



# OFFICE OF INSPECTOR GENERAL

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## AUDIT OF USAID/GUATEMALA'S DEMOCRACY AND GOVERNANCE PROGRAM

AUDIT REPORT NO. 1-520-10-001-P  
OCTOBER 30, 2009

SAN SALVADOR, EL SALVADOR



*Office of Inspector General*

October 30, 2009

**MEMORANDUM**

**TO:** USAID/Guatemala Director, Wayne R. Nilsestuen

**FROM:** Regional Inspector General/San Salvador, Catherine Trujillo /s/

**SUBJECT:** Audit of USAID/Guatemala's Democracy and Governance Program  
(Report No. 1-520-10-001-P)

This memorandum transmits our final report on the subject audit. We have carefully considered your comments on the draft report in finalizing the audit report and have included your response in appendix II of the report.

The report contains eight recommendations intended to improve the effectiveness and implementation of the democracy and governance program administered by USAID/Guatemala. Final action has been taken on recommendation nos. 1–3, while a management decision has been reached on the remaining recommendations nos. 4–8. Determination of final action will be made by the Audit Performance and Compliance Division upon completion of the planned corrective actions.

I want to express my appreciation for the cooperation and courtesy extended to my staff during the audit.

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# SUMMARY OF RESULTS

USAID/Guatemala's democracy and governance program focuses on strengthening the rule of law and greater transparency and accountability in government (page 3). The program began in September 2004 and is scheduled to end in September 2009, and the total estimated USAID budget for the program is \$36.7 million. As of September 30, 2008, USAID/Guatemala had obligated \$36.1 million and expended \$23.8 million under the program (page 4). The program is implemented through 12 contracts and agreements that are described on pages 3 and 4.

As part of its fiscal year 2009 audit plan, the Regional Inspector General/San Salvador performed this audit to answer the following questions (page 6):

- Did USAID/Guatemala's democracy and governance program achieve planned results and what has been the impact?
- Did USAID/Guatemala's reporting on its democracy and governance program provide stakeholders with complete and accurate information on the progress of the activities and the results achieved?

With respect to the first question, it was difficult to assess the overall results or impact of the program because USAID/Guatemala had not prepared a complete program management plan including performance measures and program targets. Judging by the available information, however, USAID/Guatemala's democracy and governance activities had achieved some important results, notably the following:

- Establishment of four model 24-hour courts in which police, public defenders, prosecutors, and judges are co-located to improve efficiency in processing criminal cases.
- Improvement of administrative processes in 13 targeted municipalities, including making these processes more transparent.
- Demonstration of approaches for helping to rehabilitate former gang members and helping prevent vulnerable youth from joining gangs.
- Expansion of voting locations into rural areas, helping to increase voter participation in the 2008 presidential elections.
- Passage of a law providing for public access to government information.

However, most of the activities financed by USAID/Guatemala have not achieved sufficient scale to significantly influence national democracy and governance trends, many of which are negative (page 7). A renewed focus on achieving transformational change is needed (page 12), and better followup to measure training effectiveness is also needed (page 15). Finally, leverage contributions to the Youth Alliance Program were overstated by about \$600,000 (page 17).

With respect to the second question, USAID/Guatemala's reporting on its democracy

and governance program provided stakeholders with complete and accurate information for 16 of 30 items tested, but the mission reported inaccurate results for 14 of 30 items tested (page 19). In addition, USAID/Guatemala has not established performance targets for some of the performance management plan (PMP) performance indicators, and the PMP had not been updated since 2006 (page 21).

The report recommends that USAID/Guatemala:

- Focus the follow-on program on implementing reforms at a sufficient scale to achieve transformational impact (page 13).
- Include support for civil society advocacy efforts in its follow-on program or arrange for such support in coordination with other donors (page 14).
- Condition further efforts to train Government of Guatemala employees on progress toward civil service reform (page 14).
- Establish procedures for systematically following up with training participants to assess the impact and effectiveness of training (page 16).
- Determine the eligibility of \$36,238 in unsupported leverage contributions and \$598,188 in ineligible contributions under the Youth Alliance Program and, as appropriate, obtain additional contributions (page 18).
- Verify that Creative Associates has implemented a satisfactory system for valuing volunteer work under the Youth Challenge program (page 18).
- Develop and implement a system to reasonably ensure that reported information is accurate (page 20).
- Develop a performance management plan for its follow-on democracy and governance program that meets USAID policy requirements (page 21).

USAID/Guatemala agreed with each of the recommendations. Based on a review of the mission's response and followup meetings with mission personnel, final action has been taken on recommendation nos. 1–3 and management decisions were reached on recommendations 4–8. Evaluations of management comments follow each of the recommendation sections. USAID/Guatemala's comments are included in their entirety in appendix II.

# BACKGROUND

USAID's Office of Democracy and Governance has published an assessment methodology organized around five key elements of democracy: consensus, rule of law, competition, inclusion, and good governance.<sup>1</sup> These five elements provide a useful framework for highlighting some of the issues discussed in the 2003 strategy for USAID/Guatemala's democracy and governance program as well as recent developments that have influenced the program's results and its impact:

- **Consensus** – Consensus refers to agreement on basic political arrangements: boundaries between the state and the rest of society, rules of political competition, and so on. Analytical work in support of the 2003 strategy noted that formal “rules of the game”—the Guatemala’s Constitution of 1985 and electoral rules, for example—enjoy considerable legitimacy. However, formal rules coexist with a willingness by important political actors to consider extraconstitutional solutions to political conflicts. Criminal organizations—sometimes referred to as “parallel powers”—and narcotraffickers resort to threats, intimidation, and bribes to advance their agendas.
- **Rule of Law** – The 2003 strategy stated that “A functioning rule of law is not present to constrain the primary drivers of conflict in Guatemala: crime, local land conflicts, ethnic discrimination, and a lack of access to employment and resources.” While it is difficult to obtain reliable, comparable statistics on crime rates, conviction rates, and so on, the current situation is extremely complex and only a small fraction of violent crimes are ever prosecuted or resolved. The U.S. State Department’s human rights report for 2008 refers to the Guatemala government’s failure to investigate and punish unlawful killings committed by members of the security forces; widespread societal violence, including numerous killings; corruption and substantial inadequacies in the police and judicial sectors; police involvement in kidnappings; impunity for criminal activity; harsh and dangerous prison conditions; arbitrary arrest and detention; failure of the judicial system to ensure full and timely investigations and fair trials; and failure to protect judicial sector officials, witnesses, and civil society representatives from intimidation; among other serious problems.
- **Competition** – Free and fair elections are well established in Guatemala, and 60 percent of eligible voters participated in the first round of the 2007 presidential elections. Political parties are weak, though, making it hard for parties to serve as a channel for translating citizen demands into responsive policies. Institutional checks and balances are often undermined by corruption, widespread patronage, and intimidation.
- **Inclusion** – Income inequality is extreme in Guatemala, and indigenous citizens are largely excluded from political and economic competition. Voter participation among indigenous people, especially indigenous women, is lower than for other groups.
- **Good Governance** – The 2003 strategy stated that “democratic government is not yet effective in ‘delivering the goods’—public safety, law and order, reasonable justice,

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<sup>1</sup> USAID Office of Democracy and Governance (2000), “Conducting a DG Assessment: A Framework for Strategy Development (Technical Publications Series, PN-ACP-338).

social services, and economic growth.” Citizen surveys show low confidence in most government institutions. The country scorecards published by the Millennium Challenge Corporation show that Guatemala compares unfavorably with other lower middle-income countries with respect to most policy indicators for ruling justly, investing in people, and economic freedom.

The USAID/Guatemala’s democracy and governance program focuses on strengthening the rule of law and greater transparency and accountability in government. The program began in September 2004 and it is expected to end in September 2009. The USAID budget for the program is \$36.7 million. As of September 30, 2008, USAID/Guatemala had obligated \$36.1 million and disbursed \$23.8 million under the program.

USAID/Guatemala implemented its democracy and governance program through 12 contracts and agreements:

- Casals and Associates Inc. (Casals) was awarded a \$23.4 million multicountry contract (\$4.8 million for Guatemala) that was in effect from January 24, 2004, to March 30, 2009. The program included activities to improve the institutional and legal framework, to introduce government incentive structures to encourage greater accountability in the allocation and use of public resources, to promote effective internal government auditing and checks and balance systems, and to promote greater citizen and media oversight of public funds.
- Checchi and Company Consultants, Inc. (Checchi) was awarded a \$7.9 million contract that runs from September 20, 2004, to September 29, 2009. The agreement provided resources to support three results: (1) improve transparency and efficiency of criminal judicial processes; (2) implement crime prevention programs; and (3) increased support for justice reform.
- Management Sciences for Development, Inc. (MSD) was awarded a \$2.1 million contract that ran from February 24, 2006, to September 30, 2009. The objective of this task order was to introduce community-based policing concepts to Guatemala’s Ministry of Government and National Civil Police, and support these agencies as they put them into practice in Villa Nueva (a large suburb of Guatemala City with a high crime rate and heavy presence of youth gangs and other organized crime) and other selected areas.
- Creative Associates International, Inc. (CAII) was awarded a \$1.6 million cooperative agreement in effect from September 22, 2004, to January 31, 2008. The purpose of the crime prevention for the vulnerable youth alliance program was to implement effective and sustainable crime prevention programs and development of strategic violence reduction alliances.
- CAII was awarded a second \$1 million cooperative agreement in effect from April 18, 2008, to September 30, 2009. The purpose of the Youth Challenge Program was to reduce victims of crime in selected areas and implement effective sustainable youth at-risk centers.
- Devtech System Inc. (Devtech) was awarded a \$5.5 million contract that was in effect from January 13, 2004, to September 30, 2009. The contractor was



responsible for achieving three results: (1) more transparent systems for management of public resources by local governments, (2) increase devolution of responsibilities and resources to the local level resulting in greater responsiveness to citizens' needs, and (3) more opportunities for citizen participation in and oversight of local government decisionmaking.

