

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

APRIL 2018

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

1. INTRODUCTION

PRONACOM is mandated to implement the Millennium Challenge Threshold Program signed between the Republic of Guatemala acting through its Government (the “Government”) and the Government of United States of America, through the Millennium Challenge Corporation (MCC), in April 2015. The objective of establishing PRONACOM is to implement the Threshold Program in order to reduce poverty through economic growth in Guatemala. The Threshold Program -THP- includes activities in: a) Education; Improving the quality of education in support of student success in lower secondary, improving technical and vocational education and training in upper secondary, strengthening institutional and planning capacity, and b) Resource Mobilization; improving tax and costumes administration and strengthening the capacity to form Public Private Partnerships.

2. PURPOSE

The purpose of the Anti-Fraud & Corruption Action Plan (AFC AP) is 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.

3. SCOPE

The PRONACOM’s AFC AP is meant to address all stakeholders involved in the implementation of the Threshold Program and includes PRONACOM Executive Committee and staff, Implementing Entities, as well as PRONACOM contractors for works, goods and services.

4. MCC POLICIES TARGETED AT FRAUD AND CORRUPTION

In an effort to prevent fraud and corruption during implementation of Threshold Program activities, MCC developed various Policies and Procedures targeted at addressing such instances. Some of these policies are described below:

- Policy on Preventing, Detecting and Remediating Fraud and Corruption in MCC’s Operations (MCC AFC Policy).
- Guidelines for Accountable Entities and Implementing Structures.

4.1 Policy on Preventing, Detecting and Remediating Fraud and Corruption in MCC's Operations (MCC AFC Policy)

In March 2009, MCC developed a policy on Preventing, Detecting and Remediating Fraud and Corruption in MCC's operation that requires all Accountable Entities to complete a Compact or Threshold Program specific Anti-Fraud and Corruption Risk Assessment and to develop and implement a related Action Plan. Research made by MCC revealed that corruption retards economic growth by:

- Increasing costs;
- Lowering productivity;
- Discouraging investment;
- Reducing confidence in public institutions;
- Limiting the development of small and medium sized enterprises;
- Weakening systems of public financial management; and
- Undermining investments in health and education.

Corruption also increases poverty by:

- Slowing economic growth;
- Skewing government expenditure in favour of the rich and well-connected;
- Concentrating public investment in unproductive projects; and
- Promoting a more regressive tax system.

MCC's AFC Policy recognizes six types of fraud and corruption:

- 4.1.1. Coercion: Impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of any party, to influence improperly the actions of a party in connection with the implementation of any contract supported, in whole or in part, with MCC funding, including such actions taken in connection with a procurement process or the execution of a contract.
- 4.1.2 Collusion: A tacit or explicit agreement between two or more parties to engage in a coercive, corrupt, fraudulent, obstructive or prohibited practice, including any such agreement designed to fix, stabilize, or manipulate prices or to otherwise deprive the Accountable Entity of the benefits of free and open competition.
- 4.1.3 Corruption: The offering, giving, receiving, or soliciting, directly or indirectly, of anything of value to influence improperly the actions of a public official, Accountable Entity staff, MCC staff, consultants, or employees of other entities engaged in work supported, in whole or in part, with MCC funding, including such work involving taking or reviewing selection decisions, otherwise advancing the selection process or contract execution, or the making of any payment to any third party in connection with or in furtherance of a contract.

