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Democratic Backsliding in Latin America and the Caribbean: Practical Guidance and Internal Coordination May Enhance USAID's Response

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January 23, 2024

Audit

Office of Audits, Inspections, and Evaluations

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TO: USAID Bureau for Democracy, Human Rights, and Governance, Assistant to the Administrator, Shannon Green

USAID Bureau for Latin America and the Caribbean, Assistant Administrator, Marcela Escobari

FROM: Global and Strategic Audits Division and Latin America and Caribbean Regional Office, Director, Emily Gardiner /s/

SUBJECT: Democratic Backsliding in Latin America and the Caribbean: Practical Guidance and Internal Coordination May Enhance USAID's Response

This memorandum transmits our final audit report. Our audit objectives were to assess the extent to which (1) selected missions in the Latin America and Caribbean region adapted democracy, human rights, and governance (DRG) programming in response to democratic backsliding and (2) interagency and internal coordination played a role in selected missions' DRG programs in response to democratic backsliding. In finalizing the report, we considered your comments on the draft and included them in their entirety, excluding attachments, in Appendix C.

The report contains two recommendations to improve USAID's ability to respond to democratic backsliding. After reviewing information you provided in response to the draft report, we consider both recommendations resolved but open pending completion of planned activities (Recommendations 1 and 2).

For Recommendations 1 and 2, please provide evidence of final action to the Audit Performance and Compliance Division.

We appreciate the assistance you and your staff provided to us during this audit.

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Report in Brief

Why We Did This Audit

The advancement of democracy, human rights, and governance (DRG) is a cornerstone of U.S. foreign policy and national security. However, democracy around the world is facing decline, and democratic advances made over the last several decades are diminishing.

Democracies in the Latin America and Caribbean (LAC) region face challenges, such as corruption, weak institutions, inequalities, and erosion in social trust, which have been aggravated by the COVID-19 pandemic. These countries also continue to face extreme weather events and misinformation campaigns that have emboldened authoritative and antidemocratic governments.

USAID's missions in the LAC region design and implement programs to promote and strengthen democracy and adapt those programs as needed to respond to changing environments. Through the Center for Democracy, Human Rights, and Governance and Bureau for Latin America and the Caribbean in Washington, USAID supports missions' DRG programs through technical assistance and mechanisms to meet urgent funding needs.

We initiated this audit to assess the extent to which (1) selected USAID missions in the LAC region adapted DRG programming in response to democratic backsliding and (2) interagency and internal coordination played a role in selected missions' DRG programs in response to democratic backsliding.

What We Recommend

We made two recommendations to improve the Agency's ability to respond to democratic backsliding. USAID agreed with both recommendations.

What We Found

USAID missions in El Salvador, Guatemala, and Paraguay took steps to adapt DRG programs in response to democratic backsliding and identified the need for additional guidance. The selected missions assessed the impact of democratic backsliding on their DRG programs and adapted their programming accordingly. Further, the missions utilized funding and mechanisms available from USAID headquarters to address concerns about potential indicators of democratic backsliding. However, staff from each of the selected missions identified the need for more practical guidance on how to respond to democratic backsliding. Specifically, mission staff cited the need for information on good practices and lessons learned from recent experiences. Without more practical guidance, USAID may miss opportunities to harness the Agency's cumulative knowledge, apply good practices, and be more proactive and forward thinking in addressing issues that arise from democratic backsliding.

Interagency and internal coordination played a role in selected missions' response to democratic backsliding, but USAID has not fully leveraged internal knowledge sharing. The selected missions implemented good practices when coordinating with interagency and internal stakeholders. Despite having different goals and objectives, the selected missions and interagency stakeholders coordinated to increase their individual and collective impact. Similarly, the selected missions implemented good practices when coordinating internally with USAID headquarters. However, staff identified a need for mission-to-mission knowledge sharing. Without support from USAID headquarters to formally organize such learning across the LAC region, missions are not fully aware of lessons learned and program ideas that could enhance their influence and ability to respond to democratic backsliding.

Introduction

The advancement of democracy, human rights, and governance (DRG) is a cornerstone of U.S. foreign policy and national security. However, democracy around the world is facing decline, and advances in democracy made over the last several decades are diminishing.[1] In December 2021, President Biden convened world leaders in the first-ever Summit for Democracy and called the "defense of democracy the defining challenge of our time." In March 2021, USAID Administrator Power identified democratic backsliding as one of the most pressing challenges that USAID—as the leading provider of democratic assistance in the world—must respond to.[2]

According to the Latin American Public Opinion Project's AmericasBarometer, support for democracy in the Latin America and Caribbean (LAC) region was lower in 2021 than it was a decade ago.[3] Democracies in the LAC region face challenges, such as corruption, weak institutions, inequalities, and erosion in social trust, which have been aggravated by the COVID-19 pandemic, extreme weather events, and misinformation campaigns that have emboldened authoritative and antidemocratic governments. The Democracy Index reported in 2022 that the LAC region's democracy score experienced its seventh consecutive year of decline.[4]

Democratic backsliding occurs in several different ways, including through executive and legal overreach, willful interference in electoral systems and the administration of justice, threats to civil society and independent media, and human rights violations. To counter democratic backsliding in the LAC region, USAID missions design and implement programs that are focused on promoting and strengthening democracy, and adapt them as needed to respond to changes in the environment and new information as it emerges, such as:

- increasing local government capacity
- fighting corruption
- supporting fair and transparent elections

- protecting civic space
- fostering a strong civil society
- promoting independent media

USAID's Center for Democracy, Human Rights, and Governance (DRG Center)—previously under the Bureau for Development, Democracy, and Innovation—and Bureau for Latin America and the Caribbean (LAC Bureau) support missions' DRG programs by offering

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[1] V-Dem Institute, *Democracy Report 2023, Defiance in the Face of Autocratization*, March 2023.
[2] This audit uses the definition of democratic backsliding from USAID's Center for Democracy, Human Rights, and Governance Learning Agenda findings on "Theories of Democratic Change," which states that "democratic backsliding occurs when there are a series of changes in the rules governing electoral procedures, civil and political liberties, and/or accountability. These discrete changes take place over time, separated by months or even years, and the result is not predetermined: Backsliding may result in democratic breakdown, or it may not, and it can occur within both democratic and authoritarian regimes."
[3] The AmericasBarometer is a public opinion survey of democracy in the LAC region. USAID is the largest supporter of the AmericasBarometer and uses it to inform strategy, guide program design, and evaluate the context in which it works.
[4] The Economist Intelligence Unit, *Democracy Index 2022, Frontline Democracy and the Battle for Ukraine*, 2023.

