencia.org.es/ipc_s/ipc_2013/ipc_2013_global.pdf

3. This term refers to a type of widespread corruption throughout different government institutions, with strong ties to power and relationships with the private sector.

4. In September the MACCIH-OAS organized the first workshop course on investigative press for journalists, with the aim of building the press’s capacities for having an impact on journalism concerned with monitoring the state apparatus, and in the public interest.

We should emphasize that during its first six months of work in the country, the MACCIH-OAS encountered justice workers, judges, and prosecutors committed to bringing about change with regard to corruption. There are public servants with the vocation and skills to take a stand against the challenge, but the existing capacities must be reinforced, supported, and improved. The country also faces the challenge of organized crime, which has taken the lives of judges, prosecutors, and defenders, and which continues to be a real threat and, therefore, a risk factor that could affect the work of justice workers. Although the number of homicides in the country has decreased over the past three years, there is still a long road ahead, and judges', prosecutors', and defenders' lives are at risk since corruption also leads to connections with organized crime. The MACCIH-OAS acknowledges that work is already being done to guarantee the safety of the future anti-corruption judges.

The MACCIH-OAS also recognizes that the State is taking important strides to clean-up the police department as it seeks to establish a professional force at the service of the community. Also of note is the will of the Government of Honduras to proceed with the extradition of drug traffickers and the Office of the Attorney General's operations against criminal organizations, including the seizure of assets. One positive measure in this realm was the presidential veto of the reform of Article 184 of the Code of Criminal Procedure, which would have made it possible for the judge hearing egregious crime cases to consider measures other than pretrial detention to the suspects, and which would have created security problems and risks for justice workers.

It is the belief of the MACCIH-OAS, that leadership by the justice system in the fight against corruption and impunity will be central to creating change. The Justices of the Honduran Supreme Court play a role with the precedents they set, which inform the way justice officials enforce the law and guide the political system on effective punishments for individuals who commit crimes against the State. Establishing precedents for crimes of corruption will help to elucidate the legislation. The MACCIH-OAS will support the Supreme Court of Justice in ensuring the effectiveness of this approach.

As an institution seeking to be strengthened, the Office of the Attorney General is growing and expanding its capacities with young specialist and attorney hirees; this entails a need for increased financial resources which we hope will be approved in the 2017 budget.⁵ The prosecutors and the Technical Agency for Criminal Investigation (*Agencia Técnica de Investigación Criminal*) are taking on tasks in important cases, showing that it is possible to make progress in the fight against organized crime, for which the various large-scale operators throughout the country will be held accountable. The MACCIH-OAS feels that this critical mass offers an important opportunity, and must be equipped with the technical capacities necessary to optimally perform its work.

During this stage, the representatives of the Office of the Attorney General offered support for the Mission's work. The Attorney General, Oscar Chinchilla, has provided support by ensuring the collaboration of the various prosecutors with whom the MACCIH-OAS has been working. The prosecutors have dedicated a significant amount of time to the Mission's teams and have provided important information. In the next few weeks, the Office of the Attorney General and the MACCIH-OAS will announce their joint cooperation mechanisms for the fight against corruption, which include the process to select and certify the Office's prosecutors who will work on corruption cases with the Mission's active collaboration.

5. The Office of the Attorney General has requested an increased budget to improve its institutional capacities. Under the current circumstances of change, the National Congress and the Executive Branch should meet this request.

The MACCIH-OAS also appreciates the openness of the Chief Justice of the Supreme Court, Rolando Argueta, in the creation of the national anti-corruption jurisdiction and the selection of the magistrates and judges for this strategic court. The Mission will continue to work to support the judiciary in the necessary reforms of the criminal justice system. Likewise, it will actively support joint work with the Judicial Branch on consolidating the judiciary's independence, strengthening the legal profession, and establishing the Judiciary Council.

Upon its arrival in Honduras, the MACCIH-OAS initiated contact with the various branches of Honduran civil society with which it seeks to engage in order to foster active participation in the fight against corruption and impunity. These include universities, non-governmental organizations, churches, groups connected with *los indignados* movement, labor unions and business groups, and professional associations, among others. The Mission has found that all of the sectors consulted are eager to work on building the decentralized justice observatory system and hopes that they can provide support for the initiatives it has been implementing.

2. Installation of the MACCIH-OAS

The MACCIH-OAS works under the Secretariat for Strengthening Democracy of the OAS (SSD/OAS) and the Department of Sustainable Democracy and Special Missions (DSDSM), which coordinates its work with other parts of the Organization.

On February 22, 2016, in an event held in Tegucigalpa, the SSD/OAS officially presented the MACCIH as the *"Honduran model for the fight against corruption."* The GS/OAS delegation was headed by the Secretary of the SSD/OAS, Francisco Guerrero, who detailed the structure, scope, and objectives of the mission and introduced its core team. An audience was also held with the President of the Republic, Juan Orlando Hernández, and then-Foreign Minister, Arturo Corrales, in recognition of the significance of the mission.

After the internal institutional procedures to develop and approve the MACCIH-OAS proposal were completed, and the minimum financial resources secured, the MACCIH-OAS began operations on April 19, 2016, with the arrival of the Special Representative and Spokesperson of the MACCIH-OAS, the Coordinator of the Political and Electoral Division, and the Advisor on Preventing and Combating Corruption and Impunity. These three individuals were in charge of all Mission operations until the first few international experts, hired in June, arrived at the end of July and August 2016.

2.1. Institutional design of the MACCIH-OAS

To fulfill the Mission's Agreement-based objectives and form its proposed four thematic divisions, the experts in the core MACCIH-OAS group and the support team at OAS headquarters in Washington DC, developed the Mission's institutional design, including its organizational structure, estimated budget, strategy and action plan.

This was an important stage because it established a specific framework for the MACCIH-OAS and its work. The Mission design provided for 70 individuals, including local and international experts as well as support staff. The core group and support team also identified staff recruitment mechanisms, applicable

guidelines, terms of reference and proposed timelines, along with the Mission's logistical needs, requirements at OAS headquarters and related organizational adjustments.

The budget was drafted, with distribution of funds among the divisions based on the MACCIH-OAS's first-stage priority, namely, the Preventing and Combating Corruption Division. This involved outlining the staff lineup, in order to determine the number of individuals needed in each of the Mission's divisions.

The Mission's regulations were established and it was decided that regular OAS regulations would be enforced in order to guarantee transparency in acquisitions and calls for proposals, and to ensure compliance with ethical and labor standards. An internal manual of operations was written to better organize the scope of the work to be done.

It must be noted that the good practices gleaned and lessons learned from other similar international experiences were taken into account in the design of the Mission's operations.

At this stage, the team drafted an initial strategic plan for all four divisions, along with a Mission communications strategy and security and operational plans. A plan for obtaining the necessary funds was also designed, along with instruments to manage the Basket Fund mechanism, which was thought to be the most suitable due to the MACCIH-OAS's characteristics. These instruments were included in a project proposal and logical framework presented to donors.

The Reform Unit was established to handle studies and investigations for supporting, advising, monitoring, and evaluating the various institutions committed to fighting corruption and impunity. This Unit provides support for initiatives involving legal reform and institution building, and for the production of study documents such as the thematic reports ("MACCIH REPORTS") through which the Mission seeks to provide technical guidance, monitor, and/or evaluate the performance of the various public bodies, as established in section 3.1.1.5 of the Agreement.

