



USAID
FROM THE AMERICAN PEOPLE

GUATEMALA

CASE STUDY

Taking Steps to Stop Corruption

Assessments target government corruption and inefficiency



The Guatemalan government is “building a better country” through reforms in top agencies.

“We consider the advances that have been achieved quickly [by the program] to be very positive, despite our obsolete equipment and the lack of resources to update our equipment and technology,” said an official of the Ministry of Communication, Infrastructure and Housing.

Telling Our Story
U.S. Agency for International Development
Washington, DC 20523-1000
<http://stories.usaid.gov>

Challenge

Corruption is an endemic problem in Guatemala that has profoundly negative impacts on investment, governance and the legitimacy of democratic government. In addition to the direct losses caused by diversion of funds, corruption is used as an argument against paying taxes, impeding the generation of additional revenues. While the previous government was plagued by wholesale corruption, President Oscar Berger, who took office in January 2004, says he is determined to leave stronger government institutions for the administration that succeeds his in 2008.

Initiative

At President Berger's request, USAID supported institutional assessments of ten ministries and four other public entities that together manage 70 percent of Guatemala's operational budget. In 2004, the government and USAID signed agreements that committed government entities to develop time-phased plans to implement new or corrective measures to improve procedures and enhance transparency. The assessment highlighted institutional weaknesses and provided a strong baseline for reforms. USAID is now working to train and coach graduate students in accounting, auditing and business management to carry out additional assessments.

Results

Though some government entities fared better than others in the assessment, all face serious problems. Not one rated at or above a minimum standard for overall efficiency. In an environment where corruption is entrenched, it is a major accomplishment and demonstration of political will that the upper and middle management of all entities have embraced the evaluation process and are working eagerly to develop institutional strengthening plans based on recommendations from their assessments. Other public entities have also requested assessments, and strong local organizations, like universities, are being trained to continue the initiative. If this effort reduces the cost of corruption and inefficiency by a mere 1 percent of the assessed organizations' budgets, it would save the government as much as \$16.5 million a year.