technical assistance and mechanisms to meet urgent funding needs.[5] In addition, because the advancement of DRG is central to U.S. foreign policy and national security, USAID missions' coordination with other U.S. government agencies via embassy country teams as well as with the DRG Center, LAC Bureau, and other missions is critical to responding to democratic backsliding.[6]

Though DRG programs have been USAID's most funded category of foreign assistance programs in the LAC region, funding cutbacks, shocks and crises, and other priorities have caused challenges for USAID missions in terms of adapting DRG programming to achieve strategic, long-term objectives.

We initiated this audit to assess the extent to which (1) selected missions in the LAC region adapted DRG programming in response to democratic backsliding and (2) interagency and internal coordination played a role in selected missions' DRG programs in response to democratic backsliding.

Our audit scope for both objectives was for fiscal years 2019 through 2022. To address these objectives, we selected a judgmental sample of three out of nine LAC missions for review—USAID/El Salvador, USAID/Guatemala, and USAID/Paraguay—based on location within the region, the number of democratic backsliding characteristics the Agency identified, funding related to the DRG program areas, security issues, and other information.[7] For each selected mission, we conducted a high-level analysis, reviewing documents, such as Country Development Cooperation Strategies, requests for DRG Center funds or mechanisms related to democratic backsliding, and DRG portfolio reviews. In addition, we interviewed mission and U.S. embassy country team staff and officials. We reviewed DRG Center and LAC Bureau documents, such as the *USAID Strategy on Democracy, Human Rights, and Governance* (DRG Strategy) and agendas and summaries from monthly meetings with missions. We also interviewed LAC Bureau and DRG Center officials. We conducted our work in accordance with generally accepted government auditing standards. Appendix A provides more detail on our scope and methodology.

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[5] During our audit, USAID announced changes to its organizational structure to better position the Agency to address evolving interconnected development challenges. The changes elevated the DRG Center into a new Bureau for Democracy, Human Rights, and Governance (DRG Bureau). In June 2023, USAID appointed leaders for the new DRG Bureau, and it became fully operational in September 2023. For the purposes of this audit report, we refer to the DRG Bureau as the DRG Center.

[6] An embassy country team is an interagency group made up of the heads of the U.S. government agencies and key offices represented at the embassy. Country team meetings are designed to be a regular occasion to share information and coordinate activities.

[7] The Foreign Assistance Standardized Program Structure and Definition is a hierarchy of U.S. foreign assistance program categories, areas, and elements. DRG is one of seven program categories and has six program areas: (1) rule of law, (2) good governance, (3) political competition and consensus building, (4) civil society, (5) independent media and free flow of information, and (6) human rights.

Background

USAID Roles and Responsibilities Related to DRG in the LAC Region

USAID's DRG programs aim to build the capacity of local organizations and governments to promote basic DRG goals and objectives, such as fair and open elections, human rights, and good and transparent governments. Within USAID, the DRG Center and LAC Bureau are the primary organizational units responsible for advancing DRG in the LAC region. USAID missions play the primary role in designing and implementing DRG programs.

The DRG Center's stated goal is to promote peace, prosperity, and freedom around the world through self-reliant, citizen-responsive, democratic government that respects human dignity, human rights, and the rule of law. The center pursues this goal through three strategic objectives: to learn, serve, and influence. To achieve these objectives, the DRG Center states that, among other efforts, it:

- Organizes and disseminates existing knowledge.

- Provides in-person and virtual technical assistance to missions on the design, implementation, planning, and procurement for mission-managed programs, projects, and activities.

- Offers funds and mechanisms that can address priority DRG needs and gaps, including providing urgent funding.

For example, one of the DRG Center's mechanisms was designed to increase civil society's knowledge and capacity to respond to growing restrictions on democratic freedoms of association, assembly, and expression. The mechanism addresses this by developing tools to forecast challenges in civic spaces, testing programmatic interventions that are intended to boost civil society resilience, and providing flexible response support to empower local partners.

Launched in 2013, the DRG Strategy lays out a framework to support inclusive and accountable democracies that advance freedom, dignity, and development. Using the DRG Strategy, missions develop programs to address particular challenges and opportunities they face. Further, missions implement guidance from USAID's Automated Directives System (ADS) Chapter 201 (Program Cycle Operational Policy) to plan, deliver, assess, and adapt development programming to advance U.S. foreign policy.[8] Table I outlines USAID's roles and responsibilities for DRG programs in the LAC region.

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[8] ADS, Chapter 201, May 2023 partial revision.

Table 1: USAID Roles and Responsibilities for DRG Programs in the LAC Region

USAID Unit	Roles and Responsibilities
DRG Center	• Provides technical advice and support to USAID missions managing DRG programs. • Elevates and integrates DRG into the Agency's broader programming using the Center's DRG Strategy. • Creates, reviews, and updates technical guidance to assist in the implementation of the DRG Strategy. • Integrates with other development sectors, including social sector programming and economic growth.
LAC Bureau	• Ensures accountability for implementation of the DRG Strategy in bureau portfolios, solicitations, and contracts. • Provides technical advice and support, in cooperation with the DRG Center, to DRG officers in the field on analysis, learning, strategies, and programming. • Provides DRG expertise, insight, and analysis of regional bureau priorities to the Department of State and other interagency stakeholders. • Provides oversight of LAC missions and programming coordination between the missions and headquarters technical offices.
Missions in the LAC region	• Analyze the host-country development context and align with the DRG Strategy. • Implement the DRG Strategy by designing and implementing DRG programs throughout the program cycle and across mission portfolios and performance plans. • Serve as leaders to promote cross-sectoral and integrated approaches to development. • Serve as a strong voice for DRG and integration with the country's ambassador and others on the country team.

Source: USAID DRG Strategy, June 2013.