2.2. Positioning and communications strategy

To meet its need to report on its activities and mandate, the MACCIH-OAS developed a strategy revolving around its activities with several civil society organizations, in addition to the media. The strategy's approach is both domestic and international, and aims to ensure that Mission activities have an impact on their objectives so as to better raise awareness of the need to prevent and combat corruption and impunity.

2.3. Mobilization of resources for the Mission

The team prepared the Mission's budget taking into consideration its institutional design, project proposal, and logical framework. It was presented to the international community as part of a two-pronged fundraising strategy: direct financing and technical contributions.

Upon its arrival in Honduras, the MACCIH-OAS, with support from OAS headquarters, began the process of raising operational funds from the international community. The Mission made a presentation to the G-16 in Tegucigalpa in an effort to obtain direct financing. The G-16 is an important forum made up of all the countries and international organizations aiding Honduras. Requests for funds were also sent to the 33 member states and 36 permanent observers of the OAS through their representations at the OAS in Washington, D.C.

A Multilateral Basket Fund was created to obtain resources for the MACCIH-OAS, with the purpose of having donor countries and institutions finance the Mission's components. The Fund will strengthen the Organization's capacity to help better implement the MACCIH-OAS project. It will also improve the efficiency of the management and financial processes and will facilitate dialogue between the Mission and the donor countries.

The United States, Germany, Italy, and Peru have all contributed funds to the Mission. Canada and the European Union have also committed to financial cooperation with the Mission. In the first six months of MACCIH-OAS operations, 65% of the funds needed for the first year of operations and 23% of those needed for the second year were raised.

Technical and operational contributions

In addition to the financial contributions, the Mission has also acquired technical and operational contributions which will provide specialized technical staff members to carry out the Mission's substantive functions. This is another form of cooperation for pre-established positions in the areas of forensics, investigations, and security for Mission personnel.

The countries considering these types of contributions are Brazil, Colombia, Chile, Mexico, Uruguay, and the United Kingdom. The MACCIH-OAS has also contacted the European Union regarding the use of some of its available resources to these ends.

Mexico will provide a significant contribution towards improving the capacities of Honduran prosecutors and judges through training sessions to be provided by the Federal Judiciary and the Office of the Attorney General of the Republic. Teams of Honduran civil servants will be trained during stays in Mexico, and Mexican experts will come to Honduras to train prosecutors and judges. Furthermore, crime labs have been made available for teaching technical skills.

2.4. Hiring of staff

For its proper functioning, the MACCIH-OAS needs a professional staff with extensive experience in the specific work of the Mission. The OAS has therefore begun the process of selecting and hiring staff members who possess the necessary technical capacity, knowledge, experience, and credentials to effectively and professionally perform the duties with which they are tasked in the mandate.

The MACCIH-OAS has a gender-inclusive team of multinational and multidisciplinary domestic and international experts and professionals, who will work with their national counterparts. The Mission has been growing gradually, with the expectation that it will eventually have a team of approximately 70 employees, comprised of international experts and national staff, for its first year of operations. As of this first report, the MACCIH-OAS has a total of 19 employees in Honduras. Thirty-seven percent of the staff members are female and sixty-three percent are male; they represent seven OAS member states and one observer country. Twenty-three job descriptions for the international employees that will make up the Mission were prepared and certified for the staff hiring process.

These staff members will be hired through the usual OAS procedures and regulations; to that end, the positions have been audited and the hiring terms of reference have been prepared.

The MACCIH-OAS has been holding national and international competitions for local recruitment and to identify international technical staff members. These competitions are being held as the donor funds are made available. The following competitions have already been held:

- National competition for Honduran jurists: This competition was opened on June 17 and closed on July 15. There were a total of 132 applicants, and two national experts were chosen for these positions.
- International competition for experts, forensic accounting specialists, a computer forensic scientist, and an international judge. The competition closed on September 15 and there were 72 applicants. The MACCIH-OAS is currently selecting the candidates to fill these positions.

The Mission is also in the process of hiring one female international prosecutor. These experts will lead the MACCIH-OAS team of anti-corruption analysts and investigators.

2.5. Security strategy

Given the purpose of the MACCIH-OAS's work, the level of exposure of its staff members, and the repercussions of their sensitive duties, we considered it of the utmost importance to design and develop a plan for physical, dynamic, and staff security that guarantees the safety and protection of all Mission employees and their dependents, facilities, and goods.

This plan includes a structure for developing and implementing security plans, including contingency plans for emergencies and evacuations, the continuity of operations, action protocols, and security procedures to effectively respond to security incidents. Action protocols and procedures specific to Mission activities have been laid out.

2.6. Logistics

Logistics were involved in a number of the steps required to get the Mission off the ground, including its design and organization, procuring funds, holding the open call for national and international experts, designing the communications and security plans and protocols and internal rules, and making progress on substantive issues.

The premises have already been chosen and the MACCIH-OAS will soon be inaugurating its new offices which have the security elements and facilities that will make its work possible. We wish to recognize that the Government has held up its side of the Agreement, providing office space for the MACCIH-OAS headquarters.

The Mission has also issued a number of national and international tenders for the goods and services required for MACCIH-OAS operations. Calls for bids for x-ray equipment, vehicles, servers, computers, printers, specialized software, and supplies, etc., have already been made or are about to be issued.

2.7. Inter-institutional cooperation of the MACCIH-OAS

The MACCIH-OAS seeks to maintain a supportive, cooperative relationship with the country's institutions with which it will interact under its mandate. The Government of Honduras has established a MACCIH-OAS Support Unit that will serve to ensure favorable conditions in the face of unexpected obstacles that may arise, as well as for the certification of the Mission's experts.

It is of note that the National Congress established the Parliamentary Front in Support of the MACCIH-OAS as a political arena that seeks to shore up the fight against corruption and impunity and is expected to support initiatives for anti-corruption and anti-impunity reform. Presentations on the mandate have been made to the representatives, and several instructional and information-exchange work meetings have been held.

With the international technical cooperation in Honduras

Ever since its arrival in Honduras the MACCIH-OAS has sought to make contact with all of the international technical cooperation bodies that work there, in order to learn about their work in the country, thus avoiding duplication of efforts and instead creating synergies and complementarities.

In this context, the MACCIH-OAS was invited to and attended meetings of the group of accredited donor countries in Honduras, the so-called “G-16.” It also attends meetings of the Board of Elections and the Committee on Security, Justice, and Human Rights. The Mission’s efforts on the Law on the Protection of Human Rights Defenders, Journalists, Social Commentators, and Justice Workers were also coordinated with these groups, in order to support the country with regard to justice workers.

The Mission has also organized two meetings with the Ambassadors of the Latin America and Caribbean Group, to inform them of its collaborative efforts in Honduras and to reinforce the OAS member states’ political support in the execution of the Mission. A meeting was also organized with the official Diplomatic Corps, chaired by the Apostolic Nuncio.

The MACCIH-OAS itself holds regular meetings with Mission donors as established in the signed funding agreements, to report on the progress made on the acquired commitments.

3. Investigation of the Berta Cáceres case

In 2015, the indigenous leader and environmental activist Berta Cáceres won the Goldman Environmental Prize, a global recognition for environmental activists, for her advocacy in the Agua Zarca hydroelectric project on the Gualcarque river. She founded the Civic Council of Popular and Indigenous Organizations (COPINH) and, due to threats made against her, was granted protective measures by the Inter-American Commission on Human Rights (IACHR).