The following activities were not included in the scope of this audit because the activities had ended by the time of the audit or because of the limited amount of resources involved:

- The Consortium for Electoral and Political Processes (CEPPS) was awarded a \$1.1 million cooperative agreement that was in effect from December 4, 2006, to February 28, 2008. The purpose of the agreement was to (1) strengthen the technical capacity of the domestic monitoring consortium *Mirador Electoral* to organize and conduct a comprehensive range of preelection and election day monitoring activities; and (2) increase the capacity of *Mirador Electoral* to manage subgrant funds and raise additional resources from international donors to implement the observation activities.
- The Organization of the American States (OAS) was awarded a \$700,000 cooperative agreement that was in effect from March 16, 2006, to January 31, 2008. The purpose of the agreement was to assist the *Tribunal Supremo Electoral* (TSE) and other key actors involved in updating and cleaning the current voter registry; and to provide technical assistance to the TSE to provide greater public information on the actions related with the voter registry.
- The Justice Study Center of the Americas (CEJA) was awarded a \$100,000 agreement that was in effect from July 11, 2005, to September 29, 2009. The purpose of the agreement was to carry out a measuring of Rule of Law indicators from the Guatemala Judiciary and to strengthen its capacities in managing information.
- The United Nations Development Program (UNDP) was awarded a \$7.7 million agreement that was in effect from January 11, 2001, to December 31, 2008. The purpose of the agreement was to provide support to the Guatemalan Forensic Anthropological Foundation and local nongovernmental organizations engaged in exhumation of remains from the civil war in Guatemala and related mental health services.
- UNDP was awarded a second \$100,000 agreement that is in effect from April 10, 2007, to November 30, 2009. The purpose of the agreement is to carry out a comprehensive inventory of the public sector workforce within the Government of Guatemala's executive branch.
- KPMG Guatemala, S.A., was awarded a \$100,000 agreement that was in effect from May 8, 2006, to December 30, 2008. The purpose of the agreement was to assist the Office of the Comptroller General in strengthening its internal controls and audit capabilities to more effectively carry out its mandate as Guatemala's Supreme Audit Institution.

## **AUDIT OBJECTIVES**

As part of its fiscal year 2009 annual plan, Regional Inspector General/San Salvador carried out an audit of USAID/Guatemala's democracy and governance program. The audit was designed to answer the following questions:

- Did USAID/Guatemala's democracy and governance program achieve planned results and what has been the impact?
- Did USAID/Guatemala's reporting on its democracy and governance program provide stakeholders with complete and accurate information on the progress of the activities and the results achieved?

The audit's scope and methodology are described in appendix I.

# AUDIT FINDINGS

## **Did USAID/Guatemala's democracy and governance program achieve planned results and what has been the impact?**

It was difficult to assess the overall results or impact of the program because USAID/Guatemala had not prepared a complete performance management plan (PMP), including performance measures and targets for the program. Therefore, this audit assessed overall program results and impact by obtaining information on those PMP performance indicators for which actual results were available, examining information on national-level democracy and governance trends (including survey data from the Latin American Public Opinion Program), examining results achieved under the individual contracts and cooperative agreements awarded under the program, and interviewing program participants and stakeholders.

USAID/Guatemala's democracy and governance program has achieved some important planned results, notably the following:

- Establishment of four model 24-hour courts in which police, public defenders, prosecutors, and judges are co-located to improve efficiency in processing criminal cases.
- Improvement of administrative processes in 13 targeted municipalities, including making these processes more transparent.
- Demonstration of approaches for helping to rehabilitate former gang members and helping prevent vulnerable youth from joining gangs.
- Expansion of voting locations into rural areas, helping to increase voter participation in the 2008 presidential elections.
- Passage of a law providing for public access to government information.

Given the challenging environment in which the program was implemented, these are impressive achievements. For the most part, however, the activities financed by USAID/Guatemala have not achieved sufficient scale to significantly influence national democracy and governance trends, many of which are negative.

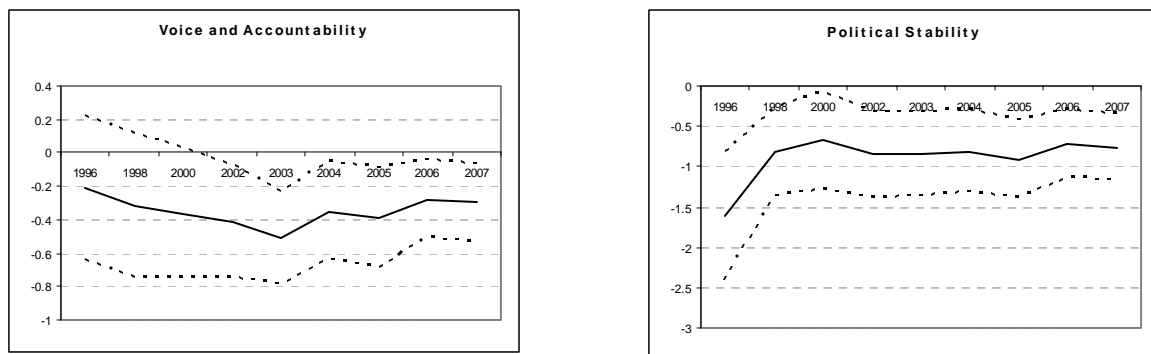
Appendix III compares target levels of performance and actual results, where available, for the performance indicators in the PMP. While no targets for government effectiveness and government transparency were set, these measures showed modest improvement during the period examined. In 2007, Guatemala's score on the World Bank's government effectiveness indicator was -0.59 on a scale from -2.5 to 2.5, a slight improvement from -0.64 in 2006 (calendar year basis). This improvement was not statistically significant. Government transparency was to be measured by the Transparency International corruption perceptions index, which improved from 2.6 in 2006 to 2.8 in 2007 and 3.1 in 2008 (calendar year basis). Again, these changes are not statistically significant.

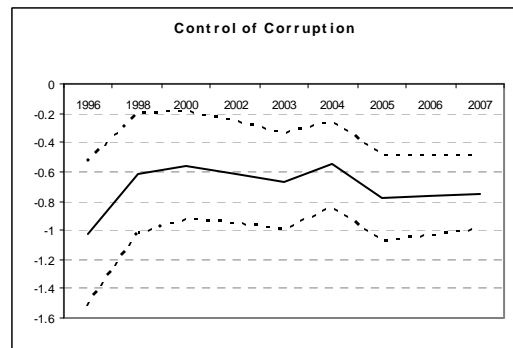
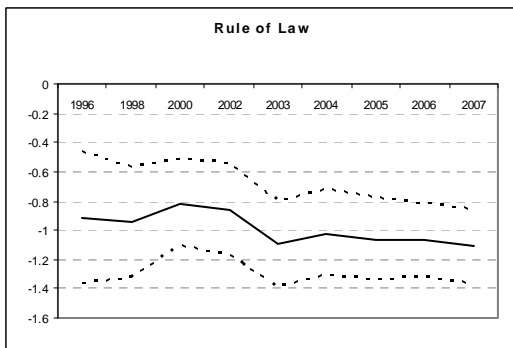
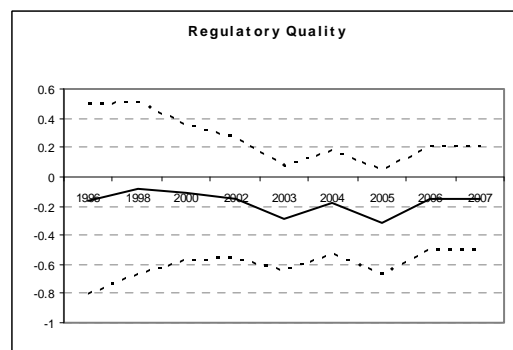
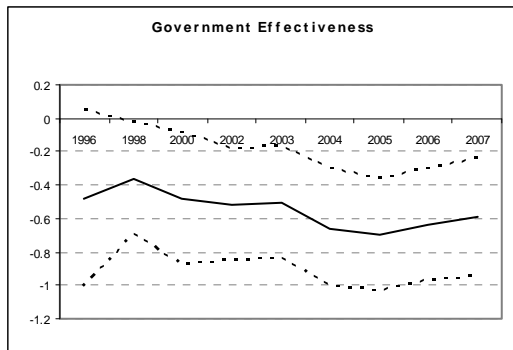
The other high-level indicators in the PMP—budget transparency, citizen satisfaction with the judicial system, citizen satisfaction with local government services, and percentage of corruption victimization—either showed modest declines or fell short of expectations during the period examined. Budget transparency is measured by Guatemala’s scores on the International Budget Project’s open budget index, which is published every 2 years. Guatemala’s score in 2008 (45 on a scale from 1 to 100) was slightly lower than its score of 46 in 2006 (earlier data were not available). Citizen satisfaction with the judicial system in 2008, at 45 percent, fell short of the target of 48 percent, and citizen satisfaction with local government services, at 56 percent, fell short of the target of 73 percent. Similarly, the percentage of citizens directly victimized by petty corruption in 2008 (20 percent) was higher than the target of 16 percent, indicating that this performance target was not met.

For the lower-level indicators in the PMP—the frequency with which pretrial hearings were conducted orally, numbers of vulnerable youth trained and employed, and so on—results were mixed. (See appendix III for details.)

Information on national-level democracy and governance trends is available from the World Bank, Freedom House, and the Latin American Public Opinion Project, among other sources. The World Bank governance indicators are available only up through 2007. As one would expect, the data reflect fluctuations from random occurrences as well as from deeper and more sustained influences. From 2003 through 2007, the indicators for voice and accountability, political stability, and regulatory quality have all improved, although none of the improvements are statistically significant. The indicators for government effectiveness, rule of law, and control of corruption have all deteriorated, but again none of these changes are statistically significant (Figure 1).

**Figure 1. World Bank Governance Indicators, 1996–2007**





Note: The World Bank scales these scores so that the median score for all countries is 0 and essentially all scores fall between 2.5 (best) and -2.5 (worst). The 95 percent confidence interval is indicated by dotted lines.

The Freedom House civil rights index showed no change during the program (at 4 on a scale from 1 to 5, with 1 being the best possible score), while the political rights index improved from 4 to 3 in 2007 and stayed at 3 in 2008.

