

**Guatemala Threshold  
Program  
MONITORING AND EVALUATION PLAN  
February 2017**

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# **1. PREAMBLE**

## **1.1. The M&E Plan is a Legal Requirement**

This Monitoring and Evaluation (M&E) Plan:

- Fulfills the requirement set out in the Millennium Challenge Corporation's Threshold Agreement signed on April 8, 2015 between the United States of America, acting through the Millennium Challenge Corporation (MCC), a United States government corporation, and the Government of Guatemala, acting through the Ministry of Finance;
- Supports provisions described in Threshold Program Agreement Annex I: Threshold Program Monitoring and Evaluation;
- Is governed and follows principles stipulated in the *Policy for Monitoring and Evaluation of Compacts and Threshold Programs* (DCI-2007-55.2 from 05/12/2009) (MCC M&E Policy).

This M&E Plan is considered a binding document, and failure to comply with its stipulations could result in suspension of disbursements. It may be modified or amended as necessary following the MCC M&E Policy (Section 4.2) if it is consistent with the requirements of the Threshold Program Agreement and any other relevant supplemental legal documents.

## **1.2 Objective of the M&E Plan**

The M&E Plan has the following objectives: i) specify how Project and Activities progress toward Threshold Program goals and objectives will be monitored; and ii) define a methodology, process, and timeline for the evaluation of planned, ongoing, or completed Projects and Project Activities to determine their efficiency, effectiveness, impact and sustainability, as well as outline periodicity and contents of reports..

The M&E Plan serves the following functions:

- Explains in detail how MCC and PRONACOM will monitor the various Projects to determine whether they are achieving their intended results and measure their larger impacts over time through evaluations.
- Outlines any M&E requirements that PRONACOM must meet in order to receive disbursements.
- Serves as a guide for program implementation and management, so that PRONACOM staff, Supervisory Board members, Stakeholder Committee(s), Implementing Entities staff, beneficiaries, and other stakeholders understand the objectives and targets they are responsible for achieving, and are aware of their progress towards those objectives and targets during implementation.

- Establishes mechanisms and processes to alert implementers, stakeholders and MCC to any problems in program implementation and provides the basis for making any needed program adjustments.

## 2. ACRONYMS

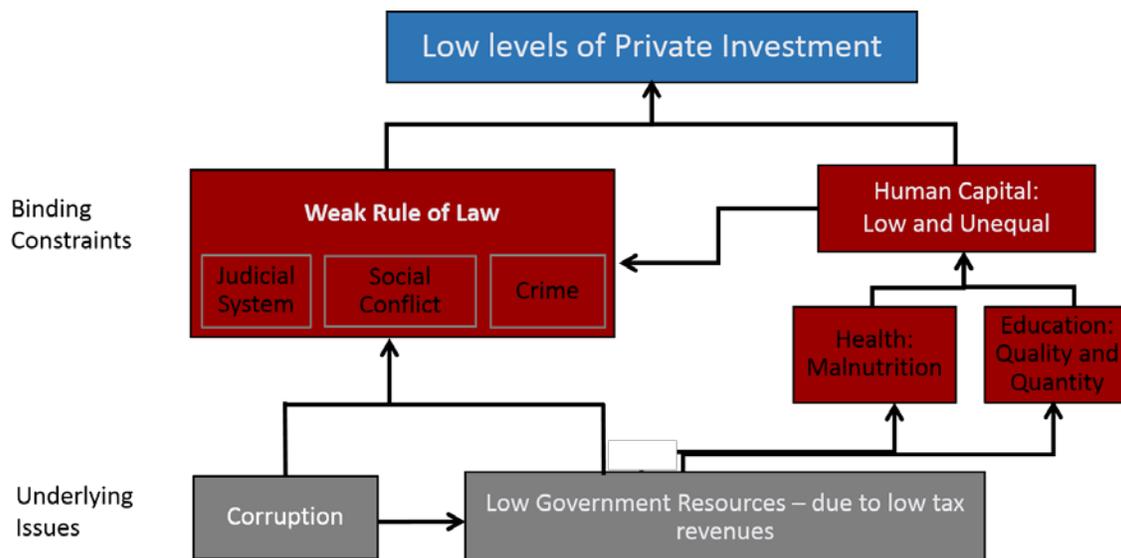
GoG	Government of Guatemala
PRONACOM	Programa Nacional de Competitividad de Guatemala
MINEDUC	Ministerio de Educación
ANADIE	Agencia Nacional de Alianzas para el Desarrollo de Infraestructura Económica
SAT	Superintendencia de Administración Tributaria
DIGEDUCA	Dirección Ejecutora del Vicedespacho de Diseño y Verificación de la Calidad Educativa del Ministerio de Educación

### 3. THRESHOLD PROGRAM SUMMARY AND OBJECTIVES

#### 3.1 OVERVIEW

MCC’s new Threshold Country Program (TCP, ‘The Program’) is designed to assist countries to become compact eligible by challenging them to implement a set of key policy and institutional reforms that would contribute to reducing the binding constraints to economic growth, and would provide MCC information about the country’s political will and capacity to undertake the types of reforms and investments that would have the greatest impacts in compacts.