Early in the morning of March 3, 2016, this courageous Honduran woman was killed at her home in La Esperanza, some 300 kilometers to the west of Tegucigalpa. When the news of this deplorable act was reported, the international community and several sectors of Honduran society vehemently condemned her death. That very day the General Secretariat of the OAS issued a statement condemning this terrible crime and calling for a rapid investigation as well as the necessary guarantees to protect indigenous leaders who defend human rights in Honduras.

On April 1, 2016, the Government of Honduras, in diplomatic note No. 35-DSM-16, asked the OAS to create an *ad hoc* committee that would, within the framework of the MACCIH-OAS, advise the Office of the Attorney General in its investigation and prosecution of the case. The Secretary General responded in the affirmative, indicating that he would send the Spokesperson and other members of the Mission as soon as possible to determine the best way to provide support in this complex case. He advised that the

MACCIH-OAS would monitor the investigation of the case with regard to matters of corruption, but that issues of human rights were the province of the IACHR.

On March 5, two days after the crime was committed, the IACHR proceeded to issue precautionary measure 112-2016 to protect the members of COPINH, Berta Cáceres's relatives, and Gustavo Castro. On April 15, the IACHR proposed to the Government of Honduras that the IACHR convene a group of experts to investigate the murder of Berta Cáceres. In turn, the Government of Honduras sent a note to the IACHR inviting the Rapporteur for Honduras, a course of action to which the IACHR did not agree.

Subsequently, the Secretary General of the OAS suggested a mixed team of experts from the IACHR and the MACCIH-OAS could support the Office of the Attorney General in the investigations. This proposal did not come to fruition.

Finally, the theft of the original case file on the crime against Berta Cáceres was reported this past September 29. A Court of Appeals judge had decided to bring the original file to her home, and while in her car she was stopped by four individuals with long guns who carjacked the vehicle with the case file inside it. This occurred the evening of September 28 and was reported to the public the night of September 29. The MACCIH-OAS issued a statement declaring that the theft of the Berta Cáceres case file was *"serious and unacceptable"* and calling for *"an emphatic response from authorities of the Office of the Attorney General and the Judicial Branch to identify and punish those responsible."* The Office of the Attorney General, the Supreme Court of Justice, and the Government of Honduras issued a statement deploring the act and demanding clarification and the appropriate penalties.

On Friday, September 30, the MACCIH-OAS, which had a certified copy of the Berta Cáceres case file, verified the Judicial Branch's re-creation thereof. As of today's presentation, we are still waiting for the results of the prosecutors' investigation and the decision on the judge's liability for the offense committed.

4. Division for Preventing and Combating Corruption and Impunity

During its first six months of operation, the MACCIH-OAS has been working on active support as established in numbered paragraph 3.1.1.4 of the Agreement, which spells out the Mission's work *"...with national counterparts to advise, oversee, and evaluate whether the Honduran institutions and competent Honduran authorities are investigating cases of corruption and corruption networks."*

4.1. Active Collaboration for the Office of the Attorney General

The MACCIH-OAS commenced its active support of the Office of the Attorney General and began to design the framework for joint work on the investigations brought forward by the prosecutors on matters of corruption. For improved execution of the provisions of the Agreement, a mechanism was set up to define the details of the active support relationship between the MACCIH-OAS and the Office of the Attorney General. This mechanism also proposes the formation of a special group of anti-corruption prosecutors, whose purpose would be to investigate and prosecute crimes associated with acts of corruption committed by civil servants or public employees, as well as any other associated or related offenses committed by public servants or private individuals; these prosecutors would be chosen in coordination with the MACCIH-OAS. This special group would be directly accountable to the Attorney General's Office and would have jurisdiction throughout the nation.

The members of this special unit must be selected and appointed in accordance with the procedures and requirements established in the Law of the Office of the Attorney General, the Statute on the Office of the Attorney General Career System, and its General Regulations. The MACCIH-OAS will collaborate in selecting and certifying the prosecutors who work on cases of corruption, as set forth in section 3.1.1.1 of the Agreement. This inter-institutional coordination between the Office of the Attorney General and the MACCIH-OAS will be announced in the near future.

Likewise, and as indicated in section 3.1.1.1 of the Agreement, the Mission has expressed its interest in working on the Honduran Social Security Institute case, due to the importance and complexity thereof. The decision that the MACCIH-OAS would join the investigation of this case was made known to the Honduran people through public statements, and the joint work was formally initiated in early August 2016 when the first group of international experts arrived to do so. In addition, the MACCIH-OAS has been providing advisory services to express the Mission's technical opinion on other cases, assisting in questions of forensic analysis, the appropriateness of the applicable crimes, and the evidence required, among others. The MACCIH-OAS also gathers information on certain cases of corruption in order to decide if it will join the Honduran prosecutors in their investigative work.⁶

4.1.1. The Honduran Social Security Institute case

On September 18, 2013, the Attorney General, Oscar Chinchilla, directed the National Prosecuting Support Unit to hear the cases appertaining to unlawful acts in the Honduran Social Security Institute, and on that same date it had already ordered and opened the file. On January 15, 2014, the Executive Branch ordered a special committee to take over the operation of the IHSS. This Committee's February 2014 report concluded that what had occurred at the institution was reflected in:

- The overpricing of medications and hospital equipment;
- Negotiations with companies incorporated outside commercial law;
- The conclusion of contracts without all provisions of the State Hiring Law having been fulfilled;
- Unlawful actions by the Board of Directors;
- Bribery; and
- Other acts categorized as crimes that made possible the theft of funds from the aforementioned Honduran Social Security Institute.⁷

In the IHSS case we are up against a corruption network. It is a complex case, concentrated in Tegucigalpa and San Pedro Sula. The Mission experts also traveled to San Pedro Sula to begin the process of identifying and supporting some of the lines of investigation associated with social security there.

Of note is the role played by the National Anti-Corruption Council in the investigations of the case and by the press in publicly exposing the fraud. Since then, the design of the investigation has led to 35 lines of investigation in Tegucigalpa, 12 lines of investigation in San Pedro Sula, and 15 prosecutions involving IHSS and private sector employees. In the prosecuted cases, we have found:

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6. The MACCIH-OEA wishes to express its concern over the affronts it has been facing as its investigative work with Office of the Attorney General moves forward. The Mission respects freedom of expression and of opinion. These acts have been reported to GS/OAS headquarters in Washington.
 7. Report of the Multiparty Commission appointed by the President of the National Congress to investigate the progress made on the IHSS corruption case and on other cases of particular import for the citizenry due to their large social impact.

- One person convicted abroad (Chile);
- Three people convicted in Honduras (one in a regular trial and two in expedited proceedings);
- 14 people placed in pretrial detention;
- 18 people with formal indictments (suits are being brought without them being incarcerated);
- 10 people at large, with warrants out for their arrest;
- 48 properties that have been secured and are in the OABI's possession.
- A total of four trials have been planned for the months of December 2016 and January, February, and March 2017.
- The exact dates are pending for two more trials to be held in the early months of 2017.

The MACCIH-OAS has begun its support of and joint work with the special unit of the Office of the Attorney General in charge of investigating the IHSS-related cases. The MACCIH-OAS's work currently involves helping the prosecutors to improve the quality of the evidence by requesting that new evidence be included in order to prove the crimes committed. The work also involves establishing the connections between the various cases being prosecuted, the inclusion of other liable individuals, and the possibility of consolidating the investigations. The MACCIH-OAS is also analyzing the cases and reviewing the relevant elements that uphold the accusations.