Public attitudes, as measured by the Latin American Public Opinion Project deteriorated in important respects from 2006 to 2008. The percentage of respondents with low support for key institutions and low political tolerance (i.e., respondents in the “democracy-at-risk” category) increased from 26 percent to 38 percent during this period. This “democracy-at-risk” level is the third highest in the region after Haiti and Honduras. Citizen confidence in key justice institutions (e.g., the Supreme Court, the justice system, and the police) showed small declines that were not statistically significant.<sup>2</sup> On the other hand, confidence in the national government showed a statistically significant increase, from 44 to 50 percent.

Program participants (implementers and beneficiaries) and stakeholders in the U.S. Embassy, other donor organizations, and civil society organizations expressed positive opinions of the performance of the democracy and governance program.

The following sections examine the results achieved under individual contracts and cooperative agreements that were awarded under the program.

<sup>2</sup> Confidence in these justice institutions ranged from 40 percent to 44 percent in 2008.

**Youth Alliance and Youth Challenge Programs** – The most important accomplishments under the Youth Alliance Program, which ended in January 2008, were as follows:

- Creation of a five-episode reality television show in which former gang members established and operated businesses.
- Establishment of seven outreach centers to train vulnerable youth in basic life skills and job skills as well as providing creative outlets for use of free time to help prevent youth from joining gangs. The operating costs of these centers are estimated between \$16,000 and \$19,000 a year, and one of the centers has operated for more than a year with no direct USAID support, demonstrating that outreach centers can operate sustainably after donor support ends.
- Creation of alliances with entrepreneurs, faith-based organizations, and municipalities who collaborated on program activities and contributed resources.

On the other hand, employment of former gang members fell short of expectations. Appendix IV compares target levels of performance and actual results, where available, for the performance indicators for USAID Youth Alliance Program.

Under the follow-on program, called Youth Challenge, USAID/Guatemala and its partner have not yet established targets for all of the performance indicators to measure results and impact of the program. The program performance indicators, targets, and reported results are provided in appendix V.

**Rule of Law** – Through the rule of law program, USAID's partner has helped implement oral procedures in pretrial hearings and has introduced four model 24-hour courts that have improved coordination among police, public defenders, prosecutors, and judges. No impacts on case processing time or other outcomes have been recorded at the national level, and even in the specific jurisdictions in which model courts have been established, results are mixed or baseline data are not available to measure improvements. Rule of law performance indicators, targets, and reported results are provided in appendix VI.

**Community-Based Policing Program** – The community-based policing program in Villa Nueva, Guatemala, is part of a broader U.S. Government-funded effort to reduce crime and includes a program administered by the Narcotics and Law Enforcement Section in the U.S. Embassy. The most important activities were a diagnostic assessment, police training, and youth crime prevention activities:

- USAID's partner hired a consulting firm to conduct a diagnostic assessment of the National Police. The assessment identified 10 issues that have negatively affected the effectiveness of the institution.
- The program supported a training initiative for 80 police officers stationed at precincts around the country charged with providing victim/witness services. Also, the program provided training to increase the quality of information recorded for followup by criminal investigators and prosecutors.

- The program facilitated a number of interventions that targeted youth at risk of joining street gangs. For example, 25 youth from *Escuela de Ciudad del Sol* were placed in a basic electrician's course at the National Vocational Training Agency.

Community-based policy performance indicators, targets, and reported results are provided in appendix VII.

**Decentralization and Local Governance Program** – This program was successful in implementing improved administrative procedures in selected municipalities as outlined in more detail in appendix VIII. Notable examples include support for full implementation of the Integrated Financial Administration System and a procurement information system (*Guatecompras*). However, the program has not yet demonstrated success in improving municipal services. Program performance indicators, targets, and reported results are provided in appendix VIII.

**Anticorruption, Transparency, and Accountability Program** – This program seeks to improve the institutional and legal framework; to introduce government incentive structures to encourage greater accountability; to promote effective internal government auditing and checks and balances; and to promote greater citizen and media oversight of public funds. The program had some successful activities to achieve this, most notably the following:

- Support for passage of the Free Access to Government Information law, which went into effect on April 21, 2009.
- Support for research studies whose findings were presented to the public and press.
- Support for transparency initiatives, including social auditing (which involves training citizens to monitor government performance and compliance with established laws, regulations, and procedures).
- Assistance monitoring the Government's implementation of the Inter-American Convention Against Corruption (IACC).
- Oversight of electoral campaign financing regulations.
- Training for investigative journalists.

This program had a difficult start because of senior management turnover within the partner's team and a change in focus from working directly with the Government of Guatemala to working more closely with civil society advocacy groups. This shift occurred after the partner found little political will on the part of the Government to implement significant reforms. The anticorruption, transparency, and accountability performance indicators, targets, and reported results are provided in appendix IX.

Although USAID/Guatemala's democracy and governance program has reported some important accomplishments as outlined above, actions are needed to increase the potential impact of the follow-on program, better measure the effectiveness of training provided to program participants, and better ensure that required contributions by third parties are obtained. These issues are discussed in the following sections.

## Program Impact Can Be Enhanced

Summary: USAID programs are expected to support transformational change in developing countries. However, the democracy and governance program mainly focused on small-scale initiatives. For example, in the rule of law component, USAID/Guatemala's contractor developed a 24-hour court model and implemented the model in four first-instance courts. However, the model has not been implemented in the other 49 first-instance courts in Guatemala and, even in the jurisdictions in which it has been implemented, statistics to measure its impact on outcomes like case processing speed, conviction rates, and so on are not available or show mixed results. This outcome was partly a result of the level of resources available and partly a result of reluctance by counterparts to undertake significant reforms. As a result, with few exceptions, the program has not significantly influenced national-level indicators of the quality of governance.

The State-USAID foreign assistance framework establishes an expectation that USAID programs will support transformational diplomacy; USAID programs, in conjunction with other donor programs and host countries' own efforts, will help move countries through a development process that ultimately leads to their graduation from the U.S. foreign assistance program.<sup>3</sup> Transformational changes are not expected to take place in the short term, but they are expected to take place within some foreseeable time horizon.<sup>4</sup>

The results achieved to date, while reflecting sustained, technically sophisticated efforts by USAID/Guatemala and its partners, are not transformational in most cases. For the most part, the program has focused on demonstrating small successes. For example,

- Although, the 24-hour courts established under the rule of law program component are an important innovation, it is not possible to draw any cause-and-effect relationships between the 24-hour courts and national trends in prosecution rates, conviction rates, or case processing time. (In fact, even in the jurisdictions where the 24-hour courts were established, statistics to demonstrate their impact are either unavailable or show mixed results.)
- Under the decentralization and local governance program, USAID's partners helped 13 municipalities (or a subset of the 13 municipalities, depending on the specific intervention under discussion) implement improved administrative procedures and raise revenues. But because the partner only worked in a small portion of the 330 municipalities in Guatemala, the program has not achieved national-level results.
- The Youth Alliance and Youth Challenge programs have demonstrated cost-effective, sustainable approaches to gang prevention and rehabilitation, but activities to date have been implemented on a small scale. For example, the programs

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<sup>3</sup> The foreign assistance framework describes a development continuum that includes rebuilding countries, developing countries, transforming countries, and sustaining partnership countries. Guatemala is classified as a developing country: it is a lower-middle-income country that does not meet the criteria for eligibility for assistance from the Millennium Challenge Corporation (MCC), and it does not meet the MCC criterion for political rights.

<sup>4</sup> Note that the strategy for USAID/Guatemala's democracy and governance program predated the foreign assistance framework.



reportedly found jobs for 239 former gang members but a 2006 assessment estimated that at least 14,000 gang members were active in Guatemala.<sup>5</sup>

To some degree, the small scale of the activities supported through the program was a result of the level of resources available. However, transformational change does not have to be expensive. Fundamental reforms can cost almost nothing in monetary terms, although they may require expenditure of political capital.

In our view, reforms are undertaken when incentives change, and changing incentives can be a powerful stimulus to reform efforts. USAID/Guatemala's previous program included support for civil society advocacy efforts, but the 2003 regional strategy did not envision a need to continue such efforts. Looking forward, there is a need to resume support for civil society organizations. Political parties in Guatemala are weak—people identify with political parties at a lower rate than in any other country in the region—and it is not reasonable to expect that political parties will serve as effective channels to translate citizen demands for reform into policies. In contrast, civil society organizations have high rates of participation in Guatemala and have a record of important achievements—like the establishment of International Commission Against Impunity in Guatemala (CICIG) and passage of the access to public information law. In fact, it could be argued that civil society organizations are strong enough in Guatemala and do not need USAID's help. But if civil society organizations were “strong enough,” the quality of governance would be much higher. This audit emphasizes that support for civil society organizations need not be expensive. The fact that a civil society organization enjoys USAID's support (or the support of other international donors) can elevate its prestige and effectiveness, independent of the monetary value of the support provided.

Another factor limiting the program's effectiveness in producing significant, lasting improvement in the functioning of government institutions is the lack of a stable civil service workforce at the national and municipal levels in Guatemala. This forced USAID's partners to work with inexperienced counterparts in many cases and, after the 2008 elections, forced them to retrace their steps to bring new counterparts up to speed.

As a result, USAID/Guatemala's current democracy and governance activities, with few exceptions, have not significantly influenced national-level indicators of the quality of governance.<sup>6</sup>

*Recommendation No. 1: We recommend that USAID/Guatemala's follow-on democracy and governance program aim to implement reforms at sufficient scale to achieve transformational impact.*

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<sup>5</sup> In addition, not all of the former gang members are still working at the jobs they found through the programs. While this audit does not make a formal recommendation, it may be worthwhile to periodically follow up to see how many of the former gang members are still employed and identify obstacles or issues to continued employment that the program can address.

<sup>6</sup> One exception would be USAID's support for expansion of voting stations into rural areas, which many believe encouraged wider participation in the 2008 elections, and a second exception would be USAID's support for passage of the Free Access to Government Information law, which, when implemented, may well have transformational effects.