- 4.1.4 Fraud: Any act or omission, including any misrepresentation, that knowingly or recklessly misleads or attempts to mislead a party in order to obtain a financial or other benefit in connection with the implementation of any contract supported, in whole or in part, with MCC funding, including any act or omission designed to influence (or attempt to influence) a selection process or the execution of a contract, or to avoid (or attempt to avoid) an obligation.
- 4.1.5 Obstruction of investigation into allegations of fraudulent or corrupt practice: Any act taken in connection with the implementation of any contract supported, in whole or in part, with MCC funding: (a) that results in the deliberate destroying, falsifying, altering or concealing of evidence or making false statement(s) to investigators or any official in order to impede an investigation into allegations of a coercive, collusive, corrupt, fraudulent, or prohibited practice; or (b) that threatens, harasses, or intimidates any party to prevent him or her from either disclosing his or her knowledge of matters relevant to an investigation or from pursuing the investigation; or (c) that is intended to impede the conduct of an inspection and/or the exercise of audit rights of MCC and/or the Office of the Inspector General (OIG) responsible for MCC provided under a compact, threshold program agreement, or related agreements.
- 4.1.6 Prohibited practice: Any action that violates Section E (Compliance with Anti-Corruption, Anti-Money Laundering, Terrorist Financing, and Trafficking in Persons Statutes and Other Restrictions) of the Annex of General Provisions that will be made a part of MCC-funded contracts and may be found as part of the Standard Bidding Document templates (there referred to as “Annex A: Additional Provisions”) on the MCC website at <http://www.mcc.gov>.
- 4.2 Conflicts of interest should be promptly disclosed so that they can be properly managed to avoid fraud and corruption or their appearance.

5. ANTI-FRAUD & CORRUPTION ACTION PLAN TO COMBAT FRAUD AND CORRUPTION

- 5.1 In compliance with MCC policy directives, PRONACOM developed this AFC AP to address the highest priority risks listed in the Anti-Fraud and Corruption Risk Assessment Matrix.
- 5.2 The AFC AP will describe both the process and results of the AFC Risk Assessment and provide a detailed pathway for implementing additional measures to mitigate risks identified in the assessment.
- 5.3 The AFC AP complements an array of internal policies adopted by PRONACOM, in conjunction with MCC, to assure the orderly operation of the Management Unit. The policies discussed below aim to promote good governance, strengthen internal controls and to deter fraudulent and corrupt schemes in PRONACOM operations.

6. PRONACOM POLICIES TARGETING FRAUD AND CORRUPTION

PRONACOM was established as the responsible entity for the Threshold Program under the Agreement. Apart from the Threshold Program Agreement governing, PRONACOM has developed more detailed subject related policies to govern the Program. Some of these policies are described below:

- Fiscal Accountability Plan;
- Program Procurement Guidelines and Standard Bidding Documents;
- Bid Challenge System
- Pronacom’s internal procedures to assure transparency;
- PRONACOM Bylaws applicable to the Program;
- Staff Internal Rules & Standard Staff Contract;
- Regular internal audits by the Government applicable to the Program;
- Governments Accountability Standards applicable to the Program; and
- Performance Management System.

6.1 Fiscal Accountability Plan

PRONACOM adopted an interim version of its Fiscal Accountability Plan (FAP) approved by MCC in September 2016 to serve as a set of treasury rules for all financial and procurement actions undertaken by the Management Unit. To remain relevant to the operational requirements of PRONACOM, the FAP has been reviewed. PRONACOM regards the FAP as an important management tool and has promoted widespread understanding and knowledge of the FAP amongst all staff. Brief presentations on specific sections of the FAP were given occasionally in periodically staff meetings. This familiarization of all staff was well received and increased awareness of strong internal controls and when necessary, PRONACOM has amended existing policies to issue new policies for changing circumstances via orders issued by the Executive Director. All these actions may have acted as a deterrent for corruption.

6.2 Program Procurement Guidelines applicable to PRONACOM

The Program Procurement Guidelines, as a Principal Threshold Program Document, served and continues to serve, as a pillar of good governance bringing the following main attributes to PRONACOM:

- Detailed Procurement Processes and Guidelines;
- Clear delegation of staff roles involved in procurement;
- Guidance on treatment of actual and potential conflicts of interest;
- Demarcating the joint approval system between MCC and the PRONACOM Executive Committee in procurement activities; and
- Promotion of transparency through publication of procurements and contract awards on PRONACOM’s Website and international procurement sites.