Democratic Backsliding in the LAC Region

Countries in the LAC region have different realities, and the significance of democratic backsliding depends on how it weakens citizens' rights and freedoms and undermines local democratic institutions. In this audit, we selected a judgmental sample of three countries—El Salvador, Guatemala, and Paraguay—for consideration based on a range of factors. From May 2021 to September 2022, the governments of El Salvador and Guatemala took actions that resulted in the consolidation of power, undermined judicial independence, and limited civic space.[9] For example:

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[9] Although outside the scope of our audit, following the June 2023 presidential election in Guatemala, the attorney general has taken actions to undermine the election results and intimidate election authorities. In July 2023, U.S. Secretary of State Blinken issued a press release endorsing the conclusion of the numerous Guatemalan organizations and international observers, which found that the published election results matched their observations.

- In May 2021, El Salvador's Legislative Assembly, which the President's party controlled, voted to remove the attorney general and all five judges of the Supreme Court's constitutional chamber. This resulted in the consolidation of power and undermined judicial independence. In response to this event, in May 2021, USAID Administrator Power issued a statement redirecting assistance away from four Salvadoran government institutions to civil society groups to be used for promoting transparency, combatting corruption, and monitoring human rights in partnership with local organizations.

- In July 2021, Guatemala's attorney general fired the country's leading anticorruption prosecutor for insubordination, forcing him to flee the country. In response, in July 2021, the U.S. government announced a temporary pause in programmatic cooperation with Guatemala and subsequently added the attorney general to the United States' 353 list.[10]

There has not been the same level of recurring democratic backsliding events in Paraguay as in El Salvador and Guatemala. One exception occurred in September 2018 when members of Paraguay's Congress attempted to pass legislation to regulate nongovernmental organizations (NGOs) and civil society organizations (CSOs) that intended to make it more difficult for opposition voices to be heard.

For additional details on democratic backsliding events in El Salvador and Guatemala, please see Appendix B.

Past USAID and OIG Reports on DRG

In 2017, USAID's Bureau for Policy, Planning, and Learning issued a report assessing the implementation of the DRG Strategy.[11] One of the recommendations was to "improve knowledge management and increase the evidence base on DRG assistance through external evaluation." The assessment also found that staff thought the strategy should have provided more guidance on implementation. Further, the assessment reported that many staff, especially those based in the field, requested additional guidance on the implementation of specific programming.

In 2019, we issued an audit report on USAID's DRG programs. The audit found that USAID missions had not always coordinated with the DRG Center and interagency partners to leverage tools, resources, and best practices effectively.[12] As a result, we recommended that the DRG Center develop and implement an action plan to review its products and services, make any necessary adjustments to align products and services to current programmatic areas of focus, and develop and issue interagency coordination guidance. The DRG Center implemented this recommendation by instituting a process to review, on an annual basis, the

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[10] Section 353 of the United States–Northern Triangle Enhanced Engagement Act is a list of individuals who have knowingly engaged in acts that undermine democratic processes or institutions, engaged in significant corruption, or obstructed investigations into such acts of corruption in El Salvador, Guatemala, and Honduras. Section 353 generally requires that individuals listed are ineligible for visas and admission to the United States.
[11] USAID, *Assessment of the Implementation of USAID's 2013 Democracy, Human Rights, and Governance Strategy*, January 2017
[12] USAID OIG, *Additional Actions Are Needed To Improve USAID's Democracy, Human Rights, and Governance Programs* (8-000-20-001-P), November 2019.

Agency's priorities and efforts to integrate those priorities into both existing and new training products and convening services for internal and external stakeholders.

Selected Missions Took Steps to Adapt DRG Programming in Response to Democratic Backsliding and Identified the Need for Additional Guidance

The selected missions have taken steps to assess the impact of democratic backsliding on their DRG programming and adapt programs as needed. However, the missions identified a need for additional practical guidance, such as documented lessons learned or toolkits, from the DRG Center.

Selected Missions Assessed the Impact of Democratic Backsliding, Adapted Programs, and Used DRG Center Funds to Bolster Programming

USAID/El Salvador, USAID/Guatemala, and USAID/Paraguay took steps to assess the impact of democratic backsliding on their DRG programs, adapted current programs, and used DRG Center funds and mechanisms to bolster programming.

Assessing impact of democratic backsliding on DRG programs

All three selected missions undertook efforts to assess the impact of backsliding events on their programs through specific reviews or evaluations of programming. For example:

- According to USAID/El Salvador staff, following USAID Administrator Power's statement to redirect assistance for several Salvadoran government institutions to civil society groups in May 2021, the mission undertook a review of its DRG programs to assess how the backsliding events impacted them. The mission identified any direct and indirect impacts to specific DRG programs, and later conducted a portfolio review to include actions that could be taken to address the changing environment in the country. The mission also developed a closing-spaces strategy and framework to plan for potential future events and how to respond.[13]

- In Guatemala, in response to the attorney general firing the lead anticorruption prosecutor in July 2021 and the U.S. government's decision to temporarily pause activities with the attorney general and Public Ministry, the mission conducted an assessment of USAID DRG assistance in this area. The assessment included documenting activities that involved and benefited the attorney general and aligned with the larger U.S. government priorities, identifying where programmatic changes could be made to move away from this involvement.

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[13] "Closing spaces" are environments that restrict political space for civil society. According to the DRG Center's *Working in Closing Spaces: Best Practices* (January 2018), closing spaces include restrictions on CSO registration; overly burdensome reporting requirements; messages disseminated by government-controlled media that delegitimize CSOs; requirements that CSOs align their activities with national development plans; and creating government-organized NGOs to manage civil society.

- In Paraguay, concerns shifted from a historic lack of transparency on the part of government authorities to problems with limited accountability and corruption after the country passed a freedom of information law. The mission conducted a midterm evaluation of its programs and later requested and received a rule of law assessment from the DRG Center in 2018 to help guide its current and future programming.

Adapting current programs

The three selected missions also took steps to adapt their programming to adjust to the impact of democratic backsliding and identify alternate options to support DRG efforts. For example:

- According to USAID/El Salvador staff, the mission adapted its regional human rights program to include a mechanism to protect democracy advocates, human rights defenders, journalists, and others under political threat or threats of violence. The mechanism helped to temporarily relocate individuals who were under threat to other parts of, or out of, the country and provided legal assistance and advice. Mission staff redirected funds for various DRG programs and shifted coordination efforts to work with different government institutions and NGOs. For example, mission staff redirected funds for one program and amended it to add physical security and cybersecurity; for another program, staff reactivated an advocacy fund to help the press disseminate information.