*Recommendation No. 2: We recommend that USAID/Guatemala include support for civil society advocacy efforts in its follow-on program or arrange for such support in coordination with other donors.*

*Recommendation No. 3: We recommend that USAID/Guatemala condition further efforts to train Government of Guatemala employees on progress toward civil service reform.*

### **Evaluation of Management Comments:**

In its response to the draft report, the mission disagreed with audit recommendation no. 1. The main reason why it disagreed was because of the reference to a criterion that the mission stated no policy or guidance existed as to how to incorporate transformational development goals into democracy and governance development activities. We followed up with the mission to further address this recommendation and provide additional insight as to intent of this recommendation. Our position was that to not give this recommendation consideration because of the lack of policy, strategy or operational guidance was not adequate. We agreed that there was no defined criterion for transformational goals; however, Guatemala faces some rather alarming governability challenges and in important respects the situation is deteriorating. The concept of transformational development deals with significant, national-level change, and it is also clear that strategies and programs for achieving transformational development will need to respond to country-specific circumstances, constraints, and opportunities. While better operational guidance would provide more clarity, almost all of the work required to achieve transformational development—analysis, coalition building, project development, and project management—will fall under the USAID mission's responsibility. Therefore, we pressed the mission to address the possibilities for incorporating strategies and programs under its proposed new projects outlined in its activity approval document designed for the purpose of achieving transformational development.

In its followup response, the mission provided copies of its follow-on project descriptions. We believe that the mission's project on transparency and accountability is a positive step that addresses some of the critical issues that have negatively affected the Government's ability to be transparent and accountable to its citizens. Furthermore, we see it as positive that resources will be directed at increasing and strengthening participation of the civil society organizations in watchdog activities and oversight of public resources. Additionally, it is a positive move that the mission intends to promote and engage the private sector in the fight against corruption. The activities incorporated within this project could contribute at achieving progress toward having a transformational impact. As a result, we consider that the mission has taken appropriate action and we consider that final action has been taken on this recommendation.

The mission agreed with audit recommendation no. 2. In its response the mission explained recent changes to its updated activity approval document with emphasis placed on supporting civil society. Furthermore, the mission explained its implementation mechanism that it intends to use to facilitate implementation activities in support of civil society. Lastly, the mission provided support demonstrating recent procurement of services for the purpose of assisting civil society organizations. Based on the mission's response and review of the supporting documentation, we consider that final action has been taken on this recommendation.

In its response to the draft report, the mission did not agree with audit recommendation no. 3. The underlying reason for the disagreement was because the mission interpreted our recommendation to mean that it should make civil service reform a precondition to further training. As well, the mission commented that it believes that civil service reform, though important, is beyond the capacity of its current program.

We followed up with the mission to provide additional insight as to our expectations. We explained that the intention was not to curtail support for training government employees but rather to encourage movement toward significant civil service reform. Our expectation was that the mission would use its leadership in Guatemala to push a coordinated effort within the donor community to support civil service reform. The audit revealed that, in Guatemala, government jobs are used as patronage positions, with wholesale changes after each election. Hence, training can perhaps help new employees achieve basic proficiency in their jobs, but it cannot build government capacity over the longer term. Therefore, we asked the mission to further consider working with the donor community in encouraging and moving in the direction of significant civil service reform. Without such a goal in mind, it is difficult to understand what larger purpose training of government employees would serve. On this basis, we believed that USAID/Guatemala needed to demonstrate further, more proactive measures.

In its followup response, USAID/Guatemala commented that it agreed with the recommendation and agreed to assume a leadership role in the international donor community to pressure and support the Government of Guatemala to move forward with legislation that would require all Government of Guatemala agencies to establish a civil service, and then effectively implement that legislation over a reasonable time period. We reviewed the mission's followup comments, and we consider that it has taken appropriate action and consider this recommendation closed upon report issuance.

## **Partners Should Assess the Effectiveness of Training**

Summary: Automated Directives System (ADS) 203.3.2 requires that USAID Missions/Offices and their Assistance Objective (AO) Teams are responsible for measuring progress towards achieving foreign assistance objectives. USAID/Guatemala's implementing partners have not developed systems for measuring the effectiveness of the training they provide to participants. This was not done because the development of a formal training evaluation system was not considered during the design stage of the training. Without some type of assessment of the effectiveness of training, USAID and its partners do not have precise information on the effectiveness of their training programs.

Training is a major part of the assistance provided through USAID/Guatemala's democracy and governance program. In fiscal years (FYs) 2007 and 2008, USAID/Guatemala, through its implementing partners, reported training more than 16,594 people in court procedure, criminal investigation and prosecution techniques, leadership and conflict resolution, and election observations.

According to ADS 203.3.2, USAID Missions/Offices and their AO Teams are responsible for measuring progress towards the results identified in the planning

stage to achieve foreign assistance objectives. According to ADS 253, Training for Development, training sponsors are encouraged to consider the broader operational context in which the participant's newly acquired skills, knowledge, and attitudes will be applied.

Donald Kirkpatrick's training evaluation model, a widely used model, suggests that training evaluations can focus on four types of training effects: (1) how participants thought or felt about the training (i.e., their reaction to the training); (2) changes in knowledge, skills, and abilities; (3) application of training on the job (i.e., behavioral changes); and (4) results (i.e., changes in organizational performance that are caused by employee training).<sup>7</sup> Taking into consideration the costs associated with training evaluation, it might be appropriate to use participant questionnaires or some other participant feedback mechanism, as well as pre- and post-tests to measure changes in knowledge, skills, or attitudes, for almost all training programs. For more expensive training programs, or programs of strategic importance, it would be advisable to maintain contact with participants after they complete the training, or to visit them on the job to determine the extent to which participants have been able to apply this training and see whether organizational performance changed as a result. To the degree that continued contact or visits to participants at their work sites reveal challenges with respect to the organizational climate, incentives, or other factors that make it hard to apply on-the-job training, future training programs or other interventions can be devised to address those constraints.

USAID/Guatemala's partners have not developed formal systems for evaluating the effectiveness of the training provided by its implementing partners to the participants. The impact of training was not measured because the development of a formal training evaluation system was not considered by USAID/Guatemala or its implementing partners during the design stage of the training.

As a result, USAID/Guatemala and its partners do not have precise or reliable information on the degree to which its training programs are having the desired impact or could be better tailored to the needs of the participants. Assessing the impact of training may yield greater returns on training investments and provide management better information to determine future training needs.

*Recommendation No. 4: We recommend that USAID/Guatemala, in coordination with its implementing partners, establish procedures for systematically evaluating and following up with training participants as appropriate to assess the impact and effectiveness of training.*

#### **Evaluation of Management Comments:**

The mission agreed with the audit recommendation no 4. The mission reported that it is in the process of coordinating with USAID/Washington seeking assistance to develop procedures to assess the effectiveness and impact of its training activities. The mission expects to have identified a plan of action by November 2009. Based on the mission's response, we consider that a management decision has been taken on this recommendation and determination of final action will be made by the Audit Performance and Compliance Division upon completion of the planned corrective action.

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<sup>7</sup> Donald Kirkpatrick, *Evaluating Training Programs: The Four Levels*, Berrett-Koehler Publishers, 1998.

## Leverage Contributions for the Youth Alliance Program Were Overstated

Summary: One of USAID's partners agreed to provide \$1.7 million in leverage contributions (i.e., contributions from third parties) to a gang prevention program. The partner reported that it exceeded the required amount, but, after excluding amounts that were either ineligible or unsupported, there was a shortfall of \$634,426. While the partner was subject to annual audit through the Office of Management and Budget (OMB) Circular A-133 audit program, these audits cover only a sample of transactions, and it can be hard for U.S.-based auditors to develop the understanding of local conditions and business practices that would help them evaluate the eligibility of leverage contributions. Given these circumstances, it might be useful for mission staff to periodically verify that required leverage contributions are actually being provided. Besides noncompliance with the cooperative agreement, contributions that are not provided impede accomplishment of program objectives.

Creative Associates agreed to provide leverage contributions of \$1,651,020 under a cooperative agreement that ended on January 31, 2008. Leveraging represents all of the non-USAID resources that are expected to be applied to a program as a result of an alliance or public-private partnership. This includes resources that third parties (not the recipient organization) contribute to the program without necessarily providing them to the USAID recipient or implementing partner. These parties can include the host government, private foundations, businesses, or individuals. In-kind contributions such as volunteer time, donated supplies, equipment and other property, and use of unrecovered indirect costs are allowable in accordance with OMB Circular A-110. Entities must be able to demonstrate whether leveraged contributions have been obtained as proposed to determine whether the desired impacts are being achieved, and USAID may revise or withdraw its support when contributions are not forthcoming as originally agreed.

As of January 31, 2008, reported leverage contributions totaled \$1,731,747. However, this amount included ineligible contributions of \$598,188 and unsupported contributions of \$36,238:

- The ineligible contributions represent the value of a house that was not used under the program. A third party agreed to provide the house for use under the program and provided an estimate that use of the house for a 20-year period would be worth \$646,690. This was the amount that Creative Associates recorded as a contribution in July 2005. However, the house was used under the program for only about one and a half years. Proportionally allocating the estimated value of use of the house as given above, the value to the program during this year and a half was only \$48,502, leaving \$598,188 in reported contributions that were not program related and therefore ineligible.
- The unsupported contributions represent the value recorded for volunteer work on the program for which no supporting documentation is available.

In addition to the ineligible and unsupported contributions mentioned above, valuation of volunteer work on the program appeared to be arbitrary in some cases. Creative Associates recorded whatever value the volunteers placed on their own time, which, for the cases reviewed, ranged from \$0.65 per hour to \$50 per hour. For the outreach center in Santa Catarina Pinula, volunteer time for July 2008 was valued at an average of \$11.42 per hour,

which appeared to be a high estimate given that most of the volunteers at the center during the March 2009 visit were teenagers with little or no paid work experience. Creative Associates planned to implement a new system for valuing volunteer time in which volunteers would report the hours they worked and Creative Associates would value their time using standard rates based on the type of work they performed.

U.S.-based entities that implement USAID-financed programs are audited periodically by the Defense Contract Audit Agency through a reimbursable arrangement with USAID, or through the OMB Circular A-133 audit program. However, these audits cover only a sample of transactions and, because the audits focus on documentary records available in headquarters offices in the United States, it can be difficult for the auditors to acquaint themselves with local business practices or local price levels. Given these constraints that limit the effectiveness of audits of U.S.-based entities that implement USAID programs overseas, it may be appropriate for mission cognizant technical officers (CTOs) or financial analysts to periodically verify that agreed-on leverage contributions are actually provided. However, USAID/Guatemala staff had not performed any such verification.