The MACCIH-OAS believes that its team of professional employees and prosecutors has the technical capacity to handle the investigation and bring charges in the IHSS case. However, the Mission has found there to be delays in the cases, and therefore feels that the work must be accelerated considering the magnitude and importance of this case. Honduran society demands fast, concrete results, and that justice be done for the acts committed; this requires a greater effort than has been made to date.

On September 11, the principal culprit in the IHSS case, Mario Zelaya, who was the Director of the IHSS, completed two years in prison without having been convicted, leading to the possibility of his release as the maximum pretrial detention period had ended.⁸ The MACCIH-OAS noted this fact and the Office of the Attorney General in turn requested an exceptional six-month extension.

Last October 4, the Mission requested, through the MACCIH Support Unit, the services of the Security Department to capture the ten wanted individuals who are currently still at large. The principal member of this group of fugitives is José Zelaya, the former head of procurement for IHSS, who is abroad; this request is in addition to the 16 already made by the Office of the Attorney General. The Mission has also reported this fact in order to move forward quickly and for the Government to activate the appropriate channels for international cooperation.

4.2. National anti-corruption jurisdiction

Successful experiences in the fight against corruption around the world show us that there must be a specialized system with jurisdiction over the entire country that works to investigate and prosecute cases of corruption. To that end, the need to create a national anti-corruption jurisdiction was proposed at the MACCIH-OAS presentation in Honduras this past February 22, as well as during its installation in the country on April 19.

⁸ Pursuant to Article 181 of the Code of Criminal Procedure of Honduras, pretrial detention can last up to two years when the possible sentence for the crime is greater than six years.

This initiative was welcomed by the Chief Justice of the Supreme Court of Justice, Rolando Argueta, who first approved the proposal with the full Court, which then decided to send the proposed national anti-corruption jurisdiction law to the National Congress to prevent any eventualities concerning its validity.

The draft bill was passed by the National Congress and the President of the Republic enacted the law under Legislative Decree No. 89-2016, published in the Official Gazette on August 11, 2016. This new jurisdiction complements the Special Law on Judicial Bodies with National Territorial Jurisdiction on Criminal Matters (Legislative Decree No. 247-2010).

The MACCIH-OAS appreciates the determination to set up this anti-corruption tool shown by the National Congress, the Executive Branch, and the Judicial Branch. However, at the same time it points out that the original proposal written by the Supreme Court of Justice was subsequently modified, as follows:

- The judges of this national jurisdiction will hear cases of corruption but do not have the authority to conduct the asset forfeiture process, even if the assets are tied to acts of corruption. The MACCIH-OAS feels that the judge in charge of adjudicating the corruption-related crimes should be the one to decide if the defendants should be deprived of their property.
- The judges have jurisdiction to hear crimes committed by three or more persons. The original text set out the possibility of prosecution for crimes committed individually, which could be useful as this jurisdiction will work not only on cases chosen by the MACCIH-OAS, but also on the cases of corruption offenses that fall within its jurisdiction.
- Certain crimes that are relevant to the Mission's work, such as the embezzlement of public funds by changing their use or heading, among others, are removed from the jurisdiction.

This type of technical initiative should be considered as a whole to avoid affecting the sought-after anti-corruption model. Despite these issues, the Mission considers the creation of the national anti-corruption jurisdiction to be a very positive step forward for Honduras that will help bring down the levels of impunity in the country.

The national anti-corruption jurisdiction will operate with two integrated judicial circuits, one in Tegucigalpa and the other in San Pedro Sula. It will have professional criminal judges specialized in corruption, trial court judges, and appellate court judges, who will be provided with the conditions and security measures necessary to do their work. The Judicial Branch has informed the MACCIH-OAS that it has the resources necessary to operate this jurisdiction.

4.2.1. Judge-selection protocol: probity and competence

In compliance with section 3.1.1.1 of the Agreement, the MACCIH-OAS informed the Chief of the Judicial Branch that it will collaborate in the selection and certification of the national anti-corruption jurisdiction judges. On April 21, 2016, it thus proposed to the Judicial Branch that not only current judges in the Judicial Branch should be considered in the anti-corruption judge selection process, but rather that the process should be an open competition, that is to say, a merit-based selection process, in which any attorney who meets the conditions can participate. Although the Judicial Branch's original proposal was to select the judges through an internal competition, the idea put forth by the Mission was accepted by the Chief of the Judicial Branch.

In order to put this proposal into practice, the Judicial Branch passed the *Selection Protocol*, through Judicial Branch Agreement N°1, on May 26, 2016. A working group that included one MACCIH-OAS expert had been formed to draft this protocol. The agreed-upon protocol proposes an open selection mechanism and sets out the qualifications that will be required of the applicants, with civil society participation.

According to the national anti-corruption jurisdiction, there are a total of 10 positions to be filled before it can be implemented, namely:

- Two professional criminal judges (one in Tegucigalpa and one in San Pedro);
- Four trial court judges;
- Three appellate court judges;
- One member judge.

The selection process is governed by the strict principles of disclosure, transparency, equality of opportunity, establishment of objective qualification criteria, accountability, and citizen participation. The protocol establishes that this work will be the responsibility of the Selection Committee made up of one judge from the Criminal Division, who acts as Chair; one judge from the Labor–Administrative Dispute Division; and one member of the MACCIH-OAS. All of the Committee’s decisions must be made unanimously, which means that the Mission has veto power. A representative of civil society will serve as Secretary of the Committee and has the right to speak but not to vote.

The competition for these positions began with the public call, which was open to receive applications from August 22 until September 5. However, since there were not many applicants, the call was extended to October 10. There were a total of 100 applicants (43 men and 57 women).⁹

The competition is rigorous and the MACCIH-OAS has given assurances, as indicated in its statements and pronouncements, that it will be an objective process and that the best persons for these positions will be selected.

Therefore, the selection process will analyze the applicants’ résumés, followed by an evaluation of their knowledge, perform reliability testing, and decide on a shortlist of three candidates eligible to be appointed by the Chief of the Judicial Branch. Names will be kept confidential during the evaluation, to avoid favoritism.

The competition is expected to come to a close next January. Shortly thereafter, the chosen individuals will undergo an orientation process to ensure that they begin their activities with full knowledge of the first cases of corruption. We must specify that these judges will handle the new cases proposed by the specialized or regular bodies of the Office of the Attorney General, and by the bodies supported by the MACCIH-OAS pursuant to the Agreement. They will hear the cases in which corruption networks of three or more individuals took part, that is to say, complex corruption cases.

The process of selecting and appointing the judges of the new national anti-corruption jurisdiction is fundamental if the State of Honduras is to fulfill its commitment to comprehensively fighting corruption. It is a strategic step in fighting this scourge.

9. Three applicants did not indicate which position they were applying for, meaning there were in fact 103 applications.

The Mission recognizes the State's commitment to the important task of creating mechanisms that enable and contribute to the fight against corruption and impunity. The creation of this jurisdiction is proof thereof. The MACCIH-OAS hopes to continue working on building and applying this national jurisdiction, since it is a day-to-day process. It is notable that Hondurans understand that these processes must be carried out with the planning and professionalism necessary to make them efficient and effective.

4.3. Active cooperation with the Office of the Inspector General of the Republic

The Office of the Inspector General of the Republic is the legal representative of the State and is responsible for defending the interests of the State in all trials in which it is a party. On matters of corruption offenses, we expect that it can play a prominent role in defending the nation's resources, as has occurred with counterpart judicial authorities in other countries.