6.3 Bid Challenge System

PRONACOM has followed a Bid Challenge System based on the Procedures set in the MCC’s Program Procurement Guidelines and combining them with the applicable principles stated in the Public Contracting Law... the procedures have been well received by bidders, giving them an opportunity to be heard when doubtful of procurement outcomes. All the staff members for the Threshold Program have had the opportunity to experience the enquiries of a Bid Challenge

Evaluation Panel. This experiential knowledge raised an acute awareness to stay clear of procurement fraud and corruption. After every Bid Challenge, PRONACOM has made an effort to improve and refine internal processes. PRONACOM's procedures promote transparency, anchoring PRONACOM as an organization with an open and internationally acceptable transparent procurement system.

6.4 Pronacom's internal procedures to assure transparency on procurement

PRONACOM has implemented procedures that are not established in the Program Procurement Guidelines -PPGs-. The PPGs contain the principles, rules and procedures to govern the conduct and administration for the procurement, but for specific situations and procurements PRONACOM has detected the need to define detailed procedures and applicable formats that have been useful to ensure transparency (i.e. requisition orders, templates, detailed steps, etc)..

6.5 PRONACOM Bylaws applicable to the Program

PRONACOM bylaws serves to rule PRONACOM's establishment, structure and governance containing valuable principles for making decisions and formal guidance that guarantees independence and transparency promoting good governance practices.

6.6 Staff Internal Rules & Standard Staff Contract

PRONACOM adopted and developed Internal Staff Rules and Staff Contract to ensure consistency and equity in human resource specific issues, maintaining a conducive and enabling working environment.

Typical ways in which these management tools target or aim to combat fraud and corruption is by providing clear rules regarding:

- Basic Conditions of Staff to prevent favouritism and nepotism;
- Housekeeping rules regarding constant communication and Accountability for Pronacom's Assets;
- Ethical conduct.

6.7 Governments Accountability Standards applicable to the Program

PRONACOM implements its own internal controls and audit procedures applicable to Finance to ensure that the data and amounts are correct and tied; that all the data and amounts submitted to MCC is accountable with the data, amounts and information submitted to the Ministry.

6.8 PRONACOM's Performance Management

In 2018 PRONACOM has begun to implement a Performance Management to manage and incentivize staff performance. The main goal is to manage performance and incentivize staff and:

- Avoid fraudulent and arbitrary practices when rewarding staff performances;
- Incentivizing and rewarding staff in a transparent and predictable manner contributing to a culture of ownership of the Program; and
- Increased productive use of the staff time and resources.

7 PRONACOM’s METHODOLOGY FOR AFC AP

The methodology used in developing the AFC Action Plan towards effective prevention, detection and remediation of fraud and corruption of any description within PRONACOM involved the following:

- AFC training provided in Guatemala to PRONACOM’s staff and stakeholder representatives
- Establishment of PRONACOM/MCC Joint Working Group on Fraud and Corruption
- Kick Off discussions about the draft AFC Risk Assessment Matrix
- MCC field study to PRONACOM, meeting with staff, projects directors, Executive Committee Advisory Council, key contractors and Implementing Partners/Entities.
- Development of PRONACOM AFC AP

The process is described in more detail in Annex A.

8. PRONACOM AFC ACTION PLAN

After careful deliberation of the AFC risk assessment matrix, the MCC/PRONACOM Joint Working Group was in agreement that the fraud and corruption risk in most areas of the Threshold Program Implementation is duly mitigated. They agreed that the PRONACOM AFC Action Plan would focus on the risks rated with a high likelihood and/or high impact risk. Such risks are detailed in the Table below.

8.1 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

8.2 Pressures from the Ministry of Economy to increase the scope of the program to benefit other projects.

Sector Risk	Education Project
Description of Risk	Using information or deliverables for different objectives or projects not stipulated in the Grants Agreement.
Factors in Mitigation	Review process that includes multiple checkpoints with different stakeholders. Including supervision clauses on the Implementing Entity Agreement for the Programs Implementation.
Timing	As and when needed, anytime during the Program
Additional Cost (if any)	Negligible
Staff Member/Office Responsible	Education Director/THP Deputy Director

8.3 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	The revision of the TORs and requirements made by the beneficiary entities prior to submit them to MCC. 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 Deputy Director

8.4 Coercion by the authorities to obtain benefits.

Sector Risk	Education Project
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 the budget and that each requirement is made in accordance to the Programs objectives. Requiring that in all the