- USAID/Guatemala staff said that they initially pivoted the mission's justice-related program to assist alternative government institutions with setting up and supporting their internal affairs offices. The mission later modified the project's contract to further USAID's support of CSOs and oversight bodies, including by supporting actors that served a critical role in overseeing Guatemala's justice sector and advocating for democratic reforms.

- USAID/Paraguay adapted its DRG program to focus more on strengthening anticorruption efforts and improving coordination with the prosecutor's office.

Using DRG Center funds and mechanisms to bolster DRG programming

To address growing concerns about potential indicators of democratic backsliding, all three selected missions utilized DRG Center funds and mechanisms that addressed urgent or unforeseen challenges and windows of opportunity related to promoting and protecting human rights. For example, USAID/Guatemala used a DRG Center fund to support specific Guatemalan government entities and CSOs. The funding was intended to increase their capacity to prevent attacks on human rights, protect human rights defenders, and respond to human rights abuses after they occur.

All three selected missions also accessed one of the DRG Center's mechanisms to help with threats to civic spaces. This included helping democracy advocates like CSOs and media organizations push back against antidemocratic actions taken by the government. For example, USAID/Paraguay used a DRG Center mechanism to have one of the mechanism partners work with local CSOs and government agencies to facilitate dialogue that helped stop proposed restrictive CSO and NGO legislation.

Selected Missions Identified the Need for Additional Practical Guidance from the DRG Center to Improve Their Response to Democratic Backsliding

While the selected missions leveraged resources from the DRG Center, those missions indicated the need for additional practical guidance from the DRG Center on how to respond to democratic backsliding. The selected missions stated that lessons learned from recent experiences in the LAC region have not been fully integrated or disseminated to missions throughout the region.

According to its website, the DRG Center organizes and disseminates existing knowledge, provides effective technical assistance, and creates practical knowledge to support missions. Although the DRG Center has produced many publications that focus on strengthening institutions and enabling environments, some mission staff reported to us that there was also a need for more practical guidance, such as a diagram or toolkit, to assist missions in responding to specific elements of democratic backsliding.

For example, when El Salvador began experiencing democratic backsliding, senior USAID/El Salvador DRG staff searched for a step-by-step guide or diagram from the DRG Center on practical options and ideas for responding to threats to close civic spaces. However, staff found that this type of resource did not exist, so they developed their own closing-spaces guidance and framework. As a result, a senior staff member at USAID/El Salvador said that their main recommendation was for the DRG Center to create a document that would diagram problems and potential solutions for responding to democratic backsliding. In a similar vein, a senior USAID/Guatemala staff member said that there should be a toolkit to address elements of democratic backsliding, such as nontransparent elections, with more specificity.

Additionally, the DRG Center has not formally documented lessons learned from missions in the LAC region that have experienced democratic backsliding, including the selected missions as well as Nicaragua and Venezuela. However, DRG Center staff and DRG staff at the selected missions believed this would be useful. A senior DRG mission staff member at a selected mission stated that, following events in El Salvador and Guatemala, the DRG Center should have conducted after-action reports and created lessons learned from USAID's response. A staff member at one mission noted that lessons learned from Nicaragua's experience with human rights and migration, as well as from larger trends in the region, could be helpful to their mission's current work.

When we asked DRG Center officials why there was no specific practical guidance for missions to respond to democratic backsliding, they said there have been internal discussions on the need to develop a toolkit or playbook for missions. However, they believed that their mission colleagues were too busy to review all the documents and that instead the DRG Center could point missions in the right direction.

The selected missions and our own analysis indicated there was a need for more practical guidance to respond to specific elements of democratic backsliding, including incorporating good practices and lessons learned from recent experiences. Without more practical guidance, USAID may miss opportunities to harness its cumulative knowledge and apply those lessons to

its work to achieve better results. By improving DRG guidance and ensuring accessibility, USAID may create greater opportunities for missions to be proactive and forward-thinking in addressing issues that arise from democratic backsliding.

Interagency and Internal Coordination Played a Role in Selected Missions' Response to Democratic Backsliding, but USAID Has Not Fully Leveraged Internal Knowledge Sharing

The selected missions demonstrated good practices when coordinating with interagency stakeholders and internally with the DRG Center and LAC Bureau. However, the LAC Bureau has not facilitated formal mission-to-mission learning related to democratic backsliding, leading to missed opportunities to further enhance knowledge sharing.

Selected Missions Demonstrated Good Practices in Interagency and Internal Coordination

USAID/El Salvador, USAID/Guatemala, and USAID/Paraguay demonstrated good practices when coordinating with interagency stakeholders—planning strategically, sharing information, bridging organizational cultures, and participating across all levels. Despite having different goals and objectives, the selected missions and interagency stakeholders coordinated in a variety of ways to complement each other's responsibilities, thus increasing their individual and collective impact. They also sought to deconflict issues to better position the U.S. government to respond to changing environments. We found that the missions shared information both formally during reoccurring meetings and informally (e.g., phone or email) across agency leadership and program staff. For example:

- USAID/El Salvador's DRG staff coordinated with the Department of State to deconflict their work. For example, a State Department official said that the two agencies worked closely to ensure they reacted quickly to protect anticorruption and human rights activists that the government of El Salvador targeted. The official noted that mission staff leveraged USAID's relations with implementers and the State Department's political connections to make a positive impact in support of these activists. In addition, according to USAID/El Salvador staff, the State Department officials discussed a CSO request with the mission due to USAID's experience working with CSOs, leading to a larger portfolio in civil society spaces for the State Department and greater coordination between the two agencies. Further, USAID/El Salvador staff reported increased interagency collaboration in anticorruption work by including a USAID representative on a State Department's technical evaluation panel and a State Department representative on USAID/El Salvador's design team for the mission's new anticorruption program. This enabled deeper understanding and visibility of what each agency was doing in these spaces.