Regulations allowed the PGR to conciliate cases of corruption. On this issue, the Committee of Experts of the Mechanism for Follow-up on the Implementation of the Inter-American Convention against Corruption (MESICIC) made the following comment, at the Fourth Round. *"[170] Regarding this point, the Committee also notes that during the on-site visit, the PGR's representatives stated that acts of corruption can be subject to conciliation by the Public Prosecution Service (MP) and that when the corrupt official pays his obligation to the State of Honduras, the suit is withdrawn. They added, however, that the conciliation process and the withdrawal of the suit require that the MP obtain authorization from the PGR..."*¹⁰

For this reason, the PGR's new anti-corruption policy, which establishes that cases of corruption are not subject to conciliation, was announced on August 18, 2016, as part of the Mission's active collaboration with the PGR and at the Mission's request. With this announcement, PGR and MACCIH-OAS demonstrated their joint commitment to the fight against this scourge. The core part of the policy that was announced reads as follows:

*"4. The PGR and the MACCIH today begin a program of collaboration designed to improve the capacities of attorneys responsible for defending State interests, as we seek to implement a strong anti-corruption policy. In this vein, the PGR makes it known that as of the start of this work plan, it will no longer, within the scope of its authority, grant measures aimed at withdrawing cases from criminal proceedings such as: conciliation, plea bargains, expedited proceedings, or suspension of the criminal prosecution, which would damage State interests. This does not preclude the possibility, upon consideration of the new legislation, of choosing effective cooperation."*¹¹

This new policy went into effect immediately. The day after the joint statement was made, the Supreme Court spokesperson indicated that the possibility of conciliation had been denied in the criminal proceedings brought against one of the culprits in an emblematic case of corruption in Honduras, the Astropharma case. She stated that this decision was *"in line with the policies adopted in the last few hours*

10. Mechanism for Follow-up on the Implementation of the Inter-American Convention against Corruption (MESICIC). Honduras report. 21st Meeting of the Committee of Experts
http://www.oas.org/juridico/PDFs/mesicic4_hnd_en.pdf p. 33

11 Joint PGR-MACCIH statement.

that prohibit conciliations in cases associated with crimes of public corruption.”¹² Needless to say, this is a milestone in the fight against corruption and impunity.

The MACCIH-OAS would like to congratulate the PGR for making the decision to apply this new institutional policy. Inspector General Abraham Alvarenga immediately embraced the decision, revealing his commitment to tackling the country’s corruption problem within the current panorama. That said, we must clarify that ending the use of measures to withdraw cases from criminal proceedings in the Honduran legal system requires more than institutional commitments and must also be addressed in Honduran legislation, as recommended by the MESICIC.

The MACCIH-OAS has also started to work with the PGR to build its anti-corruption institutional capacity, and will provide ongoing support for the following tasks:

- Determining the damages that crimes of corruption cause to the State and their consequent correlation to the indemnification sought by the PGR in the trial;
- Policies of mutual international aid for the return of assets resulting from corruption;
- Tools to be used to ensure the effective recovery of civil damages from those convicted of crimes against the public administration;
- Investigations performed by the Office of the Attorney General and crime reporting.

4.4. National Anti-Corruption Council (CNA, *Consejo Nacional Anticorrupción*)¹³

As stipulated in section 3.1.3.6 of the Agreement, in these first six months the MACCIH-OAS has been seeking mechanisms for active cooperation with the CNA, in recognition of its active role in carrying out preliminary investigations in cases of corruption, as well as in presenting complaints received by the Office of the Attorney General in order to have the reported acts investigated.

The MACCIH-OAS has met with the employees of this institution on several occasions to learn about their achievements and challenges. The Mission follows the cases CNA brings with special attention, and we must therefore recognize its openness in sharing the building of cases and analyzing the best way to intervene in the interest of fighting corruption and impunity. We also appreciate the courageousness and decisiveness of its members in fighting corruption from this civil society arena.

On September 8, 2016, the Mission received a report indicating that because of their activities, the CNA executive director, Gabriela Castellanos, and other CNA employees had been victims of a number of attacks on social networks and in public statements. They had also been reported to the Office of the Attorney General, with the complaints made in an effort to discredit their work and hinder their activities. The Mission also received information about threats against the lives and integrity of CNA members.

¹² <https://www.youtube.com/watch?v=iVh9Tna3t98>

¹³ The CNA was created through Decree No. 7-2005, which establishes that its highest body, the General Assembly, is made up of representatives of 12 civil society organizations. Among its responsibilities are combating and discouraging corruption by insisting on prosecution and providing information and support to produce evidence that can be used by the prosecutors. To that end, it can act on its own initiative or at the request of the Office of the Attorney General or of any of the heads of the State branches, person or entity. The CNA is financed annually as an item in the national budget. However, it can also autonomously and independently procure additional funds for its operation.

The MACCIH-OAS considers this type of intimidation to be unacceptable, as no one should be subject to retaliation for fulfilling a mandate established by law. The appropriate response to the allegedly criminal acts presented by the CNA to the Office of the Attorney General is an investigation thereof, and for the suspects to submit to the respective proceedings in cooperation with the search for the truth. The Honduran justice system must be vigilant about these acts.

The Mission considers that the coordination of anti-corruption efforts made by different institutions must be improved. The State of Honduras will be stronger if its existing capacities are brought together for strategic action.

5. Division of Political and Electoral Reform

Pursuant to numbered section 5.1 of the Agreement signed to establish the MACCIH-OAS, the Mission has been working on *“the creation of an equitable and transparent framework on political and electoral financing,”* and in particular on providing advisory services for the drafting of a political and party financing law based on international standards.

5.1. Law on the Financing, Transparency, and Oversight of Political Parties

The country’s interest in regulating the issue of political party, movement, and candidate financing for the electoral financing and oversight process is not new. A considerable effort led to the passing of the Law on Elections and Political Organizations of 2004 (Decree No. 44-2004), which includes a chapter on financing.

This 2004 law regulates the aspects of public financing in which there was some progress with the so-called political debt that gave parties the means to cover certain expenses. However, the MACCIH-OAS received information to the effect that, in terms of oversight, not a single person or party had been involved in an investigation or been penalized for irregular financing or lack of information, which reveals that the mechanisms stipulated were not effective, as political leaders themselves have commented to the Mission.

The situation is a delicate one that calls for a two-pronged intervention: first, modern legislation that creates the legal tools to better control and oversee parties’ and candidates’ electoral campaign funds; and second, the practical enforcement of this legislation. It is not only a law that is needed. Rather, controls that prevent corruption and organized crime from financing party activities must also be decisively enforced in practice.

Several agencies have addressed the need for better electoral oversight mechanisms to control political party and campaign financing, including the Truth and Reconciliation Committee in its 2010 report and various electoral observation missions (of the OAS and the European Union) in the most recent elections.

We must underscore that the so-called “Country Outlook” and “National Plan” (medium- and long-term planning instruments for Honduras passed by the National Congress in 2010) establish as an objective that by the year 2022: *“All of the legally registered political parties will submit certified audits on the origin of the funds used to finance political campaigns....”*

The international community, through various statements and programs, has made an appeal to address this issue, and the European Union, the United States Agency for International Development (USAID), the United Nations Development Programme (UNDP), and the OAS have been supporting reform initiatives. With the signing of the Agreement, the MACCIH joined them in this endeavor.