	Terms of Reference and Contracts for any benefit that will be granted, the general and specific objectives and scope will be established. Through MCC team missions and due analysis and study of the reality prior to the approval of a benefit to be granted.
Timing	Oversight is on-going
Additional Cost (if any)	Negligible
Staff Member/Office Responsible	Education Director/ THP Deputy Director

8.5 Cost estimates for activities are inflated

Sector Risk	Resource Mobilization Project
Description of Risk	Overpricing the costs of projects to obtain additional personal economic benefits.
Factors in Mitigation	Cost reasonableness analysis is part of MCC's Program Procurement Guidelines and the responsibility of the procurement team. Overall cost estimates are also reviewed by PRONACOM management, the PRONACOM Executive Committee, and the Millennium Challenge Corporation as part of their approval of procurement plans.
Timing	Every award or payment
Additional Cost (if any)	Negligible
Staff Member/Office Responsible	THP Deputy Director/ Project Lead

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

Sector Risk	Resource Mobilization Project
Description of Risk	Influence of Politic interests to the beneficiary entity decisions.
Factors in Mitigation	Controlling the procedures and guidelines prior to authorizing an award or 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 award or payment
Additional Cost (if any)	Negligible
Staff Member/Office Responsible	THP Deputy Director/ Project Lead

8.7 Influence on decisions while structuring projects

Sector Risk	Resource Mobilization Project
Description of Risk	Influence of decisions to give advantage or priority to projects that had not been programmed in order to benefit a group or sector for interests outside the program.
Factors in Mitigation	Participation of the responsible entity team on every workshop to follow up on the advances and new requirements for the deliverables to verify the accountability for all the activities in accordance with the MCC Programs objectives. Follow-up on the creation of Terms of Reference (TORs) and approval of them in which certain qualities are required according to the type of consultancy.
Timing	Before authorizing TORs and On-Going Oversight
Additional Cost (if any)	Negligible
Staff Member/Office Responsible	THP Deputy Director/ Project Lead

8.8 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 in On-Going
Additional Cost (if any)	Negligible
Staff Member/Office Responsible	M&E Coordinator

8.9 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

8.10 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

8.11 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

8.12 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.
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

8.13 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

8.14 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

8.15 Additional Proposed AFC Actions

PRONACOM periodically reminds every consultant that we are constantly reviewing AFC guidelines and action plan to avoid fraud or corruption; MCC staff and independent consultants hired by MCC regularly visit PRONACOM-supported projects to view the work and speak with beneficiaries and those involved in delivering the project. PRONACOM instructs all beneficiaries, consultants, and others involved in program who see any conduct suggesting fraud or corruption to call the MCC/IG hotline, e-mail MCC or IG, or submit the information online. The hotline numbers, e-mail addresses, and web site address are widely-circulated and will be shown on all PRONOCOM posters and brochures. PRONACOM has been working producing posters with information on how to report concerns of potential fraud and corruption to MCC and/or the OIG, the posters will be provided to contractors and implementing entities for posting in their own offices. PRONOCOM stresses that reports can be submitted anonymously.

For the risk of submitting false information or documentation rated with a high likelihood and/or high impact above, PRONACOM detected that some MINEDUC staff submitted invoices containing false amounts to inflate how much they paid for hotel rooms in order to receive additional funds. Additional actions have been taken to mitigate this risk by establishing a flat rate for that kind of expenditures on the Fiscal Accountability Plan.

Additionally, PRONACOM will be overseeing and taking any additional actions as needed considering the coming election year to keep working on preventing fraud and corruption. PRONACOM has been informed by MCC that in changes in governments, and in the leadership of government ministries and agencies, can lead to new or increased risks, as the new leaders may want to try to change the agreed-upon goals and planned uses of funding to reflect new priorities and interests, possibly including personal interests. These risks should be well mitigated, given the clearly defined nature of the Threshold Program Agreement and the level of experience and knowledge of MCC rules held by PRONACOM staff dedicated to implementing the Threshold Program Agreement, as long as the multiple layers of controls over procurements and the use of funds that are built into the Threshold Program continue to operate and the PRONACOM AFC Action Plan is implemented.