As the leverage requirement was not met, the Youth Alliance Program lacked resources that were required by the agreement and needed to achieve project goals. Although the Youth Alliance Program has ended, a follow-on Youth Challenge Program, implemented by the same partner, is now under way.

*Recommendation No. 5: We recommend that USAID/Guatemala make a determination of eligibility for \$36,238 in unsupported leverage contributions and \$598,188 in ineligible contributions under the Youth Alliance Program and for any shortfalls in contributions obtain additional contributions under the current Youth Challenge Program.*

*Recommendation No. 6: We recommend that USAID/Guatemala verify that Creative Associates has implemented a satisfactory system for valuing volunteer work under the program.*

#### **Evaluation of Management Comments:**

The mission agreed with the audit recommendation no 5. In response, the mission will request Creative Associates to address the eligibility of the unsupported and ineligible costs. The mission intends to have taken action on this recommendation by October 31, 2009. Based on the mission's response we consider that a management decision has been taken on this recommendation and determination of final action will be made by the Audit Performance and Compliance Division upon completion of the planned corrective action.

The mission agreed with the audit recommendation no. 6. In response to the recommendation, the mission is planning to have Creative Associates issue a final procedures manual by the end of September 2009 that outlines how to record the different types of contributions to the project. The mission included in its response Creative Associates' draft version for our review. Based on the mission's response, we consider that a management decision has been taken on this recommendation and determination of final action will be made by the Audit Performance and Compliance Division upon completion of the planned corrective action.

## **Did USAID/Guatemala’s reporting on its democracy and governance program provide stakeholders with complete and accurate information on the progress of the program and the results achieved?**

USAID/Guatemala’s reporting on its democracy and governance program provided stakeholders with complete and accurate information for 16 of 30 items tested, but reported inaccurate results for 14 of 30 items tested. In addition, the USAID/Guatemala democracy and governance program does not have a complete PMP.

The reporting issues found are discussed in the following section.

### **Data Reporting Needs To Be Strengthened**

Summary: Performance information should accurately reflect the program’s performance and enable management to make appropriate decisions based on the reported data. For 14 of 30 cases tested, USAID/Guatemala did not accurately reflect the program’s performance and enable management to make appropriate decisions. These inaccuracies occurred because the data reported by implementing partners were not verified by USAID/Guatemala. Consequently, some inaccuracies in reporting went unnoticed by USAID/Guatemala. When data are not verified, there is a risk that inaccurate information will be used to reach conclusions about the program’s success.

ADS section 203.5.1 requires that performance data meet the five data quality standards of validity, integrity, precision, reliability, and timeliness. Behind these standards is the idea that data should accurately reflect the program’s performance and enable management to make appropriate decisions based on the reported data. Some of the results reported by USAID/Guatemala and its implementing partners did not accurately reflect actual performance.

Fourteen items in the performance reports for FY 2007 and FY 2008 were inaccurate. Some examples include the following:

- The mission’s performance report for FY 2007 stated that 3,888 volunteer observers monitored elections, but elsewhere on the same page, the report referred to 3,800 volunteer observers and the original source document referred to 3,588 volunteer observers. According to the CTO, these differences were due to transcription errors.
- In its FY 2007 performance report, USAID/Guatemala reported that USAID assisted with the resolution of more than 125 land conflict cases, benefiting more than 6,800 indigenous families. However, this result cannot be linked to USAID assistance. The result was accomplished by a nongovernmental organization (NGO) that received assistance from the European Union and the Government of Ireland but not from USAID.
- USAID/Guatemala reported in its FY 2007 performance report that 927 justice sector personnel received training. However, this figure included 627 justice sector

personnel trained by Narcotics Affairs Section, not by USAID or its partner.

- USAID/Guatemala reported in its FY 2008 performance report that it provided assistance to 20 courts to improve the case management system. However, the assistance given to some of these courts was general in nature and did not relate directly to the improvement of case management.
- USAID/Guatemala reported in its FY 2008 performance report that its partner trained almost 3,000 youth at outreach centers, but the implementing partner could provide evidence for only 1,991 youth trained.
- In FY 2008, the mission reported a 57 percent increase in own-source revenues for seven municipalities. However, this increase cannot be linked clearly to USAID assistance. While USAID's partner provided assistance to increase tax revenues, the calculation includes many other sources of revenue besides taxes, and no assistance was provided to increase revenue from other sources.

In reviewing results reported in the performance reports of FY 2007 and FY 2008, in 1 of 18 results tested, the results reported did not meet the definition of the indicator provided by the State Department's Office of the Director of U.S. Foreign Assistance. The indicator showing this inconsistency was the following: Office of the Director of U.S. Foreign Assistance

- Number of laws, codes of conduct, constitutional reforms, and regulations to enhance oversight of the security sector, drafted with U.S. Government assistance. According to the definition of this indicator, performance is measured by the laws that play a role in informing, disciplining, and setting standards of behavior for the security sector. The implementing partner developed an information card to collect data and reported this as a result under the above indicator. The audit team agreed with the implementing partner that the reported result did not relate to the indicator definition.

These reporting errors occurred because mission staff relied on their implementing partners to report results data and did not recognize the importance of independently verifying data quality.

With information that is unsupported, inaccurate, or not clearly linked to USAID activities, a risk exists that managers or stakeholders will reach conclusions about the program based on inaccurate information and make inappropriate decisions on the future direction of the program.

*Recommendation No. 7: We recommend that USAID/Guatemala, in conjunction with its implementing partners, develop and implement a system to reasonably ensure that reported information is accurate.*

#### **Evaluation of Management Comments:**

The mission agreed with the audit recommendation no. 7. In response to the recommendation, the mission intends to issue a new democracy and governance PMP, which will include measures to test the veracity of the indicator reporting. The mission



intends to submit its plan within 45 days from the date of its response to the draft report. Based on the mission's response, we consider that a management decision has been taken on this recommendation and determination of final action will be made by the Audit Performance and Compliance Division upon completion of the planned corrective action.

## **Performance Management Plan Needs to Be Improved**

Summary: ADS 203.3.3 establishes a requirement for USAID missions to develop performance management plans (PMPs). Also, ADS section 203.3.4.6 requires that missions update PMPs regularly with new performance information. However, the PMP has not been updated since January 2005. Additionally, USAID/Guatemala has not established performance targets for some of the PMP performance indicators. This occurred mainly because mission staff relied on partner annual monitoring and evaluation plans to monitor progress and did not routinely attempt to validate the information. As a result of these issues, and the issues discussed in the previous finding, the mission did not have adequate performance indicators, targets, or reporting on the results and impact of the program as a whole.

ADS 203.3.3 states that assistance objective (AO) teams must prepare a complete PMP for each assistance objective for which they are responsible. ADS section 203.3.4.6 states that AO teams should update PMPs regularly with new performance information, as assistance objectives develop and evolve.

USAID/Guatemala has not updated the PMP for the democracy and governance program since January 2005. Targets were not established, and the mission did not obtain reporting on actual results, for most of the performance indicators described in the PMP.

USAID/Guatemala did not update the PMP because mission staff relied on monitoring and evaluation plans and reports developed by the implementing partners and did not routinely attempt to validate the information. The partner reports focused mainly on lower-level results achieved by individual partners and did not provide a basis for measuring higher-level results for the program as a whole.

As a result, the mission did not have adequate performance indicators, targets, or reporting on the results and impact of the program as a whole.

*Recommendation No. 8: We recommend that USAID/Guatemala develop a performance management plan for its follow-on democracy and governance program that meets USAID policy requirements.*

### **Evaluation of Management Comments:**

The mission agreed with recommendation no. 8. In its response to the recommendation, it incorporated as part of its new PMP a new and more realistic results framework and was working on the final indicator targets. The mission expects to have this document finalized within 45 days from the date of its response to the draft report. Based on the mission's response, a management decision has been taken on this recommendation

and determination of final action will be made by the Audit Performance and Compliance Division upon completion of the planned corrective action.

# SCOPE AND METHODOLOGY

## Scope

The Regional Inspector General/San Salvador conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. The purposes of the audit was to (1) determine whether USAID/Guatemala's democracy and governance program achieved planned results and assess its impact and (2) determine whether USAID/Guatemala's reporting on the program provided stakeholders with complete and accurate information on the progress of the activities and the results achieved.

In planning and performing the audit, we assessed the mission's controls related to its democracy and governance activities. The management controls identified included the mission performance management plan (PMP), mission data quality assessments, cognizant technical officer site visits, program progress reports, day-to-day interaction between mission staff and program implementers, and the mission's annual self-assessment of management controls as required by the Federal Managers' Financial Integrity Act of 1982.

The audit was conducted in Guatemala, in the cities of Guatemala City, Chiche, Santa Cruz de Chiche, and San Antonio de Ilopango, from March 9 to March 27, 2009. The audit primarily focused on activities carried out during fiscal years (FYs) 2007 and 2008.

## Methodology

To assess whether results were achieved, we used the performance indicators included in the PMP and individual contracts and cooperative agreements. The team interviewed officials from USAID/Guatemala, the six lead organizations under the original cooperative agreements, three subpartners, the U.S. Embassy, the National Police of Guatemala, the Judiciary System, and the Spanish Embassy. We reviewed relevant documentation produced by USAID/Guatemala, such as the PMP, the operational plan and performance reports, and award documents. We also reviewed partner documentation, such as annual work plans and progress reports, and subpartner documentation, such as participant training lists and materials, to substantiate reported accomplishments.

To determine whether accurate and complete information was reported, we interviewed mission and implementing partner personnel and reviewed documentation to determine how results are collected for the selected indicators. We validated the reported results for FYs 2007 and 2008 by comparing reported results with the records maintained at the offices of the implementing and subpartners and the auditors' observations during field visits.

# MANAGEMENT COMMENTS

## MEMORANDUM

To: Catherine Trujillo, Regional Inspector General/San Salvador

From: USAID/Guatemala Mission Director, Wayne R. Nilsestuen

Subject: Response to Draft Audit Report of USAID/Guatemala's Democracy and Governance Program (Report No. 1-520-09-00X-P)

Date: August 28, 2009

Below please find USAID/Guatemala's responses to each of the eight recommendations included in the Draft Audit report of our DG Program.

