

**ACTION PLAN FOR PREVENTING, DETECTING AND REMEDIATING
FRAUD AND CORRUPTION IN PRONACOM THRESHOLD PROGRAM
IMPLEMENTATION**

UPDATE JULY 2021

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PRONACOM ACTION PLAN FOR PREVENTION, DETECTION, AND REMEDIATION OF FRAUD AND CORRUPTION UPDATE

1. BACKGROUND

PRONACOM developed the Anti-Fraud & Corruption Action Plan (AFC AP) in April 2018 to establish an appropriate framework that defines how the staff and management of PRONACOM will join with its Implementing Entities (IEs) towards effective prevention, detection and remediation of fraud and corruption of any description within PRONACOM.

2. PURPOSE

The purpose of updating the Anti-Fraud & Corruption Action Plan (AFC AP) is to comply with the revision and monitoring of the AFC AP towards the end and closure of Guatemala's Threshold Program on December 31, 2021, by reviewing each AFC AP risk and taking into consideration any risks that could arise before the program's end date and explain how those risks can be mitigated.

3. REVISION AND MONITORING

After carefully reviewing the AFC AP risks rated with a high likelihood and/or high impact; this section includes the detail in risks and mitigations¹ that will continue toward the end of the Program and the risks that disappeared for a certain reason containing relevant comments for each of them as explained below:

3.1 Pressures from the Ministry or Labor Union in decision making

Sector Risk	Education Project
Description of Risk	Influence or pressures from the Ministry authorities to select certain teachers or principals without respecting the criteria in which the selection should be based on.
Factors in Mitigation	Building awareness of the program among teachers. The detailed review of the reports delivered by the consultants on each project for verification avoiding false statements over activities that were not performed. (Proper review of deliverables).
Timing	With every teacher's selection process
Additional Cost (if any)	Negligible
Staff Member/Office Responsible	Education Director

¹ Mitigations have been adjusted removing references made to TORs where there are no procurements pending.

Comments:	Factors in mitigation proved to be effective during the implementation of “Profesorados de Enseñanza Media” by the Universities (2019-2020). This will continue with the implementation of a second “Profesorado en Enseñanza Media” implemented by Universidad de San Carlos de Guatemala.
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3.2 Pressures from the Ministry of Economy to increase the scope of the program to benefit other projects.

This risk has been removed at this point since all the procurements and pending contracts have already been awarded under each project activity, there are no procurements pending and scope for each of the current contracts is already defined.

3.3 Abuse of authority by the beneficiary entity.

Sector Risk	Education Project
Description of Risk	The authorities of the Ministry of Education assign to the consultants other tasks that shouldn't be financed by the Program.
Factors in Mitigation	Advise the consultant to inform PRONACOM whenever they have any pressures in this matter by the Ministry of Education or any other authority.
Timing	As and when needed
Additional Cost (if any)	Negligible
Staff Member/Office Responsible	Education Director/ THP Director
Comments:	Factors in Mitigation have proved to be effective. New consultants that provide technical support for Education activities work along with MINEDUC and have been instructed to align to their contract TDRs and to the Programs objectives only.

3.4 Coercion by the authorities to obtain benefits.

Sector Risk	Education Project
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Description of Risk	Authority pressures to obtain benefits for personal purposes not related to the Program's objectives.
Factors in Mitigation	Requiring the follow up by the responsible entity team and the technical, legal and financial opinion and accountability to verify that each requirement is made in accordance to the Programs objectives.
Timing	Oversight is on-going
Additional Cost (if any)	Negligible
Staff Member/Office Responsible	Education Director/ THP Deputy Director
Comments	Factors in Mitigation have been strengthened by the restatement of Mineduc's Implementing Entity Agreement on August 2019 which defines the scope of each activity under the Education Project and main objectives for each one of them stablishing that every technical support or acquisition of assets will only be for the Program's objectives.

3.5 Cost estimates for activities are inflated

This risk has been removed at this point since all the procurements and pending contracts have already been awarded under each project activity, there are no procurements pending and scope for each of the current contracts is already defined.

3.6 Using the funds for objectives outside of the scope of the contract

Sector Risk	Any THP Project
Description of Risk	Influence of Political interests to the beneficiary entity decisions.
Factors in Mitigation	Controlling the procedures and guidelines prior to authorizing any payment for each contract or deliverable according to the submitted proposals and reports, requiring technical or legal opinions when needed to assure that everything has been made according to the applicable laws and procedures.
Timing	Every payment
Additional Cost (if any)	Negligible
Staff Member/Office Responsible	Project Lead
Comments	Even though this risk was originally considered under the Resource and Mobilization Project and that procurements and pending contracts have already been awarded under each of this project's

	activity, it has been kept under any THP project, since contracts are still ongoing in which the risk could occur.
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3.7 Influence on decisions while structuring projects

This risk has been removed at this point since all the procurements and pending contracts have already been awarded under each project activity, there are no procurements pending and scope for each of the current contracts is already defined.