The Mission has been working on the issue since it arrived in Honduras. The team in charge has been facilitating cross-party discussion with political leaders and members of the National Congress Electoral Affairs Committee, in an effort to come to general agreements that have made it possible to develop new legislation on the financing and oversight of Honduran political parties. All of the political parties participated in drawing up a proposal for an innovative law, which was passed at first reading.

The proposed new Law on Financing, Transparency, and Oversight was based on four legislative initiatives originating with the Executive Branch, the Supreme Electoral Court (TSE), and two representatives from different political parties.¹⁴

The process began via high-level meetings with the leadership and the leaders of all of the political parties. Although some political organizations showed an interest in addressing various electoral reform issues, the clear mandate of the MACCIH-OAS specified that it strictly focus on the realm of electoral campaign financing and oversight.

The MACCIH-OAS's technical contribution received significant support from the UNDP and focused on guaranteeing that the bill would be based on international standards, other countries' good practices, the recent reforms on the continent, and the OAS Model Law on the Registration and Regulation of Political Parties. The very relevant recommendations made by the OAS electoral observation missions and the European Union were also taken into account.

The MACCIH-OAS recommended that key aspects in line with the OAS Model Law on the Registration and Regulation of Political Parties be included, as follows:

- Have specific regulations on political campaign financing and donations that establish how these actions will be controlled;
- Limit donations;
- Report the income and expenditures received by political parties and candidates;
- Establish a system of penalties against those who violate financing rules;
- Regulate public financing of political parties;
- Have a system in place for the oversight of public financing and private contributions.

The Law on Financing, Transparency, and Oversight was passed on the night of October 20, 2016, and includes such innovative aspects as:

- The creation of the Financing, Transparency, and Oversight Unit, a body in the service of the TSE, but with its own technical, operational, functional, and management autonomy, with the capacity to identify suspicious financing operations, perform investigations, and apply sanctions, and, among its other investigative functions, lift banking and tax secrecy.

14 Representatives Edwin Pavón and Araceli Leiva.



- Compliance-monitoring will be undertaken *ex officio* or through third-party reporting, and those who violate the rules on submitting financial statements, reports, and registrations for political parties and candidates can be sanctioned. The applicable penalties may be imposed directly after the administrative sanctions proceedings have taken place. The penalties may go so far as to annul a party's registration.
- For the first time ever, limits are placed on private contributions made by persons or entities; the falsification of contributions is prohibited. Limits are also set on electoral campaign expenses according to election type, with a formula that takes into account the number of voters and is based on international standards.
- The law introduces new prohibitions on private contributions, such as those from public entities or enterprises or religions of any denomination, adding that candidates may not participate in project inauguration ceremonies, as doing so is considered proselytizing. Government advertising is suspended for the length of the electoral campaign.
- Media outlets must hand over their tabulator to the Financing, Transparency, and Oversight Unit at the start of the electoral process, and are joint obligors in accountability and information delivery.¹⁵ The creation of a mechanism to monitor electoral propaganda in the media during the electoral process was considered.
- Specific dates are established for submitting reports. Political parties must close their annual books no later than April 30 every year, to include preparation of the annual statement of their assets or balance sheet.
- The law regulates the annulment of election results if it is proven that the winning candidate's campaign was financed unlawfully, and establishes the possibility of certain conducts being considered crimes, for example, the presentation of false information in the financial statements and reports of the political parties, internal movements, alliances, or independent candidates. These crimes would be addressed in a separate bill, for inclusion in the Criminal Code, which is currently being reformed.

During the bill-writing process, a campaign called #NUEVALEYPOLITICALIMPIA [new clean politics law] was designed with the support of students at UNITEC University. The purpose of this campaign was to inform civil society and the public opinion of the initiative's benefits as a powerful anti-corruption tool. Public events and meetings with civil society were held, Mission experts were deployed in the media, and a campaign took place over social networks, all to spread the word about the initiative. Several civil society organizations issued public statements in support of it.

Given the importance of this law, the MACCIH-OAS produced its first MACCIH REPORT, titled "*Towards a New Law for the Republic of Honduras on the Financing, Transparency, and Oversight of Electoral Campaigns,*" to present the process of drafting the bill, provide details on the law's innovations, and urge the National Congress to pass it expeditiously.

The MACCIH-OAS appreciates the determination shown by diverse political and social sectors in drafting and passing this initiative, which will serve as an important anti-corruption tool.

¹⁵ This was changed by the National Congress sitting en banc.

In view of the MESICIC's recommendation on the political autonomy of supervisory bodies, and for the purposes of ensuring that the Technical Unit will not be swayed by political inclinations, the MACCIH-OAS recommended that it be headed by one individual elected by qualified majority vote in the National Congress, and further, that said individual must not have been a party leader nor candidate for popularly elected office in the past six years. The National Congress, sitting *en banc*, modified this technical proposal to instead approve a three-person Unit. The MACCIH-OAS considers that this change may affect the Unit's usefulness if individuals who do not guarantee the necessary political autonomy are included in the upcoming elections for the officers in charge of the Unit. The Mission hopes that the elections for these officers will respect the autonomy of the institution and the independence of its members, so that it can proceed to effectively monitor political party and candidate finances.

The MACCIH-OAS reiterates its commitment to working with the Financing, Transparency, and Oversight Unit, to make it into a strong and capable body, able to detect suspicious operations and hand down penalties. The Mission pledges to actively support and work on establishing this Unit so that it will be operational and able to perform its duties as a control and oversight mechanism for the next set of elections, to be held in 2017.

Likewise, the Mission wishes that this process be recognized as an initiative of the country, its leaders, and civil society in order to clean up politics and strengthen democracy and the political party system, thus addressing threats such as drug trafficking, organized crime, and corruption, affecting Honduras.

6. Unit for Reforms to Combat Corruption and Strengthen the Justice System

6.1. Support for the Criminal Code reform process

With aid from the Spanish cooperation agency and the European Union, Honduras has launched a process to adopt a new Criminal Code. The draft code is currently before the National Congress for its approval. Spanish professor Francisco Javier Álvarez provided advisory services in this regard and should be recognized for his significant contributions.

According to the MACCIH-OAS, a modern Criminal Code is not sufficient to solve the problems of crime or, specifically, corruption. A true solution will only come with the establishment of a comprehensive criminal policy with short-, medium-, and long-term objectives. But the need for a modern legal framework that is adapted to the crime problem and contributes to the fight against it cannot be ignored.

Given the importance of having an optimized regulatory framework that will enable progress in the fight against corruption, the Mission provided recommendations for improving the draft under discussion. In particular, it addressed aspects of crimes against the public administration and some specific issues in the general section and with regard to the crime of judicial misconduct, and individuals' criminal liability.

In doing so, it relied on the MESICIC's recommendations to determine the crime definitions that Honduras needs to bring into line with the Inter-American Convention against Corruption. With regard to crimes against the public administration, the Mission's recommendations were intended to eliminate holes in the current Code by introducing newly defined types of crimes. It also recommended that the definitions of crimes against the public administration be sufficiently broad so as to include the various

corruption scenarios that occur in the Honduran context, and suggested that penalties should be stronger and regulations more effective, to do away with impunity.

In line with the suggestions made at the Fourth Round of the MESICIC, it also recommended eliminating the practice of conciliation in criminal corruption cases, as well as any other measures that would remove such cases from criminal proceedings.