9. ROLE OF PRONACOM EXECUTIVE COMMITTEE AND MCC

- The AFC AP shall be submitted to PRONACOM Executive Committee for information and to MCC for approval.
- The Risks recorded in the AFC Action Plan shall be reported to the Executive Committee every time the Plan is updated, in information session to provide feedback on implementation of mitigation measures.

10. REVISION AND MONITORING

- PRONACOM shall at semi-annual intervals (or upon significant changes to the AFC context) review and, if necessary, update the AFC AP.
- An AFC Action Plan progress report shall be posted semi-annually on PRONACOM's website after approval by MCC.

Effective risk management requires flexible, responsive, continuous learning of best practices and skills. Lessons learned will contribute to refined oversight strategy in relation to the AFC Action Plan. With this commitment in mind, PRONACOM AFC risk assessment matrix and this Action Plan will be revised and improved regularly during their implementation.

The revisions will include different actions, depending the scope and purpose:

- eliminating some risks and mitigants and amending/adding new ones;
- adopting new actions, which will facilitate detection of fraud and corruptions;
- improving the system for responding to fraud and corruption;
- improving the system for prompt and proportional remediation;
- other actions.

Revisions to the AFC Action Plan may also be initiated by PRONACOM's THP Project Directors, PRONACOM's THP staff, PRONACOM's Executive Committee, MCC technical staff, and/or MCC Resident Country Director as needed. PRONACOM will prepare the final draft for the Executive Committee's information and MCC's final approval. The final versions of revised AFC Action Plan will be made available on the PRONACOM website.

Annex A: PRONACOM Methodology for Developing the AFC Action Plan

Organization-wide Anti-Fraud and Corruption Training

A three-day training intervention on fraud and corruption took place in July 2017 with objective to create awareness amongst all staff members regardless of status and designation in PRONACOM. The training covered fraud and corruption risks related to the Threshold Program Start-up (Project design/Beneficiary selection), Threshold Program Implementation (Procurement, Contract Management, Financial/Administrative Management) and Threshold Program Closeout. The participants were presented with case studies to expose them to real life occurrences of fraud and corruption related to their specific daily tasks. They also discussed measures which might be taken to reduce the risk and occurrence of fraud and corruption, and the standard mitigants that have been developed by MCC.

Joint MCC/PRONACOM Working Group on Anti-Fraud and Corruption

In April 2018, a joint MCC and PRONACOM working group was formed to develop and review the Anti-Fraud and Corruption risk assessment matrix. The working group consisted of a core team that worked with MCC and PRONACOM THP Staff and Project Directors as necessary.

The Core Team

- PRONACOM THP staff
- Rick Messick (Senior AFC Advisor, MCC)
- Chris Williams (Senior Director on AFC, MCC)

Kick-Off Activities and Development of AFC Risk Assessment Matrix

In May 2018, as the initial stage in the AFC risk assessment process, the Joint Working Group conducted several discussions on fraud and corruption. It was agreed that PRONACOM would draft sector-based AFC risk matrices with close involvement of the PRONACOM THP technical staff.

Development of Fraud and Corruption Risk Assessment Matrix

The sector matrices were developed by PRONACOM THP Directors and Staff after an internal discussion on methodology and development of a template for the AFC risk assessment matrix. The draft matrix identified possible activities of fraud and corruption that may occur in the PRONACOM THP per project and activity, showing the impact and likelihood of the risks on the Threshold Program. It also proposed the appropriate mitigation measures to prevent or limit the impact and likelihood of these risks. MCC Directors and staff independently developed their own version of the AFC risk assessment matrix to encourage creative and wide-ranging consideration of the context relevant to the specific THP program as well as their professional experience. The consolidated draft matrices were shared between PRONACOM and MCC, and then reviewed by the Joint Working Group with the relevant PRONACOM and MCC staff in the subsequent discussions. The matrix was then updated to reflect the discussions and input from representatives of MCC's AFC Team. Directors focused to identify risks which they saw unfolding during the Threshold Program Implementation, using their experience in the field to suggest mitigation measures.