3.8 Manipulation of information for economic gain

Sector Risk	Monitoring and Evaluation (M&E)
Description of Risk	Manipulating the data contained in the submitted reports to simulate the success of a project.
Factors in Mitigation	Through the revision of the reports submitted for each month prior to authorize a payment. Regular random site visits.
Timing	Oversight Ongoing
Additional Cost (if any)	Negligible
Staff Member/Office Responsible	M&E Coordinator
Comments	Additional to the Factors in mitigation, all the reports were checked by the M&E coordinator in terms of student participation, and it was crosschecked with attendance lists. Field visits were made to each University without prior notice to confirm the registration an assistance in at least the 50% of locations.

3.9 Submission of false documentation.

Sector Risk	M&E
Description of Risk	Submitting surveys with false information or documentation about unreal interviews
Factors in Mitigation	Through requiring the team support to verify that the work reported is being made by M&E such as interviews and coordinating the people that will make the interviews.
Timing	Oversight is on-going when every study takes place
Additional Cost (if any)	Negligible
Staff Member/Office Responsible	M&E Coordinator

Comments	additional to the factors in mitigation, a visit to supervise was also made by MINEDUC as a Beneficiary entity on site visits while recollecting the data.
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3.10 Collusion caused by the authority or Procurement agent.

Sector Risk	Procurement
Description of Risk	Collusion between the authority and the procurement agent to manipulate the TORs by over specifications on the requirements to favor a consultant
Factors in Mitigation	Review of draft TORs and draft technical specifications by relevant outside technical experts, including MCC. Information about the Bid Challenge System, through which potential bidders can submit complaints about improper TORs and technical specifications, included in all procurement documents
Timing	With every procurement
Additional Cost (if any)	Negligible
Staff Member/Office Responsible	Procurement Specialist
Comments	Since the update of PPGs in 2018, Procurement Specialist included a new section on the training provided to all the personal involved in procurement processes, this new section explains all possible risks of fraud and corruption in every stage of a procurement process. This training and Factors in Mitigation will continue along the few procurements that are left before the Program ends.

3.11 Collusion between an Implementing Entity authority and the Administration Unit.

Sector Risk	Procurement
Description of Risk	Collusion to manipulate the selection of members for an evaluation panel.
Factors in Mitigation	Discretion to request the approval and comments from MCC at all times of the procurement processes prior to extending any authorization to initiate the evaluation processes and their proper follow-up.
Timing	With every evaluation process
Additional Cost (if any)	Negligible
Staff Member/Office Responsible	Procurement Specialist

Comments	Since the update of PPGs in 2018, Procurement Specialist included a new section on the training provided to all the personal involved in procurement processes, this new section explains all possible risks of fraud and corruption in every stage of a procurement process. This training and Factors in Mitigation will continue along the few procurements that are left before the Program ends.
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3.12 Pressures during Bid Evaluation Process.

Sector Risk	Procurement
Description of Risk	Pressures to or by evaluation panels to favor a consultant to be awarded due to economic interests, nepotism, friendship, or any other personal interest.
Factors in Mitigation	Detailed review of the evaluation reports submitted, as well as the participating profiles, prior to be sent to the MCC for the approval of the report. To make the authorities aware that they have to allow the procurement team and evaluation panel to carry out the process independently, requesting only the evaluation report.
Timing	With every bid evaluation
Additional Cost (if any)	Negligible
Staff Member/Office Responsible	Procurement Specialist
Comments	Since the update of PPGs in 2018, Procurement Specialist included a new section on the training provided to all the personal involved in procurement processes, this new section explains all possible risks of fraud and corruption in every stage of a procurement process. Also, there is a training to evaluation panels about principles and guidelines that should be applied on every procurement evaluation process. This section has been also included on each training to every evaluation panel at the beginning of the evaluation. The training and Factors in Mitigation will continue along the few procurements that are left before the Program ends.