Due to the significance of criminal regulations, and the reform thereof currently underway, the MACCIH-OAS published its second MACCIH REPORT, titled *“Comments on the Criminal Code Reform – General Part and Crimes against the Public Administration,”* to detail the Mission’s technical recommendations for reforming the draft Criminal Code. The report has been sent to the president of the National Congress for review.

6.2. The TSC as a supervisory body and the system by which its members are elected

The auditing of official accounts plays a particularly important role in all modern States, in both preventing and interdicting acts of corruption. This work, which in Honduras is spearheaded by the High Court of Auditors (TSC), must be carried out with political, regulatory, administrative, and budgetary autonomy, and the TSC members must be free from all political influences.

The current comptroller Court judges finish up their terms in December 2016, meaning that the next seven years offer an opportunity to initiate a major institutional reform in the body, which governs the system for controlling public funds in Honduras.

The MACCIH-OAS believes that the control and oversight of public goods must be declared strategic tasks of the State of Honduras in the prevention and fight against corruption and impunity. The process of choosing judges, which has already begun, must, therefore, not be taken lightly. The fundamental premise is that, according to international standards, the TSC must be considered a technical agency, not a politicized one.

The National Congress has sent the right message in making a prompt call for applicants to replace two outgoing members of the TSC, as well as in expressing its willingness to select the new TSC judges through a public competition. Further, the MACCIH-OAS finds it laudable that non-governmental organizations have been involved in this process, and hopes that this openness will be maintained throughout the entire process. In its reports, the MESICIC has repeatedly stressed the need to bolster civil society participation in these processes.

According to the MACCIH-OAS, it is crucial to depoliticize the highest supervisory bodies, so as to ensure that their operations are autonomous and their members independent. In the past, the officially open mechanisms through which the National Congress selected senior officials had been questioned by civil society organizations, public opinion, and certain political groups. The MACCIH-OAS considers it fundamental to build better institutions, and to that end, the operational autonomy and technical independence of state supervisory bodies must be consolidated, so that they can objectively complete the tasks assigned to them.

The Mission considers it crucial for the TSC judges to be chosen based on merit, in a transparent process involving citizen participation, and emphasizes that they must be suitable choices both professionally and

as public servants who will ensure the full autonomy and independence of the TSC for the next seven years.

The importance of these changes to the TSC has been explained in the third MACCIH REPORT titled *“The Selection of the Judges of the High Court of Auditors: A key element in the policy of preventing and fighting corruption in Honduras.”* The Mission’s recommendations for this selection process and on the need for a comprehensive reform of the TSC are all set forth in this report.

As of the presentation hereof to the Secretary General of the OAS, the process of selecting the two judges for the TSC is underway. The application deadline was October 17 despite the MACCIH-OAS’s request for an extension in support of several civil society organizations that had suggested the need for more candidates to apply. The Congress reported that 102 candidates had applied.

The Mission is closely following the TSC judge selection process, and will inform the Honduran authorities if it observes acts that violate the principles that govern the regulations agreed upon by the National Congress. It calls on the country’s representatives to make the right choice for the fight against corruption and impunity.

7. Division of Criminal Justice System Reform

7.1. Reform of the Criminal Justice System

Section 4.1 of the Agreement establishes the MACCIH-OAS’s competence to contribute reforms to the criminal justice system. In this arena, the MACCIH-OAS has deployed an action strategy in partnership with the Justice Studies Center of the Americas, in order to influence reforms that will make it possible to improve crime investigations, effectively administer hearings and court times, define a criminal policy in the State, establish jurisprudential criteria, strengthen the work of the Criminal Division of the Supreme Court to better establish which cases should be heard in cassation, and improve precedents. The execution of this proposal remains to be financed; to date it has been moved forward with the support of the international community.

7.2. Criminal Justice System Observatory

Section 4.2 of the Agreement stipulates that a decentralized system to observe and monitor the criminal justice system is among the Mission’s responsibilities, stating that the Mission is to cooperate *“...with academic and civil society organizations to develop a series of instruments with which a decentralized system of observation and follow-up shall operate, with coverage based on the organization of the country’s jurisdictions and its Attorney General’s Office.”* This system will identify structural problems and issue recommendations for improving the Honduran criminal justice system.

To that end, the core group for this MACCIH-OAS initiative began work in the country. Upon its arrival there it started the process of developing the system, that is, the follow-up and monitoring mechanisms that, together with civil society organizations and academia, will produce indicators on matters of justice, impunity, and corruption. The civil society organizations themselves will define the system’s methodology and structure, so as to create forums for reflection on various aspects associated with the criminal justice system in order to monitor its operations and the progress of the reforms. They will be arenas for

upholding justice system accountability and for the social oversight of justice workers, and will seek to tackle the country's impunity problem.

The Mission considers the participation of academia and the civil society to be fundamental in creating changes that will make it possible to attack the problem of corruption and impunity. Their contributions will be key to producing results and encouraging dialogue between the citizens and the State on relevant issues for the observatory's work.

The MACCIH-OAS has established contacts through meetings with more than 130 civil society organizations, academic and governmental institutions, and international organizations, with the aim of sharing information about this initiative and seeking venues for dialogue to ensure an inclusive, sustainable design. With this strategy the Mission seeks to complement the efforts made by other observatories, harmonizing the country's existing initiatives.

The Mission has been systematizing the information provided by civil society organizations and government bodies to configure the corresponding data, verifying the country's information sources. The MACCIH-OAS Observatory team has also been in touch with Honduran government institutions connected with the criminal justice system and its information and statistics systems, for the purpose of assessing the country's capacities for collecting and processing information and verifying their potential for collaboration with the Observatory. The quality of the information has also been analyzed to determine how the information flows could work. In due course these aspects will be presented to civil society to study the system's feasibility.

The decentralized system of observatories will establish forums for dialogue and reflection on the criminal justice system and related aspects. We have been sponsoring a series of meetings between the MACCIH-OAS and civil society to discuss issues related to the reforms required to fight corruption and impunity. These meetings fall under the DIALOGUE FORUM, which has already been launched and which we hope will have a significant impact on the country.

8. Division of Public Security

Numbered paragraph 6.1 of the Agreement establishes that the MACCIH-OAS will provide support and advice for implementing the recommendations made in the OAS General Secretariat's Evaluation Report on the National System for Citizen Security (SNSC, *Sistema Nacional de Seguridad Ciudadana*).

8.1. Public Security

With regard to the issue of public security, the MACCIH-OAS has designed a reporting template that will be used to compile recommendations to help further progress on improving the various arms of public security: the National Police, Office of the Attorney General, Judicial Branch, and Correctional Facilities. The focus will be on the police sector, and to that end the Mission has been closely following the ongoing process of cleaning up the police force. The MACCIH-OAS's work will complement the efforts made in prior studies (2012 and 2014) conducted by the OAS Department of Public Security, which is the OAS body that provides support for the MACCIH-OAS on this subject. The Inter-American Network for Police Development and Professionalization will provide support throughout this process, as will other platforms that the Organization makes available to the country.

In response to a special request made by President Juan Orlando Hernández to the Secretary General of the OAS this past October 12, the Mission will focus its work on monitoring the clean-up of the police force and the clean-up and certification of the management of correctional centers.