**1. Focus the follow-on program on implementing reforms at a sufficient scale to achieve transformational impact.**

We do not agree with the recommendation. USAID/Guatemala has not been provided with policy, strategy or operational guidance on how to incorporate transformational development goals into democracy/governance programs. USAID/Guatemala searched the USAID literature and was unable to locate any such guidance. After consulting with USAID headquarters regarding this issue, LAC/RSD/DHR provided the following information in response to our query, confirming a lack of guidance and framework for this recommendation:

"Background: Secretary Rice announced on January 19, 2006, the restructuring of foreign aid as part of a "transformational development" initiative that sought to use foreign assistance to transform recipient countries' economic development paths, with the goal of graduating countries from U.S. assistance. A January 2006 Policy for Bilateral USAID ([http://www.usaid.gov/policy/policy\\_framework\\_jan06.pdf](http://www.usaid.gov/policy/policy_framework_jan06.pdf)) offers a broad definition development-wide definition of how to "promote transformational development: "promote far-reaching, fundamental changes in governance and institutions, human capacity, and economic structure, so that countries can sustain further economic and social progress without depending on foreign aid. This goal pertains to reasonably stable developing countries, with emphasis on those with significant need for concessional assistance and with adequate (or better) commitment to ruling justly, promoting economic freedom, and investing in people." This document also indicates that for each goal along the spectrum of development categories, graduation criteria will be established. To our knowledge in the DCHA/DG Office, no such indicators were ever developed. Lastly, since this paper, USAID has had two subsequent Administrators and we are now operating under a new US Administration. There is no indication that 2006 transformational development initiative constitutes current development assistance policy.

Discussion: To our knowledge, there is no policy or operational guidance regarding how to incorporate transformational development goals into DG development assistance programs. The initiative launched by the Former Secretary of State Rice offered a categorization of countries along the spectrum of development; transformational development being the process of moving a country along the continuum to a higher stage. This Rice initiative was not operationalized in terms of concrete objectives and benchmarks toward achieving the “transformational development” goal, which would indicate that a country is eligible for graduation from development assistance. To emphasize this point, it is noteworthy that none of the strategy and reporting documents developed under Rice through the Office of Foreign Assistance that was created as part of the transformational development initiative incorporate the concept of transformational development as an operational outcome. Missions have not been required to report on progress/benchmarks toward achieving “transformational development” in the Mission Strategic Plans, Operational Plans, or Program Performance Reviews. Consequently, there is not any DG strategy guidance related to transformational development.

We would not recommend using the broad and amorphous goal of transformational development as an objective against which to measure your DG programs. Instead, our recommendation for all bilateral DG programs is to establish country-based objectives that address the core DG problems to democracy and good governance, where there are opportunities to make progress or opportunities can be fostered. If your mission believes that there is need for an analytical update on these issues, please let us know. We would be willing and able to support a DG assessment in Guatemala.

F also recognized this issue by stating that countries could move along the transformational development continuum at a different pace by objective. So a country could make significant economic, health, or education progress while not progressing on DG. Other combinations are equally probable. So countries could, in theory, “graduate” at a different pace by objective. “

Although USAID/Guatemala does not frame its democracy strategy in terms of transformational development, it has achieved important, high impact, sustainable results in its DG portfolio over the years. USAID/Guatemala believes that its current and follow-on democracy program is designed at the appropriate scale considering the level of available USAID resources, local institutional capacity and the political and development environment in Guatemala.

Democratic development is a long term process and cannot go forward without first creating basic levels of human and institutional capacity in developing governmental and civil society organizations. A great deal of our program activities are designed to insure that Guatemalans assume leadership roles and basic responsibilities for democratic reforms and that entails training and institution building. This is the foundation for our efforts and the only guarantee of long term sustainability for our investments.

In response to the comment that “...the results achieved to date, while reflecting sustained, technically sophisticated efforts by USAID/Guatemala and its partners, are not transformational in most cases. For the most part, the program has focused on demonstrating small successes.” (examples cited: 24 hour courts, local government

strengthening in 15 municipalities, gang prevention and rehabilitation): While these innovative programs are small in scale at this time, they all have attracted a great deal of attention of the press, academics, the private sector, development practitioners, civil society, the government and the public in general. These are pilot activities intended to create models that demonstrate reforms and improvements while generating interest. The Supreme Court has already identified the next set of communities where they will be moving 24 hour courts as part of what will be a transformation to having this service available throughout the countryside. The 24 hour courts in Guatemala City are the venue where the high profile cases are tried at this time, and have been very useful in the creation of the new International Commission Against Impunity in Guatemala (CICIG) high impact courts. Without going into detail, the gang prevention/rehabilitation activities are also beginning to be more widely replicated and are well known not only in Guatemala but are being used as a model in the region. In less than a year of implementation, the new Freedom of Information Law (FOIL) has had a profound impact on governmental accountability to the public and the press that many would argue has had an extraordinarily important impact in a short period of time.

USAID believes that a democracy program that attends to both the basics (strengthen human and organizational capacity) and promotes innovative models that respond to windows of opportunity provides a balanced strategic focus that can contribute to democratic development over time.

We disagree with the characterization that the program is “focused on small-scale initiatives”- we see these as well chosen windows of opportunity that can be replicated in Guatemala. We also believe that the mundane work of institutional strengthening must go forward in order for change to take place and be sustainable.

Our follow-on phase was designed to build on the successes of the current program and also make corrections to strategies that were not working effectively. We expect new partners and programs to come on line throughout the next year. Many of the subsequent seven recommendations of this report have been taken into account in the follow-on design.

Attachment 1 includes our recently approved AAD amendment, reflecting our new follow-on program. We request that this recommendation be closed on the basis of the information provided by USAID/Washington as described above and that our AAD is developed consistent with the country strategy approved by Washington for Guatemala, as amended annually through the Operational Plan.

**2. Include support for civil society advocacy efforts in its follow-on program or arrange for such support in coordination with other donors.**

USAID/Guatemala agrees with this recommendation. Guatemala is fortunate to have a vibrant civil society that plays an important role in democratic reforms. Civil society has been key over the last few years in pressuring government institutions to implement reforms, and in helping them to do so. As described in our recently approved AAD amendment, USAID/Guatemala is committed to continue reaching out to civil society groups as key partners in achieving planned results. Accordingly, in the justice sector, we plan to “*improve GOG institutional capabilities and conditions to combat security threats ...To achieve a multiplier effect for such activities, USAID will also seek the mobilization of civil society groups to contribute to these efforts.*” As in the past, we also

plan to support a nation-wide civil society-based observation effort as a key element of our Elections initiative. Our AAD amendment also foresees that “USAID will strive to work through civil society organizations representing women and involved in giving them a voice on issues that affect them directly, including corruption”. Our follow-on program includes a Rapid Response Fund (RRF) that will be incorporated into each of our new implementation mechanisms and will facilitate our ability to support civil society. The RRF will also allow our partners to quickly and effectively support civil society initiatives as they arise.

In addition, since the IG audit took place we have provided resources directly to two effective CSOs (*Acción Ciudadana* and *Pro-Justicia*) in support of important reforms.

Attachment 2 includes the description of the RRF; and Attachments 3, 4, and 5 show recent purchase orders with *Acción Ciudadana* and *Pro-Justicia*. Based on the management actions taken to date, we request this recommendation be closed upon issuance of the final audit report.

**3. Condition further efforts to train Government of Guatemala employees on progress toward civil service reform.**

USAID/Guatemala disagrees with this recommendation. While USAID/Guatemala strongly concurs that a stable civil service is important to the improvement of government institutions, we also recognize that this is a long term proposition requiring considerable resources (beyond our capacity- generally more in line with the levels provided by the multi-lateral banks).

As a key member of the international donor community, USAID will continue to push the government and other donors towards supporting major civil service reform. USAID/Guatemala does not believe it would be effective for us to suspend or otherwise curtail our training of GoG employees based on lack of progress towards this important reform. In spite of not having a government wide civil service, some of the institutions we work with have policies that guarantee some continuity, and retention of personnel trained by USAID, notably the court system (Judicial Career Law) and Public Ministry (Attorney General).

We request RIG closure of this recommendation upon the issuance of the final audit report.

**4. Establish procedures for systematically following up with training participants to assess the impact and effectiveness of training.**

USAID/Guatemala agrees with this recommendation. USAID/Guatemala agrees that systems to measure progress towards intended learning objectives need to be established during the design stage of all training programs. The Mission has sought USAID/Washington’s support in identifying a training specialist who can support the Mission in the development of procedures to assess the effectiveness and impact of training activities. The Mission is now working on the specifics of such assistance, planned to be provided by October 2009 and expects to have a final report detailing a plan of action ready by November 2009. Moreover, as each of our new implementation instruments come on line, our COTRs will work with our partners to insure that corresponding procedures are implemented.

USAID/Guatemala requests RIG concurrence with management actions taken thus far and will request closure of this recommendation upon issuance and submission to M/MPI of the plan of action.

**5. Determine the eligibility of \$36,238 in unsupported leverage contributions and \$598,188 in ineligible contributions under the Youth Alliance Program and, as appropriate, obtaining additional contributions.**

USAID/Guatemala agrees with this recommendation. USAID/Guatemala, in coordination with its regional A&A office, will request that CAII respond to this finding in writing, addressing the eligibility of the unsupported contributions and also informing USAID if they will comply with the full \$1.6 million leverage commitment (via other contributions). Upon receipt of CAII's response, USAID/Guatemala will request an eligibility determination from the A&A office and forward it to M/MPI requesting final action on this recommendation.

The above actions will be completed by October 31, 2009. We request concurrence with the proposed management actions.

**6. Verify that Creative Associates has implemented a satisfactory system for valuing volunteer work under the Youth Challenge program.**

USAID/Guatemala agrees with this recommendation. CAII has already developed and delivered the manual included herewith as Attachment 6 that addresses this recommendation. A final version of the manual incorporating USAID/Guatemala comments is expected at the Mission by the end of September 2009.