- USAID/Guatemala engaged with interagency stakeholders through a biweekly rule of law working group to ensure that the U.S. government had coordinated messaging and clear

roles and responsibilities in response to democratic backsliding events.[14] Senior DRG staff and senior officials from interagency stakeholders agreed that this coordination was useful in determining the response going forward. When the U.S. government decided to stop working with Guatemala's Public Ministry, USAID and the State Department's Bureau of International Narcotics and Law Enforcement Affairs discussed focus areas to minimize the duplication of efforts as the agencies revised their work.

- In Paraguay, although USAID and the Department of Justice (DOJ) had different objectives, democratic backsliding remained a priority for both. As a result, USAID staff met monthly with DOJ's regional legal advisor to plan strategically to coordinate efforts. For example, following the assassination of a Paraguayan anticorruption prosecutor, the mission and regional legal advisor agreed that DOJ would provide security awareness training for judges in the short term, while USAID and DOJ would work together to develop more substantive training in the long term. According to the regional legal advisor, this coordination, which had not previously existed, resulted in useful security awareness training for judges.

The selected missions also implemented good practices—learning, documenting, and communicating—when coordinating internally with the DRG Center and LAC Bureau.[15] This coordination took place both formally through documented monthly meetings and through informal communication. For example, each of the selected missions met monthly with the DRG Center and LAC Bureau to provide updates, while the DRG Center and LAC Bureau shared information on upcoming funding opportunities, new publications, and regional program updates. USAID/Paraguay staff said these monthly meetings and regular email communication with DRG Center staff were significant to the mission.

Moreover, mission staff indicated that the DRG Center and LAC Bureau responded well when the missions requested assistance. For example, USAID/El Salvador requested and received technical assistance and input from the DRG Center and LAC Bureau while developing its closing-spaces strategy and framework—one of the steps the mission took to respond to democratic backsliding. USAID/Guatemala staff reported that they received considerable technical support from the LAC Bureau, including assistance with a contract modification. While the COVID-19 pandemic put in-person technical assistance on hold for some time, the DRG Center provided virtual support to USAID/Guatemala to review and approve a rapid response mechanism to respond to an urgent need to address attacks on journalists, justice sector personnel, and human rights defenders.

Selected Missions Identified the Need for Mission-to-Mission Knowledge Sharing in Response to Democratic Backsliding

Although missions took steps to coordinate both internally and with interagency stakeholders, they identified opportunities for improvement in knowledge sharing across missions. LAC

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[14] The U.S. Ambassador to Guatemala implemented the rule of law working group, which consisted of representatives from USAID; the State Department's International Narcotics and Law Enforcement, Political, and Economic sections; and other agencies.

[15] Based on our review of USAID guidance and strategies, and GAO's *Standards for Internal Control in the Federal Government*, we identified learning, documenting, and communicating as three good practices when assessing internal coordination between missions and internal stakeholders.

Bureau staff told us that they provided peer-to-peer connections among missions. If they observed one mission doing something that could work in another country, they worked to connect the relevant staff to learn from each other. Despite these informal and ad hoc efforts from bureau and mission staff to share information internally about democratic backsliding, mission staff raised concerns that the coordination did not fully leverage mission-to-mission learning and experiences.

ADS 201 states that USAID must be able to adapt programs in response to democratic changes within a country.[16] To do this, the Agency must create an enabling environment that promotes intentional learning. Collaborating, learning, and adapting (CLA) is USAID's approach to organizational learning and adaptive management. ADS 201 also states that an intentional, systematic, and resourced approach to CLA includes learning from multiple sources to develop plans, implement projects, manage adaptively, and contribute to USAID's knowledge base. This, in turn, should improve development outcomes as well as coordinating efforts within the mission and among partners to share learning across USAID and extend the mission's influence and impact beyond its program funding.

The LAC Bureau has responsibility for facilitating assistance to missions with technical support and analysis for country, region, and sector activities.[17] ADS 201 states that operating units should use learning from multiple sources to develop plans, implement projects, manage adaptively, and contribute to USAID's knowledge base to improve development outcomes.[18] However, there was no formal structure for missions to convene to discuss issues related to democratic backsliding.

Staff working in USAID's missions include U.S. direct-hires (USDHs) and Foreign Service Nationals (FSNs); these staff work together to help achieve Agency goals.[19] Due to their various postings throughout the world and at USAID headquarters, USDHs at the selected missions indicated that they had numerous contacts at other missions. However, FSNs are locally hired staff who work at one mission and may have significantly fewer contacts at other missions. As a result, 8 of 10 FSNs we interviewed said mission-to-mission coordination could be beneficial when adapting DRG programming. For example:

- FSN staff at one mission said it would be helpful to learn what was working or not working in other countries and noted that feeling part of a bigger regional effort was very important. They also said more structured coordination with the DRG Center and other missions could allow them to identify opportunities for synergy or complementary programs across the region.

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[16] ADS, Chapter 201, Section 201.3.1.2, "Program Cycle Principles," May 2023 partial revision.
[17] ADS, Chapter 101, Section 101.3.1.26, "Bureau for Latin America and the Caribbean (LAC)," September 2023 partial revision.
[18] ADS, Chapter 201, Section 201.3.7, "Collaborating, Learning, and Adapting (CLA)," May 2023 partial revision.
[19] FSNs are host-country citizens hired at USAID missions. They make up the majority of USAID's workforce, and the Agency has stated that FSNs are critical to achieving Agency goals. FSNs provide local expertise in which USAID missions work by speaking the local languages and providing in-country connections.

- An experienced FSN at a second mission said they needed ideas from other countries that had experienced similar situations and wanted to reach out to other missions but did not have the relevant contacts to do so.

- Other FSN staff told us that they established an informal group to learn from peers internally and connect with other missions in the region to proactively suggest solutions for mission management's consideration. The FSN staff hoped this internal coordination between missions would help identify actions authoritarian governments in the region were taking so that the mission could adjust its programming as needed.

In October 2021, the LAC Bureau facilitated a 2-day co-creation workshop on democratic backsliding for missions in South America. However, mission staff said they were unaware of any next steps or if there would be any follow-up to these discussions from the LAC Bureau. In addition, USAID did not have a dedicated space to learn about democratic backsliding such as a community of practice for staff to network, ask questions, and share information to take full advantage of the Agency's extensive experience and knowledge.