9. Recommendations

Pursuant to its mandate, the MACCIH-OAS has actively supported national institutions in their efforts to fight corruption and impunity. It has likewise begun working with civil society to develop a system of criminal justice system observatories, seeking to channel the organizations' existing initiatives towards the changes needed in Honduras. In view of numbered paragraph 7.6 of the Agreement on the state of progress, challenges, and potential obstacles in these first six months of work, which included getting the Mission off the ground, we make the following recommendations:

1. Based on MACCIH-OAS proposals, the State of Honduras made the noteworthy achievement of passing reforms in three strategic spheres, to wit:
 - a. The creation by National Congress law of the national anti-corruption jurisdiction for prosecuting cases involving three or more people, with judges who have national jurisdiction and will enjoy improved working conditions and security. A new mechanism for selecting these judges was also agreed upon. The selection process, which includes rigorous criteria designed to ensure judicial independence, has begun with MACCIH-OAS and civil society participation, to guarantee that the most suitable candidates will be chosen.
 - b. A Law on the Financing, Transparency, and Oversight of Parties and Candidates that makes it possible to hold electoral campaigns accountable and is designed to prevent the unlawful financing thereof, by providing for tools to investigate and sanction those in violation.
 - c. The prohibition of conciliation to resolve cases of corruption, as well as of other measures that would remove such cases from judicial prosecution, as part of the new institutional policy of the Office of the Inspector General of the Republic.

The MACCIH-OAS advises the country to continue along the path of reforms that strengthen anti-corruption institutions, and recommends that the country's authorities remain open to the Mission, whose purpose is to support the State of Honduras and its civil society in anti-impunity reforms.

2. The MACCIH-OAS proposals seek to support the country in its fight against corruption and impunity. We therefore recommend that the institution-building processes and the present and future reforms maintain the technical terms proposed and crafted with technical authorities to ensure that the objectives will be reached. Modifying them, as has occurred in some cases, is inadvisable.
3. The MACCIH-OAS has begun its investigative work with the Office of the Attorney General on the Honduran Social Security Institute case, making a number of specific recommendations to the prosecutors that we hope will be implemented, with the aim of furthering the investigations and achieving the results that will put an end to impunity in this case. We therefore recommend continuing the work with the technical teams in charge of the cases, which can be expanded in order to handle the 47 pending lines of investigation. More support should also be provided for the hearings against the principal culprits.

4. In order to move forward with investigations in cases of corruption, it is also necessary to reform several aspects of the criminal justice system, with the aim of reducing impunity and reinforcing the independence thereof. We thus recommend building up the legal and prosecutorial professions, as well as approving larger budgets for the Judicial Branch, the Office of the Attorney General and the Office of the Inspector General of the Republic.
5. The MACCIH-OAS understands the importance of civil society's commitment to the sustainability of the country's much-needed reforms and changes, and thus recommends active civil society participation to bolster the fight against corruption. We recommend considering transparency and access to public information to be crucial elements of the openness that must be consolidated in Honduras.
6. Honduras must comply with its international obligations under the Inter-American Convention against Corruption, as established in section 1.1 of the Agreement. This convention provides a strong foundation for the legal and institutional reforms suggested and encouraged by the MACCIH-OAS. The MESICIC recommendations that we hope will be implemented address issues such as government procurement, protection of whistleblowers in cases of corruption, classification of corruption crimes, access to a public service career, autonomy of supervisory bodies, adherence to government audit rules, judicial independence, and witness protection, among others.
7. The MACCIH-OAS has made recommendations on the draft Criminal Code currently being debated in the National Congress, namely: to establish appropriate proportionality for crimes of corruption, to give consideration to those crimes that are still not included in the legislation, to better regulate alternatives to prosecution so as to prevent impunity, to improve the rule on alleged responsibility and participation, to precisely define the aspects associated with the criminal responsibility of individuals and the crime of judicial misconduct. We hope these recommendations will be taken up.
8. The MACCIH-OAS believes that mechanisms to protect whistleblowers must be implemented, as suggested by the MESICIC. The National Anti-Corruption Council disclosed to the MACCIH-OAS that it had received threats and complaints for doing its job of reporting cases of corruption. We therefore advise ensuring that adequate protections are in place for those who report cases of corruption.
9. We suggest solidifying the government anti-corruption policy managed by the Executive Branch and the other branches of government, which will entail making progress on regulatory and institutional changes with MACCIH-OAS support. Along those lines, justice officials must accept this policy as a guide for their actions, independently submitting only to the Constitution and the law.
10. The MACCIH-OAS hopes that the recommendations made about the selection of judges for the High Court of Auditors will be implemented so as to ensure the autonomy of this institution, essential for the control and proper use of public funds in all government agencies. These selections are of critical importance as they will decide the future of this institution for the next seven years. The Mission holds that in order to ensure that the chosen individuals are professionally and ethically suited to the positions, these processes must be transparent and

involve active civil society participation. The MACCIH-OAS is closely following the process with regard to this point.

10. Acknowledgments

The MACCIH-OAS appreciates the support provided by several State institutions, namely: the National Government, for respecting and recognizing the Mission's work and for the operational and logistical support it provided through the MACCIH Support Office; and the Mission counterparts, including the Office of the Attorney General, the Judicial Branch, the Office of the Inspector General of the Republic, the National Congress, the High Court of Auditors, the Supreme Electoral Court, and all of the institutions with which we have worked, for their openness and willingness. We also recognize the institutional challenges facing each of these institutions and call on them to continue working to address them. We further express our appreciation for the various political forces that have worked with the Mission to develop these initiatives.

We would like to express our special thanks to civil society organizations, including the National Anti-Corruption Council, academia, trade unions and business associations, churches, professional associations, and non-governmental organizations, for their unflagging support and openness to the MACCIH-OAS to further the reforms, and for their engagement with the Mission.

The Mission also appreciates the financial, technical, and political support provided by the international community and the donors, since without these important contributions the progress made in these first few months would not have been possible.

We should point out that when its first members were installed in the country, the Mission initially began working out of the offices of the OAS representation in Tegucigalpa, and worked there until it obtained its definitive office headquarters. The MACCIH-OAS therefore thanks the Representative of the GS/OAS in Tegucigalpa, Claudia Barrientos, and her team of collaborators, for their hospitality and cooperation during the Mission's time at their facilities.

MACCIH-OAS INDICATORS

MACCIH installation	
MACCIH installation time (in months)	6
Percentage of MACCIH-OAS budget raised for 2 years	45%
Percentage of MACCIH-OAS year 1 budget covered	65%
Projected number of MACCIH staff members year 1	70
No. of MACCIH staff members hired to date	19
National attorney candidates for the Reform Unit	132
Candidates for international expert positions, like forensic scientists and specialists	72
No. of international prosecutors being hired	2
Notices warning about concerning situations	2
Preventing and Combating Corruption	
Anti-corruption division installed	Yes
Technical reports on Art. 184 and the National Criminal Jurisdiction Law submitted to the Government	Yes
Anti-corruption judge selection protocol and regulations	1
Candidates for national anti-corruption jurisdiction judges	103
Code of ethics and confidentiality for the selection of anti-corruption judges	1
Cases in active cooperation	1
Cases in Consulting	3
IHSS convictions	4
IHSS case fugitives	10
Unprosecuted IHSS investigations	47
Prosecuted IHSS cases	15
Anti-corruption policy of no conciliation of cases	1
Unit for reform and consulting on the anti-corruption system:	
MACCIH Reform Unit	Yes
MACCIH-OAS-promoted laws passed*	2
No. of MACCIH REPORTS prepared and distributed	3
Division of Criminal Justice System Reform	
Core observatory group working in the country	Yes
No. of meetings held with the civil society	292
Division of Political and Electoral Reform	
Financing reform division installed	Yes
Law on Financing, Transparency, and Oversight passed*	Yes