We request the closure of this recommendation upon issuance of the final audit report.

**7. Develop and implement a system to reasonably ensure that reported information is accurate.**

USAID/Guatemala agrees with this recommendation. Under the new instruments to be implemented in the coming months, COTRs will set up calendars that will require them to do random sampling of the veracity of indicator reporting on a quarterly basis, using the Performance Management Plan and more detailed implementation plans. In turn, the DG office will dedicate one staff meeting every quarter to reviewing the results of this monitoring in each of its program areas. These actions will be spelled out in the new DG PMP, to be issued by the Mission within 45 days. The PMP will be submitted in support of our request for closure of this recommendation.

We request RIG concurrence with planned management actions as outlined above.

**8. Develop a performance management plan for its follow-on democracy and governance program that meets USAID policy requirements.**

USAID/Guatemala agrees with this recommendation. The DG office utilized this report as a basis for a retreat to improve and restructure the PMP for our follow-on DG program. USAID/Guatemala now has developed a new and more realistic results framework, included as part of the attached AAD amendment, and is currently working



on the final indicator targets and expects to have the new PMP finalized within 45 days, shortly before our new follow-on programs begin implementation. Our new PMP will be forwarded in support of our request for closure of this recommendation.

USAID/Guatemala requests RIG concurrence with proposed management actions.

Based on the above, USAID/Guatemala requests the final report include acceptance of our management decisions for recommendations 4, 5, 7, 8, and closure of recommendations 1, 2, 3 and 6 upon issuance of the report.

In closing, USAID/Guatemala thanks RIG/SS auditors and managers for the professional demeanor in which they conducted this audit, and for their thoughtful recommendations. The timing of the audit was very helpful as it coincided with our design activities for the follow-on program, providing a logical and timely opportunity to make several important improvements.

## Performance Management Plan Indicators and Results

Performance Indicator	FY 2007 Target	FY 2007 Actual	FY 2008 Target	FY 2008 Actual
<i>Strategic objective: Strengthened rule of law and greater government transparency and accountability.</i>				
World Bank government effectiveness score (context indicator).	No target	-0.59 on a scale from -2.5 to 2.5, a slight increase from -0.64 in 2006 (calendar year basis)	No target	Not available
Government responsiveness measured by level of water and sanitation coverage as a percentage of the population (context indicator).	No target	Not available	No target	Not available
Government responsiveness measured by annual change in water and sanitation coverage as a percentage of the population (context indicator).	No target	Not available	No target	Not available
Government transparency measured by corruption perception index (context indicator).	No target	2.8 on a scale from 1 to 5 (calendar year basis)	No target	3.1 on a scale from 1 to 5 (calendar year basis)
Budget transparency measured by annual change in International Budget Project oversight score (context indicator).	No target	Not available	No target	Guatemala's open budget index ranking in 2008 was 45 on a scale from 1 to 100, a slight decline from 46 in 2006 (calendar year basis)
Budget transparency measured by annual change in International Budget Project citizen participation score (context indicator).	No target	Not available	No target	Guatemala's open budget index ranking in 2008 was 45 on a scale from 1 to 100, a slight decline from 46 in 2006 (calendar year basis)

<b>Performance Indicator</b>	<b>FY 2007 Target</b>	<b>FY 2007 Actual</b>	<b>FY 2008 Target</b>	<b>FY 2008 Actual</b>
Judicial performance, measured by percentage of criminal cases resolved.	No target	Not available	No target	Not available
Percentage of compliance with the Inter-American Convention against Corruption.	No target	Not available	No target	Not available
<i>Intermediate result 1: Strengthened rule of law.</i>				
Judicial responsiveness measured by percentage responding "satisfied" or "somewhat satisfied" with the judicial system (context indicator).	N/A	N/A	48%	45%
Judicial responsiveness measured by percentage responding "satisfied" or "somewhat satisfied" with the Public Ministry (context indicator).	N/A	N/A	48%	Not available
Legal and judicial performance measured by average time in calendar days from filing of a criminal case to final disposition.	No target	Not available	No target	Not available
Frequency with which pretrial hearings are conducted orally.	Always	92% of first instance courts reportedly used oral procedures	Always	90% of first instance courts reportedly used oral procedures
Percentage of crime victimization in targeted areas:	No target	Not available	No target	Not available
Villa Nueva				
Huehuetenango				
San Marcos				
Escuintla				
Antigua				
Percentage of homicides in Villa Nueva for which accusatory instruments are filed within 1 year.	No target	11%	No target	6%
Level of confidence in the police in targeted areas.	No target	Not available	No target	Not available
Number of Community Crime Prevention Councils in operation.	5	5	1	1
Number of vulnerable youth working.	147	86 reported	176	153 reported

Performance Indicator	FY 2007 Target	FY 2007 Actual	FY 2008 Target	FY 2008 Actual
Number of vulnerable youth trained.	489	737 reported	1,350	2,630 reported
<i>Intermediate result 2: Greater government transparency and accountability.</i>				
Percentage of citizens expressing satisfaction with local government services (context indicator).	No target	Not available	73%	56%
Percentage of corruption victimization (context indicator; lower percentage is better).	No target	Not available	16%	20%
Local government share of total government expenditures (context indicator).	No target	Not available	No target	Not available
Access to government information (number of items on a checklist that measures the degree of access to various types of government information).	No target	Not available	No target	No checklist developed. Implementation of a new law providing access to government information is expected to begin in April 2009.
Number of officials that report publicly on their work plans and results.	10	Not available	10	Not available
Municipal service delivery (percentage increase in coverage for one targeted service in nine targeted municipalities).	No target	Not available	No target	Not available
Percentage change in own-source revenue in seven targeted municipalities.	1.5% increase over 2006	Not available	1.5% increase over 2007	Not available
Number of civil society representatives trained to participate in Municipal Development Councils.				
Male	224	Not available	214	Not available
Female	34	Not available	46	Not available
Total	260	Not available	260	Not available
Number of agreements signed with municipalities.	No target	Not available	No target	Not available

**Planned and Reported Results for Youth Alliance Program (Unaudited)**

<b>Performance Indicator</b>	<b>FY 2006 Target</b>	<b>FY 2006 Reported</b>	<b>FY 2007 Target</b>	<b>FY 2007 Reported</b>
Youth trained.	489	737	1,350	2,630
Youth working.	147	86	176	153
Programs self-sufficient and/or supported by partners.	8	Not reported	10	Not reported
Crime Prevention Councils established and functioning.	5	5	1	1
Leverage contributions.	\$1.3 million	\$1.3 million	\$1.6 million	\$1.73 million
Agreements established with private sector to prevent youth crime.	3	6	No target	Not reported
Community members volunteering hours per month to train vulnerable and at-risk youth.	1,472 volunteers or 26,508 hours	36,662 hours	No target	Not reported
Funds to cover outreach center expenses from January–June 2007 pledged by private sector, municipalities, and/or churches.	90%	Not reported	No target	Not reported
Youth trained and certified in basic education.	155	111	No target	Not reported

**Planned and Reported Results for Youth Challenge Program (Unaudited)**

<b>Performance Indicator</b>	<b>FY 2008 Target</b>	<b>FY 2008 Reported</b>
Youth provided with jobs.	200	12
Youth still in program after 6 months.	75%	Not available
New outreach centers established.	10	1
Youth trained at outreach centers.	To be determined	1,592
Youth trained for work at outreach centers.	To be determined	399
Youth working through outreach centers.	To be determined	4
Perception and attitudes toward youth involved in crime activities improved.	To be determined	Not available
Youth at risk and crime prevention policy dialogue with GOG advanced.	To be determined	Not available
Alliance of private sector and other entities formed to reduce gang violence and support PDJ programs.	To be determined	15
Leverage contributions raised.	\$1 million	\$70,923
Operating centers funded by other sources raised.	To be determined	\$62,000
AAJ capable of independently forming alliances with donors, private and public entities to continue launching youth violence reduction initiatives w/o technical assistance of PDJ. Independence and support from PDJ achieved.	Independent	In process
Note: AAJ = Asociacion Alianza Joven; GOG = Government of Guatemala; PDJ = Programa Desafio Joven.		

### Planned and Reported Results for the Rule of Law Program (Unaudited)

Performance Indicator	FY 2007 Target	FY 2007 Reported	FY 2008 Target	FY 2008 Reported
Frequency with which pretrial hearings are conducted orally.	50	46	50	45
Number of first instance criminal courts in which the first instance criminal courts model is implemented.	2	34	15	47
Number of justice sector operators and private attorneys trained in oral hearing techniques.	200	495	200	133
Increase in the percentage of homicide cases in targeted jurisdictions in which an accusatory instrument is filed.				
Guatemala	+10%	7%	+10%	9%
Villa Nueva	+10%	11%	+10%	6%
Mixco	+10%	10%	+10%	5%
Percentage of disciplinary cases initiated and resolved at the national level within the PM.	25%	Not reported	30%	706
Number of high-impact human rights cases prosecuted as a result of CICIACS or its equivalent, recommendations. <sup>a</sup>	No target	Not reported	No target	Not reported
Number of students completing externships with justice sector institutions.	275	1,055	275	Not available
Number of administrative and technical personnel of justice sector institutions trained on the use of statistical information for decisionmaking.	10	0	20	15
Number of people trained (male/female/total) in any training event sponsored by the program. If post-training is conducted, the pass rate must also be reported.				
Total	No target	671	No target	1,244
Male	No target	423	No target	834
Female	No target	248	No target	410
Case processing time, average number of days for the presentation of accusation.				
Guatemala	No target	Not reported	No target	146
Villa Nueva	No target	Not reported	No target	156

<b>Performance Indicator</b>	<b>FY 2007 Target</b>	<b>FY 2007 Reported</b>	<b>FY 2008 Target</b>	<b>FY 2008 Reported</b>
Mixco	No target	Not reported	No target	107
Number of individuals/group who receive legal aid or victim's assistance with U.S. Government support.	No target	Not reported	10	5
Ratio of all dispositions to new case filings in courts assisted by the U.S. Government in the area of case management.				
Guatemala	No target	Not reported	No target	63%
Villa Nueva	No target	Not reported	No target	66%
Mixco	No target	Not reported	No target	70%
<p>Note: CICIACS = Comision para la Investigacion de Cuerpos Ilegales y Aparatos Clandestinos de Seguridad; CICIG = International Commission Against Impunity in Guatemala; PM = Public Ministry.</p> <p>a. CICIACS was a planned prosecutorial agency to be established under United Nations auspices in Guatemala. It never became operational and in its place CICIG, a similar agency that assists in prosecution of high-impact cases, now operates in Guatemala.</p>				



**Planned and Reported Results for the Community-Based Policing Program (Unaudited)**

<b>Performance Indicator</b>	<b>FY 2007 Target</b>	<b>FY 2007 Reported</b>	<b>FY 2008 Target</b>	<b>FY 2008 Reported</b>
Number of laws, codes of conduct, constitutional reforms, and regulations to enhance oversight of security sector drafted with program assistance, oversight, and advocacy.	1	1	2	1
Number of government officials undergoing U.S. Government-assisted security sector governance training	160	276	150	509
Number of CSOs receiving assistance in security sector	6	6	6	4
Note: CSO = civil society organizations.				