Guatemala was selected as eligible for a Threshold Program in December 2012. The development of their TCP started with a Constraints Analysis (CA) in 2013, which identified two binding constraints to economic growth: i) low and unequal levels of human capital, and ii) weak rule of law. Furthermore, inadequate government resources contribute to both of these constraints. The figure below summarizes these findings, highlighting the relationships between the constraints and the underlying issue of low government revenue for public investment.<sup>1</sup>



The \$28 million Threshold Program for Guatemala consists of an Education Project and a Resource Mobilization Project that together seek to support the GoG to address the low and unequal levels of human capital. It is expected that the TCP Projects will result in an increase in resources available for education and an increase in human capital accumulation. The TCP performance will also allow MCC to observe if the GoG has the political will and capacity to carry out important but difficult reforms that are critical for economic growth,

<sup>1</sup> For additional information please see the Guatemala Constraints to Growth Analysis, 2014

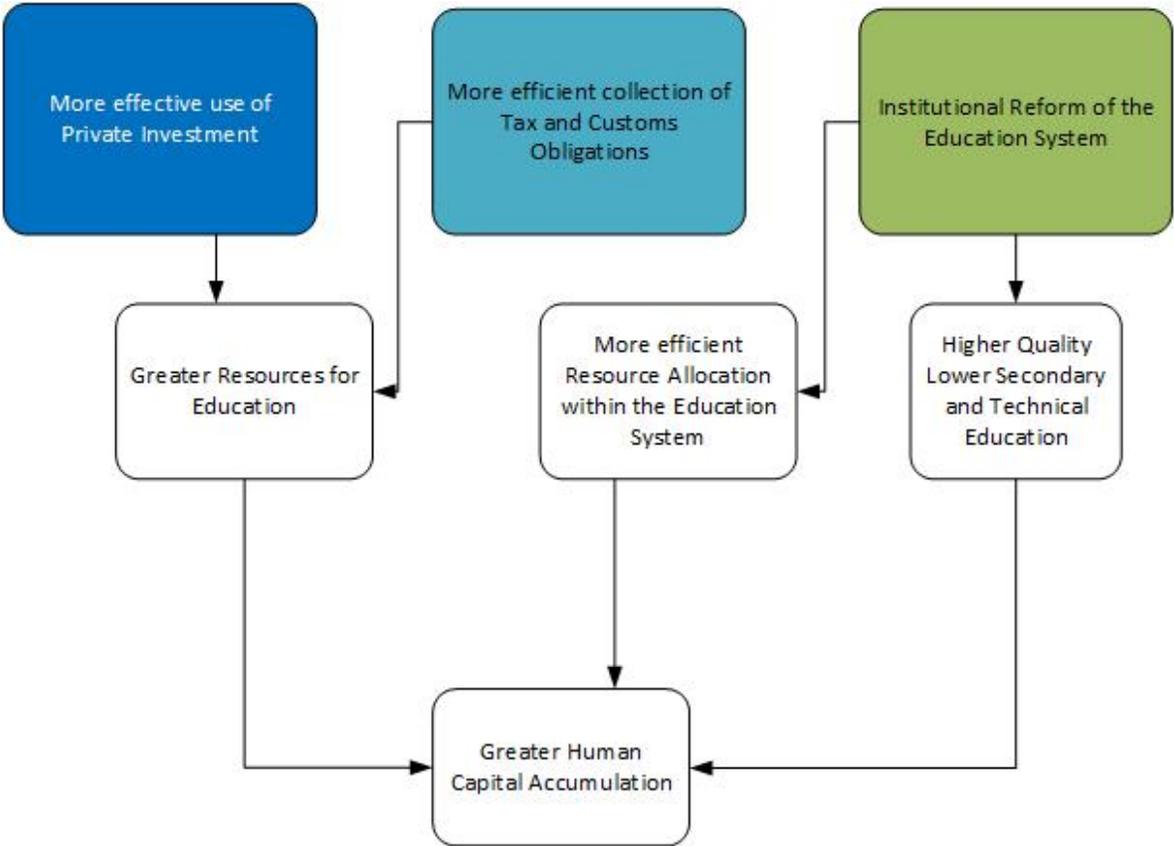
which in turn will provide important information for any future consideration of Guatemala as compact eligible.

### 3.2 PROGRAM LOGIC

The overall objective of the Program is to support reforms initiated by the Government to improve the quality and relevance of secondary education in Guatemala and to increase fiscal revenues to enable the Government to address the constraints to economic growth. The Program consists of two projects; i) the Education Project, and ii) the Resource Mobilization Project.

The objective of the Education Project is to support the efforts undertaken by the Government to implement institutional reforms, defined in the Proposal for the Transformation of Secondary Education and the Critical Path of the Ministry of Education, aimed at providing quality secondary education that prepare a diverse Guatemalan youth to be successful in the labor market.

The objectives of the Resource Mobilization Project are: (i) to support Government reforms to increase the availability of resources by improving the efficiency of tax and customs administration, and (ii) to strengthen the capacity of the Government to finance infrastructure via public-private partnerships (“PPPs”) in order to increase public funding allocated for social investment, principally education.