LAC Bureau officials said they have not facilitated formal mission-to mission learning related to democratic backsliding because they thought mission staff would be too busy to participate and assist with planning. While LAC Bureau officials said they were considering organizing a "brown bag" discussion for USAID/El Salvador and inviting other missions, they were uncertain if other missions' staff would attend. They also noted that, although staff in the LAC Bureau's Washington-based programs for Cuba and Venezuela had shared knowledge and experiences, that was an easier internal knowledge-sharing opportunity to facilitate given that programs in these two countries were largely managed out of Agency headquarters.

Without the LAC Bureau's support to formally organize mission-to-mission learning across the region, missions were not fully aware of lessons learned and program ideas. LAC missions may have missed opportunities to network, share information, and take full advantage of what other missions in the region have experienced and learned when responding to democratic backsliding. Increasing learning opportunities may enhance the missions' influence and ability to respond to democratic backsliding.

Conclusion

DRG is integral to USAID's overall development agenda. For approximately 40 years, the Agency has provided aid to the LAC region to bolster democratic institutions, and combatting democratic backsliding remains a key USAID priority. However, challenges to democracy persist in the region and have only been exacerbated by recent events such as COVID-19 and ongoing climate stressors. The ability of the Agency to respond to changing country contexts is critical. In response to democratic backsliding, USAID/El Salvador, USAID/Guatemala, and USAID/Paraguay have taken steps to adapt their DRG programming and have coordinated with interagency stakeholders and the DRG Center and LAC Bureau. However, opportunities exist to strengthen practical guidance and additional knowledge sharing to ensure that missions in the region can learn from each other's experiences and be better positioned to respond to challenges posed by democratic backsliding as needed.

Recommendations

We recommend that the Assistant to the Administrator of the Bureau for Democracy, Human Rights, and Governance take the following action:

1. Coordinate with the Bureau for Latin America and the Caribbean to develop and implement practical guidance on responding to elements of democratic backsliding. This should incorporate lessons learned and after-action reports from missions that have responded to democratic backsliding.

We recommend that the Assistant Administrator of the Bureau for Latin America and the Caribbean take the following action:

2. Coordinate with the Bureau for Democracy, Human Rights, and Governance and missions in the region to develop and implement an action plan to establish ongoing mission-to-mission knowledge sharing on responding to democratic backsliding.

OIG Response to Agency Comments

We provided our draft report to USAID on November 20, 2023. On December 20, 2023, we received the Agency's response, which is included as Appendix C of this report.

The report included two recommendations. We acknowledge management decisions on both recommendations and consider them open-resolved pending completion of planned activities.

Appendix A. Scope and Methodology

We conducted our work from February 2022 through November 2023 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.

Our audit objectives were to assess the extent to which (1) selected missions in the LAC region adapted DRG programming in response to democratic backsliding and (2) interagency and internal coordination played a role in selected missions' DRG programs in response to democratic backsliding.

In planning and performing the audit, we gained an understanding and assessed internal controls that were significant to the audit objectives. Specifically, we designed and conducted procedures related to four of the five components of internal control as defined by GAO.[20] These components were the Control Environment, Risk Assessment, Information and Communication, and Control Activities.

Our audit scope was fiscal years 2019 through 2022. To answer both audit objectives, we judgmentally selected a sample of three out of nine USAID missions in the LAC region based on location within the region, the number of democratic backsliding characteristics the Agency identified in its 2013 DRG Strategy, funding related to the six DRG program areas, security issues, and other information.[21] We selected USAID/El Salvador, USAID/Guatemala, and USAID/Paraguay. Our findings cannot be used to make inferences about DRG programs at other USAID missions. However, we determined that our method for selecting these missions was appropriate for our audit objectives and that the selection would generate valid, reliable evidence to support our findings and conclusions.

To determine the extent to which selected missions in the LAC region adapted DRG programming in response to democratic backsliding, we reviewed relevant USAID, DRG Center, and selected missions' policies, procedures, and guidance—such as the ADS and the 2013 DRG Strategy—to identify any guidance related to democratic backsliding and understand how missions could adapt programming. In addition, we reviewed DRG Center and LAC Bureau reports, rule of law and civil society assessments, and other publications related to democratic backsliding from 2013 to 2022. We interviewed DRG Center and LAC Bureau staff to understand what USAID resources were used for adapting programming. For each selected

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[20] GAO, *Standards for Internal Control in the Federal Government* (GAO-14-704G), September 2014.
[21] The LAC Bureau and DRG Center identified eight countries in the LAC region as experiencing democratic backsliding during 2019 to April 2022. We corroborated the information with testimonial and documentary evidence from the Agency and other publicly available sources. Multiple stakeholders from offices within the LAC Bureau and DRG Center provided input in completing the democratic backsliding country matrix. Our analysis of documentary and testimonial evidence showed that within the scope of the audit, Haiti also experienced some degree of democratic backsliding despite not being included by the Agency. As a result, we added Haiti to our population, making our total population nine countries in the LAC region.

mission, we reviewed DRG program documentation from fiscal years 2019 to 2022 to determine the extent to which missions adapted programming in response to backsliding and used any USAID guidance. This documentation included a list of awards, concept papers and expressions of interest for DRG funds or mechanisms related to democratic backsliding, award modifications, assessments, and work plans. We interviewed mission staff from the selected missions and headquarters staff to discuss DRG programming that had been adapted in response to democratic backsliding, as well as any challenges or best practices related to this effort.

To determine the extent to which interagency coordination played a role in selected missions' DRG programs in response to democratic backsliding, we reviewed GAO reports and USAID's *Guiding Principles: Field-Based Interagency Coordination for Programming in DRG* to identify four good practices—strategically planning, sharing information, bridging organizational cultures, and participating—when assessing interagency coordination between the mission and interagency stakeholders.[22] We reviewed strategies, such as the USAID/State *Joint Strategic Plan* and the *U.S. Strategy for Addressing the Root Causes of Migration in Central America*. For each selected mission, we reviewed Country Development Cooperation Strategies,[23] portfolio reviews for each mission's DRG programs, and interagency strategies (e.g., Integrated Country Strategies). We also reviewed meeting notes and agendas for working groups, and informal correspondence between the mission and interagency officials. We interviewed a range of State Department, DOJ, and mission officials in the selected countries representing the embassy front office and other offices working on democracy and governance issues. Through these interviews, we obtained information from different perspectives on coordination efforts and compared interagency coordination across the three selected missions to identify any recurring challenges when USAID coordinated with other agencies.