3.13 Coercion to approve a payment.

Sector Risk	Finance and Administration
Description of Risk	Pressuring consultants to satisfy personal interests prior to authorizing their payment for a deliverable or report.
Factors in Mitigation	Control over establishing a due date to process payments (payment period) to verify consultants met the requirements for every payment. Consultants' contracts also include information about how to report fraud or corruption to MCC and /or OIG.
Timing	With every payment process
Additional Cost (if any)	Negligible
Staff Member/Office Responsible	Financial Specialist
Comments	Factors in mitigation have proved to be effective and will continue to the end of the Program Implementation. Every new contract continues to include information about how to report fraud and corruption to MCC.

3.14 Fraud by consultants or beneficiary's personnel

Sector Risk	Finance and Administration
Description of Risk	Submitting reports with false information or documentation about performing unreal activities or overpricing activities.
Factors in Mitigation	Detailed supervision over reports and advances submitted under any project prior to authorizing a payment. Requiring Technical Opinions to verify and validate deliverables. Detailed review of invoices and documentation. Constantly supervising the staff members or consultants to verify the information contained in the reports for each payment requirement. Both scheduled and unannounced site visits by PRONACOM and / or MCC as appropriate.
Timing	With every payment process
Additional Cost (if any)	Negligible
Staff Member/Office Responsible	Financial Specialist
Comments	Factors in mitigation have proved to be effective and will continue to the end of the Program Implementation. Scheduled and unannounced site visits by staff members continued even during the pandemic specially in payments related to recent contracts for good and/or services to benefit the Ministry of Education.

4. ADDITIONAL AFC ACTIONS FOR CLOSURE PERIOD

In an effort to prevent fraud and corruption during the Closure Period of Threshold Program, additional AFC Actions have been considered to address any potential risk.

PRONACOM has been working on sharing information with Implementing entities and contractors about the closure of the program and guidelines that need to be complied through the end of the implementation on October 31, 2021.

Having an approved Closure Plan which must of its information related to the Government Ongoing Responsibilities have been shared with the Implementing Entities has helped PRONACOM to avoid any uses of funding for personal interests or not related to the Programs Activities and Objectives under the Grant Agreement.

The following shows the high impact risks due to End of the Program:

4.1 Fraudulent pressure to approve technical deliverables that don't meet requirements before program end date

Sector Risk	Contract Administration
Description of Risk	Pressure from consultants/contractors related to deliverables that didn't comply before the end date for submission for payment.
Factors in Mitigation	Every new contract and amended contracts that have been extended towards the end of the Program, include a clause stating that no payment will be made for a deliverable that has not been fully submitted and completely approved before Program's end date. All consultant services contracts that contained a flexibility clause to extend dates for the deliverables to be submitted, have been amended to incorporate de submission of deliverables limit before the Program's end date. Have contract managers confirm status of all deliverables two weeks before contract end date and on contract end date, informing THP Director of any outstanding deliverables in both cases.
Timing	On each contract time frame.
Additional Cost (if any)	Negligible
Staff Member/Office Responsible	Project Director

4.2 Fraudulent or corrupt disposition of Program assets

Sector Risk	Finance and Administration
Description of Risk	Pressure for a disposition of Program Assets without complying with the applicable guidelines and requirements by MCC.
Factors in Mitigation	<p>There's only one acquisition of Program's assets pending to deliver a tablet for the use of MINEDUC's teachers. All the Assets bought during the Program's implementation have already been transferred according to MCC's requirement by subscribing an Assets Transfer Agreement. For delivering tablets to Mineduc's teachers, a new Amendment to MINEDUC's IEA will be signed by the Ministry of Education which will establish how the use of the tablets will be supervised by Mineduc's internal audits.</p> <p>Pronacom's THP has agreed on a chronogram with MINEDUC that includes a training about the process for the register and supervision over the tablets to guarantee that they'll be handled to the beneficiary teachers and the appropriate use under the Program's objectives.</p>
Timing	On-Going
Additional Cost (if any)	Negligible
Staff Member/Office Responsible	THP Director / PRONACOM Executive Director

4.3 To give undeservedly good past performance reports

Sector Risk	Project Leads and Administration
Description of Risk	Pressure from consultants or contractors to get an undeservedly good past performance report in exchange to personal favours.
Factors in Mitigation	<p>Projects administrators have been instructed by the Procurement team in coordination with the Program's Director, and MCC staff, to full each past performance reports according to each contract performance without involving communication with the contractors or consultants, once the contract is over.</p> <p>Additionally, MCC staff participating in this process and familiar with contractor performance also review past performance reports.</p>

Timing	On-Going
Additional Cost (if any)	Negligible
Staff Member/Office Responsible	Project Directors / Procurement Specialist / THP Director.