**Planned and Reported Results for the Decentralization and Local Governance Program (Unaudited)**

<b>Performance Indicator</b>	<b>FY 2007 Target</b>	<b>FY 2007 Reported</b>	<b>FY 2008 Target</b>	<b>FY 2008 Reported</b>
Percentage annual increase in tax revenues collected in the group of municipalities selected by the program.	1%	1.70%	3%	2%
Percentage of municipalities that have implemented the Integrated Financial Management System (SIAF-Muni) (13 municipalities).	50% (8)	69% (9)	79% (10)	79% (10)
Percentage of municipalities that have electronic tax roll systems operational (13 municipalities).	75% (10)	75% (10)	100% (13)	92% (10)
Percentage of municipalities in which the certification program for municipal financial managers is developed (9 municipalities).	0% (0)	0% (0)	33% (3)	67% (5)
Signature of corresponding letter or agreement.	October 2007	August 2007	October 2007	August 2007
Percentage of municipalities that have implemented <i>Guatecompras</i> (13 municipalities).	62% (8)	100% (13)	77% (10)	100% (13)
Percentage of municipalities that have AFIMS operating effectively (13 municipalities).	77% (10)	77% (10)	93% (12)	85% (11)
Percentage of municipalities that have internal audit units (5 municipalities).	20% (1)	120% (6)	80% (4)	180% (9)
Percentage of municipalities that register an increase in tax revenue as a percentage of total revenues (7 municipalities).	29% (2)	54% (3)	71% of 13 (9)	69% (8)
Percentage of municipalities with local economic development plans elaborated (7 municipalities).	57% (4)	0% (0)	86% (6)	0% (0)
Percentage of municipalities with at least one critical basic service improved (9 municipalities).	56% (5)	0% (0)	100% (9)	33% (2)
Percentage of municipalities that have implemented a cost recovery system (9 municipalities).	56% (5)	0% (0)	78% (7)	44% (4)

<b>Performance Indicator</b>	<b>FY 2007 Target</b>	<b>FY 2007 Reported</b>	<b>FY 2008 Target</b>	<b>FY 2008 Reported</b>
Percentage of municipalities with strategic plans approved (11 municipalities).	64% (7)	36% (4)	91% (10)	45% (5)
Percentage of municipal associations with strategic plans approved.	50% (1)	50% (1)	75% (2)	50% (2)
Number of municipalities that have developed at least one new competency as detailed in the national decentralization policy.	2	0	0	0
Presentation to the Ministry of Finance of the proposed modification to the system of Intergovernmental transfers system.	August 2006	Not accomplished	August 2006	April 2006
Percentage of municipalities with staff trained regarding the implementation of the National Decentralization Policy (9 municipalities).	44% (4)	0% (0)	67% (6)	133% (12)
Percentage of municipalities in which coordination between national and municipal public investment has been improved (6 municipalities).	33% (2)	0% (0)	100% (6)	0% (0)
Presentation of the study on legal framework of municipal debt.	August 2005	Completed	100%	100%
Presentation of the proposal regarding the regulation of municipal indebtedness practices.	June 2006	Completed	100%	100%
Presentation of the study on the Municipal Tax Code.	July 2005	100%	100%	100%
Resolution by the Congressional Commissions of Municipal Affairs and Public Finances Affairs.	November 2006	Not accomplished	November 2006	June 2008
Approval dates of new statutes for the National Association of Municipalities.	March 2006	Not accomplished	March 2006	July 2008
Approval dates of new statutes for the Guatemalan Association of Indigenous Mayors and Authorities.	September 2006	Not accomplished	September 2006	Not accomplished

<b>Performance Indicator</b>	<b>FY 2007 Target</b>	<b>FY 2007 Reported</b>	<b>FY 2008 Target</b>	<b>FY 2008 Reported</b>
Number of Municipalities with Municipal Development Council Citizen Participation Commissions operating.	5	6	7	6
Percentage of municipalities that present accountability reports (13 municipalities).	77% (10)	46% (6)	100% (13)	77% (10)
Percentage of municipalities in which social auditing reports are presented (7 municipalities).	14% (1)	0% (0)	86% (6)	43% (1)
Percentage of municipalities in which leadership and conflict resolution training has been delivered (11 municipalities).	64% (7)	0% (0)	82% (9)	0% (0)
Percentage of municipalities with COMUDEs conformed (13 municipalities).	100% (13)	54% (7)	100% (13)	77% (4)
Percentage of municipalities that have implemented innovative media and communication mechanisms (6 municipalities).	100% (6)	33% (2)	100% (6)	50% (3)
Increase in the percentage of voting among women in the 2007 elections, in three municipalities of the program.	100%	N/A	100%	100%
Number of reconstruction projects monitored and implemented in the selected municipalities.	37	55	Not applicable	Not applicable
Disaster Reconstruction and Risk Mitigation Plan validated.	March 2007	February 2007	February 2007	February 2007
Disaster Reconstruction and Risk Mitigation Plan implemented.	No target	Not accomplished	March 2007	Not accomplished
Municipal Information System developed.	July 2007	July 2007	July 2007	July 2007
Municipal Information System institutionalized in reconstruction office.	August 2007	August 2007	August 2007	August 2007
Note: AFIMS = Integrated Financial Administration; COMUDE = Consejo Municipal de Desarrollo.				

**Planned and Reported Results for the Anticorruption, Transparency, and Accountability Program (Unaudited)**

Indicators	FY 2007 Target	FY 2007 Reported	FY 2008 Target	FY 2008 Reported
LLR 2.1.1: National anticorruption/transparency strategy completed and implemented.				
Existence of a National Transparency Plan (yes/no).	Yes	Yes	Yes	Yes
Number of subject areas in the National Transparency Plan derived from the IACC.	6	10	6	10
Percentage of implementation tasks from the Transparency Plan completed by the GoG.	50%	34%	TBD	39%
Percentage of Change in Annual Index Score of the IBT (Index of Budget Transparency).	N/A	N/A	45.48%	50%
Access to Information Index score in the Executive Branch (0.0–1.0, where 1.0 represents total access to information).	N/A	N/A	0.71	0.70%
LLR 2.1.3: Improved national government budget transparency, management and execution.				
Development of the Budget Transparency Index (yes/no).	N/A	N/A	Yes	Yes
Total amount of financial resources (in quetzals) procured through the <i>Guatecompras</i> system.	22,000 M	12,999 M	25,000 M	6,076 M
Number of mechanisms for external oversight of public resources used that are supported by U.S. Government assistance (cumulative, "F" List Indicator).	8	8	10	12
LLR 2.1.4: Systemic government deficiencies identified and addressed in key line ministries.				

<b>Indicators</b>	<b>FY 2007 Target</b>	<b>FY 2007 Reported</b>	<b>FY 2008 Target</b>	<b>FY 2008 Reported</b>
Number of U.S. Government-supported anticorruption measures implemented that directly address petty corruption (cumulative, "F" List/Disaggregated).	6	9	10	15
Change in access to Information Index Score in the Legislative Branch (0.0–1.0, where 1.0 represents perfect access to information).	N/A	N/A	0.39	0.55
LLR 2.3.1: Strong civil society participation and oversight.				
Number of governance subject areas in which CSOs, including the media and private sector, are actively involved with program support (cumulative).	11	7	15	16
Number of people affiliated with NGOs receiving U.S. Government-supported anticorruption training (cumulative, "F" List Indicator).	1,994	1,979	2,294	3,155
Number of people reached by U.S. Government-assisted voter education ("F" List Indicator).	N/A	157,972	150,000	2,226,485
LLR 2.3.2: Clear leadership role and ethical standards for the private sector.				
Number of activities carried out by private firms, which invest funds on a 1:1 leveraging basis for anticorruption activities supported by U.S. Government (cumulative).	5	4	8	7
Number of private sector firms that endorse the PTAC electoral communications campaign.	N/A	N/A	5	4
LLR 2.3.3: Capacity of the media to report on transparency and corruption issues increased.				

Indicators	FY 2007 Target	FY 2007 Reported	FY 2008 Target	FY 2008 Reported
Number of journalists, media students, and citizen journalists trained with U.S. Government support (cumulative).	0	74	95	136
Number of articles/media productions developed as a result of training activities, including <i>Mi Periódico</i> articles (cumulative).	182	100	100	188
LLR 2.4.1: Political party and elected leaders accountability improved.				
Number of political parties that comply with publicly disclosing their sources of campaign financing during the electoral period.	N/A	14	5	14
Number of elected and appointed central government officials that report publicly about their work plans and results (number of accountability reports).	30	65	10	N/A
Number of laws or amendments to ensure credible elections drafted using U.S. Government assistance ("F" Indicator).	1	1	N/A	N/A
LLR 2.4.2: Improved government ethics and disclosure of assets of public officials and candidates for public office.				
Number of government officials receiving U.S. Government-supported anticorruption training ("F" list indicator/desegregation, cumulative).	231	223	500	193
Note: CSO = civil society organization; IACC = Inter-American Convention Against Corruption; GoG = Government of Guatemala; LLR = Lower Level Result; NGO = nongovernmental organization				

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