To determine the extent to which internal coordination played a role in selected missions' DRG programs in response to democratic backsliding, we reviewed the ADS,[24] the 2013 DRG Strategy, and GAO's *Standards for Internal Control in the Federal Government* to identify three good practices—learning, documenting, and communicating—when assessing internal coordination between missions and internal stakeholders. We interviewed DRG Center, LAC Bureau, and mission staff who worked on DRG matters, including office directors and deputy directors, technical specialists, and agreement officer's representatives, to obtain information from different perspectives on coordination efforts. We reviewed meeting notes between the selected missions and the DRG Center and LAC Bureau, meeting notes and agendas for working groups, and informal correspondence. We then compared the internal coordination

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[22] GAO, *Key Considerations for Implementing Interagency Collaboration* (GAO-12-1022), September 2012; GAO *Implementation Approaches Used to Enhance Interagency Collaboration* (GAO-14-220), February 2014; GAO *Standards for Internal Control in the Federal Government*, (GAO-14-704G) September 2014.
[23] USAID opted out of completing a Country Development Cooperation Strategy for USAID/Paraguay and instead used a Project Appraisal Document for its highest-level strategic document for 2020 to 2025. The mission went from having two development objectives under the Country Development Cooperation Strategy to one in the Project Appraisal Document.
[24] ADS Chapter 201, Section 3.7, May 2023.

across the three selected missions to identify any gaps when missions coordinated with internal stakeholders.

We did not assess the reliability of computer-processed data. Computer-processed data did not materially affect findings, conclusions, or recommendations, which were based on qualitative analyses of USAID's efforts to adapt DRG programming in response to democratic backsliding and of interagency and internal coordination in this area.

Appendix B. Timeline of Key Democratic Backsliding Events in El Salvador and Guatemala, 2019-2022[25]

El Salvador

2020

February

- President Nayib Bukele entered the Salvadoran Legislative Assembly with military and police personnel to pressure legislators into approving an anticrime bill, despite Supreme Court rulings to respect constitutional rights and legislative decisions.

2021

February

- *Nuevas Ideas*, the party President Bukele leads, won a majority in the Legislative Assembly.

May

- The Legislative Assembly voted to dismiss the Attorney General and all five members of the Constitutional Chamber of the Supreme Court.
- USAID Administrator Power announced that the Agency was redirecting assistance away from these institutions as well as the National Civilian Police and the Institute for Access to Public Information.

August

- The Legislative Assembly enacted a judicial reform that limited judgeships to a maximum of 30 years and mandated retirement for all judges over the age of 60; this forced out more than 200 career judges in the Salvadoran court system and created the opportunity for new court appointments.

September

- The U.S. government added several members of the Salvadoran Constitutional Chamber of the Supreme Court to the United States' Undemocratic and Corrupt Actors list, otherwise known as the 353 list.

November

- The Legislative Assembly unsuccessfully attempted to pass a foreign agent law, which included a 40 percent tax on some international funding and required foreign-funded individuals and organizations to register as foreign agents.

2022

March

- President Bukele requested, and the Legislative Assembly approved, a "State of Exception," which empowered authorities to arrest anyone suspected of gang activity and suspended several constitutional rights. It remains in effect, as of January 2024.

July

- The U.S. government added several more members of the Legislative Assembly and Executive to the 353 list.

September

- President Bukele announced he would run for reelection despite a constitutional prohibition on presidents serving a consecutive second term; this announcement followed a ruling by the Constitutional Chamber of El Salvador's Supreme Court allowing immediate presidential re-election.

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[25] Although events in Paraguay have challenged democracy, we did not identify the same level of recurring democratic backsliding events in the country as in El Salvador and Guatemala.

Guatemala

2019

January

- Guatemala's government terminated its agreement with the International Commission Against Impunity in Guatemala, an anticorruption commission established in 2007 as an independent investigative body that worked within the country's legal system.

2021

May

- The newly seated Constitutional Court permitted a controversial NGO law that allowed the government to dissolve NGOs if their activities might "alter the public order."

July

- Attorney General Maria Consuelo Porras fired the country's leading anticorruption prosecutor, Juan Francisco Sandoval, for insubordination, forcing him to flee the country.
- The U.S. government announced a temporary pause in programmatic cooperation with Guatemala while it conducted a review of assistance to the activities that Attorney General Porras led.

September

- The U.S. government announced that Attorney General Porras "obstructed investigations into acts of corruption by interfering with criminal investigations," including by firing Juan Francisco Sandoval, and added her to the 353 list.

2022

May

- The U.S. government designated Porras under Section 7031(c) of the Department of State, Foreign Operations, and Related Programs Appropriation Act, 2022 for her involvement in significant corruption. This designation makes Porras and her immediate family members ineligible for entry into the United States.

Appendix C. Agency Comments

![USAID logo - From the American People]

MEMORANDUM

TO: Global and Strategic Audits Division and Latin America and Caribbean Regional Office, Director, Emily Gardiner

FROM: USAID Bureau for Democracy, Human Rights, and Governance, Acting Assistant

to the Administrator, Laura Pavlovic /s/

USAID Bureau for Latin America and the Caribbean, Assistant Administrator,

Marcela Escobari /s/

DATE: 12/11/2023

SUBJECT: Management Comment(s) (Corrective Action Plan) to Respond to the Draft Audit Report Produced by the Office of Inspector General (OIG) titled, Democratic Backsliding in Latin America and the Caribbean, Practical Guidance and International Coordination May Enhance USAID's Response (Task no. 99100122)

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The U.S. Agency for International Development (USAID) would like to thank the Office of Inspector General (OIG) for the opportunity to provide comments on the subject draft report. The Agency agrees with the recommendation(s), herein provides plans for implementing them, and reports on significant progress already made. The Bureau for Democracy, Human Rights and Governance (DRG) and the Latin America and Caribbean Bureau (LAC) have many building blocks in place to assist Missions in countries in the region experiencing democratic backsliding. However, the audit's systematic review has assisted the bureaus in identifying additional opportunities to develop tools for Missions and enhance cross-Mission learning on democratic backsliding.