Field Visit to PRONACOM

Mr. Chris Williams, MCC Senior Director for Anti-Fraud and Corruption, and Rick Messick, MCC Senior AFC Advisor, arrived in Guatemala for a three day field visit in June 2018.

Individual Interviews with PRONACOM Staff

The MCC delegates, joined by PRONACOM THP AFC core team members had a round of meetings with PRONACOM staff by project, with the additional relevant staff members to ensure each person on the PRONACOM staff is aware of her responsibilities under the AFC Policy, and also that each person is aware of her specific role/function in preventing, mitigating, and detecting fraud and corruption, given where she sits in the organization. MCC delegates had separate meetings with the Procurement team, and with the Finance and Administration team. Each section of the AFC risk assessment matrix as compiled by individual members and refined in team discussions, was reviewed and discussed in these sessions. The team members agreed on the final description of risks, the mitigation measures most practical at this stage of the PRONACOM THP implementation, and the likelihood and impact of the risks identified. The MCC delegates also advised the PRONACOM team members regarding the risks to be addressed in the AFC AP for PRONACOM.

Individual Interviews with Implementing Partners/Entities

MCC delegates had a round of meetings with the Implementing Partners/Entities, teams that PRONACOM works most closely with; the Ministry of Education (MINEDUC) and the “Agencia Nacional de Alianzas para el Desarrollo de Infraestructura Económica” (ANADIE) to introduce about the Risk Assessment process and goals and explain that MCC is working with all the responsible entities on this exercise to help them better minimize risks of fraud and corruption and learn how can the Implementing Entities contribute to this effort knowing what risks of fraud and corruption do they see, how does the Implementing Entities execute supervision, oversight and their responsibilities, what measures should be taken to limit those risks, etc to learn from good practices.

Interview with PRONACOM’s Executive Committee Advisory Council

MCC delegates met with representatives of PRONACOM’s Executive Committee Advisory Council, focused on good governance, to let them know about this process, and also to let them know that PRONACOM may seek approval of the AFC Action Plan to the Executive Committee.

Interviews with PRONACOM Contractors

The MCC team, joined by PRONACOM THP team members, also met with the major contractors, having discussions about their AFC plans and remind them of the AFC policy. Also, discussed about the types of fraud and corruption they have experienced or heard about in other countries and what they have seen, heard of, or experienced themselves in the country to learn and share examples of how fraud and corruption can manifest itself in the local context. The purpose of these discussions was to sensitize contractors about pro-active measures in place to create an anti-corruption culture in the organization, through training, the development and on-going management of an AFC risk assessment matrix, and the AFC AP.

The contractors were interviewed in small delegations of two or three persons. They generally welcomed the initiative and actively contributed to the discussions pointing to fraud and corruption risks, proposing prevention measures. The following contractors were interviewed:

	Contractor	Interaction with Joint Team	Contract Name and Number
1	GOPA Consultants	PRONACOM THP relevant staff and GOPA representatives.	MCC-FC-003-2017. Servicios de Consultoría "FORMACIÓN PARA EL TRABAJO".
2	FHI 360 (Family Health International 360)	PRONACOM THP relevant staff and FHI 360 representatives.	MCC-FC-001-2017. Servicios de Consultoría "IMPLEMENTACIÓN DE UN PROGRAMA DIRIGIDO A MEJORAR LA CALIDAD DE LA EDUCACIÓN EN EL CICLO BÁSICO".

Field Visit to Project Site

MCC delegates did not do any site visit, due the current status of the THP project's implementation and considering that the biggest contractors are working on consultant services to be implemented *a posteriori*. At the time for the field study there wasn't much to see.

Conclusions and Outcomes of Field Study

- MCC delegates gained valuable insights into progress of the PRONACOM Threshold Program Implementation.
- The mission embedded the importance of actively driving an anti-fraud and corruption culture with PRONACOM leadership, providing tangible measures to develop and implement such culture.
- The MCC/PRONACOM Joint Working Group reached final agreement on the high impact risks to be addressed in the AFC AP.