The Agency organizational context around which the OIG audit took place has shifted. The DRG Bureau was recently operationalized on September 12, 2023, replacing the DRG Center. The DRG Bureau's mission is to lead USAID's efforts to invigorate democracy, enhance human rights and justice, counter corruption, and bolster governance that advances the public interest and delivers inclusive development. The new Bureau's Mission is as follows:

> *The DRG Bureau leads USAID's efforts to invigorate democracy, enhance human rights and justice, and bolster governance that advances the public interest and delivers inclusive development. We **shape policy** and development agendas, **generate knowledge and evidence** that drives innovation, **catalyze partnerships and coalitions**, and **mobilize cutting-edge programs and technical assistance** to enable USAID's Missions and partners to accelerate democratic development globally.*

As a Bureau, DRG is well positioned to leverage internal knowledge sharing. Structural changes within the DRG Bureau foster a greater ability to convene, influence, engage, and provide strategic guidance. A key benefit of the elevation of the DRG Center into a full Bureau is a greater ability to leverage resources and influence to support democratic progress. The DRG Bureau will refocus its efforts to encourage a whole-of-Agency approach to support more democratic practices in the countries where we work.

The LAC Bureau recognizes that the environment in the region requires new approaches, not only to equip our staff to support democratic movements, but also to effectively address and defend against backsliding. Although efforts to assist Missions when they experience elements of democratic backsliding in the region have been ongoing, the LAC Bureau is developing and implementing an Action Plan on Democratic Backsliding in collaboration with the DRG Bureau to ensure that support to Missions and cross-Mission learning is systematic and comprehensive.

COMMENTS BY THE U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT (USAID) ON THE REPORT RELEASED BY THE USAID OFFICE OF THE INSPECTOR GENERAL (OIG) TITLED:
Democratic Backsliding in Latin America and the Caribbean, Practical Guidance and International Coordination May Enhance USAID's Response

(Task No. 99100122)

Please find below the management comments (Corrective Action Plan) from the U.S. Agency for International Development (USAID) on the draft report produced by the Office of the USAID Inspector General (OIG), which contains 2 recommendation(s) for USAID:

Recommendation 1: For DRG: Coordinate with the Bureau for Latin America and the Caribbean to develop and implement practical guidance on responding to elements of democratic backsliding. This should incorporate lessons learned and after-action reports from missions that have responded to democratic backsliding.

- **Management Comments:** The DRG Bureau agrees with this audit recommendation. There are two primary lines of efforts that will address the need for a more coordinated and evidence-based approach to democratic backsliding - not only in LAC, but in other regions as well.
    - The DRG Bureau launched a cross-Bureau effort to develop strategic guidance and technical resources to address democratic backsliding and more streamlined rapid response capabilities as part of its Objectives and Key Results framework for 2023-2024. This effort will enhance access to lessons learned, promising approaches, and the relevant evidence base, as well as provide practical guidance for responding to the range of challenges in democratic backsliding contexts. The DRG Bureau will coordinate with the LAC bureau in socializing and implementing this via a series of webinars and other learning events.
    - The DRG Bureau leads a working group called Operating in Politically Restrictive Environments, with membership from a number of USAID regional bureaus, Missions, and DRG sector stakeholders. The DRG Bureau has already begun the process of reassessing the role of this working group - which focuses on very closed spaces - in order to determine whether this working group can be reorganized to provide a formal structure and forum for Mission to Mission peer experience sharing, lessons learned, and after action conversations for significant backsliding events. Once consultations are completed, it will be determined whether this or another independent collaborative group is best suited to convene Missions to discuss issues related to democratic backsliding. This effort is part of a broader look at the existing working groups managed by the DRG Bureau that is being undertaken as part of Bureau operationalization.

- **Target Completion Date:** The DRG Bureau will complete the technical toolkit, Mission

socialization webinars, and working group revitalization by September 30, 2024.

Recommendation 2: For LAC: Coordinate with the Bureau for Democracy, Human Rights, and Governance and missions in the region to *develop and implement an action plan* to establish ongoing mission-to-mission knowledge sharing on responding to democratic backsliding.

- **Management Comments:** The LAC Bureau agrees with this audit recommendation. LAC has several lines of effort underway to increase and structure mission-to-mission knowledge sharing.
  - *Action Plan* - In consultation with the DRG Bureau, LAC will formalize its *Action plan on increasing mission-to-mission knowledge sharing on democratic backsliding.* This action plan involves: enhancing relationships and communication between missions and with LAC on the topic of democratic backsliding and institutional strengthening; and developing a shared repository of resources on democratic backsliding.
  - *Community of Practice* - To improve mission-to-mission knowledge sharing, LAC is building a *community of practice* of all staff working on DRG issues in LAC, as well as representatives from the DRG Bureau. Through new regular communication channels such as a google group and through a structured discussion series, LAC will help foster relationships, trust and open communication to maximize learning across operating units.
  - *Platform usage* - To improve mission-to-mission knowledge sharing, LAC is leading the collection of LAC-specific information and resources and will work closely with DRG to ensure that LAC Mission colleagues utilize the platform DRG is developing. Through research, case studies, notes of discussions and learning events, as well as compendia of lessons learned, LAC will work with the DRG Bureau to assess how best to provide strategic advice and support, and collect and make available resources. Updated resources may be shared through a page on DRG Links or through a LAC Bureau intranet page or shared drive.

- **Target Completion Date:** The LAC Bureau will finalize and implement an action plan to establish ongoing mission-to-mission knowledge sharing on responding to democratic backsliding by June 30, 2024.

In view of the above, we request that the OIG inform USAID when it agrees or disagrees with a recommendation's management comment (corrective action plan).

Appendix D. Major Contributors to This Report

Members of the audit team include:

- Emily Gardiner, Audit Director
- Timothy Lamping, Assistant Director
- Maria Staunton, Lead Auditor
- Susannah Holmes, Auditor
- Abraham Kim, Analyst

The audit team would also like to acknowledge contributions from Saifuddin Kalolwala and Samuel Ludwig.

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