## **3.3 PROJECT 1: EDUCATION PROJECT**

### ***3.3.1 PROBLEM DEFINITION***

The Constraints Analysis found human capital as a binding constraint to economic growth in Guatemala. More specifically, the constraint is defined as a low quantity and quality of education with high levels of inequality, along with high levels of malnutrition that exacerbate the problem of an insufficient supply of a healthy, educated workforce. During additional analysis to determine the root cause of the problem and understanding the problem in more depth, inefficient resources, low quality of secondary education, and lack of alignment with the labor market were identified as critical issues.

The objective of the Education Project is to support the efforts undertaken by the Government in the implementation of institutional reforms, defined in the *Proposal for the Transformation of Secondary Education* and *Ruta Crítica*, designed to provide quality education to prepare a diverse Guatemalan youth to be successful in the labor market. In order for the impact of the project to be sustained and expanded nationwide, Guatemala would need to increase the budget for secondary education and ensure the equitable and efficient use of those resources. This demonstrates the clear connection between the two projects within the Program.

### ***3.3.2 EDUCATION INTERVENTIONS***

The Project consists of three activities, which are described below in more detail:

1. Improving Quality of Education in Support of Student Success in Lower Secondary
2. Improving Technical and Vocational Education and Training (TVET) in Upper Secondary
3. Strengthening of Institutional and Planning Capacity

#### **3.3.2.1 Activity 1: Improving Quality of Education in Support of Student Success in Lower Secondary**

In order to improve learning of students and promote student success (student promotion and transition rates), MCC will support the Ministry of Education to initiate programs to improve the quality of education in lower secondary schools. Specifically, the Program will support:

- the establishment of school networks (primary and lower secondary schools) to improve the transition from primary to lower secondary, and to implement learning communities of teachers as a platform for continuous professional development of teachers;

- the design and implementation of a continuing education for lower secondary teachers and principals through a one-year certificate program (Diplomado) in coordination with public and private universities with complementary training programs for supervisors and other technical staff;
- pedagogical advisors to support teachers to better deliver the national curriculum;
- management advisors to conform school networks and advise schools on managerial issues; and
- technical assistance to develop the capacity of parents councils to monitor and advocate for the quality of lower secondary education.

### 3.3.2.2 Activity 2: Improving Technical and Vocational Education and Training (TVET) in Upper Secondary

MCC will support the Ministry of Education and other Government entities to develop new tools and strategies for TVET in order to better match the supply and demand of the labor market. This will include an assessment of the current provision of TVET in upper secondary education; a survey to the production sector assessing their needs and their vision regarding future jobs; and will provide recommendations for coordination and harmonization of competencies and qualification levels among educational institutions with the participation of the private sector. It will also support the design, implementation, and evaluation of curricula for new upper secondary school technical careers based on the competences and qualification framework developed with the private sector for different trades. The assessment will also identify opportunities for promoting the transition from lower to upper secondary education with attention to gender gaps that affect girls and boys differently.

### 3.3.2.3 Activity 3: Strengthening Institutional and Planning Capacity

MCC will support activities to strengthen the institutional capacity of the Ministry of Education to better plan and budget for the provision of an equitable and quality secondary education. This will include support to:

- conduct an assessment of the effectiveness and efficiency of different models of lower secondary school that includes identifying the minimum inputs needed to provide quality education, the current provision, and the budgetary requirements to meet the minimum inputs;
- strengthen management information systems, support data gathering, improve data quality and to promote its use as a tool for planning the provision of secondary education services, including the management of training and professional development of secondary education teachers, and management human resources, their qualifications, training received and professional development needs;
- advance the institutionalization of a competitive teacher selection process (including a diagnostic test); and
- development of a geographical analysis of the supply and demand of secondary education as an input for the estimation of required resources (infrastructure, teacher

assignments, and materials), the planning and budgeting to provide a quality education.

### **3.3.3 BENEFICIARIES**

*Activity 1: Improving Quality of Education in Support of Student Success in Lower Secondary.* The anticipated beneficiaries are lower secondary students (grades 7 – 9) within school networks of the five departments (Alta Verapaz, Solola, Sacatepequez, Jalapa and Chiquimula) where the intervention takes place. These students who attend lower secondary schools within the areas of influence will benefit from receiving a greater quality of education and additional years of schooling based on the package of interventions provided by the TCP (i.e., tailored approaches to low schooling outcomes, developing and strengthened parent councils, training and pedagogical and managerial support to teachers, principals and administrators respectively).

A specific aim of the project is to support a reduction in the identified gaps in school outcomes (e.g., rates of enrollment, promotion, and completion) between children that are indigenous and Ladinos, girls and boys, urban and rural, and rich and poor. The five departments were selected for MCC support with this objective in mind. Project design continues to focus on how to ensure that benefits are shared equally among girls and boys and across social, economic, and ethnic groups. This includes better understanding the total economic costs, and the social and cultural values/expectations that factor into household decisions about investing in children's education, and whether the tailored approaches in MCC's investment can seek to mitigate these issues to improve schooling outcomes.

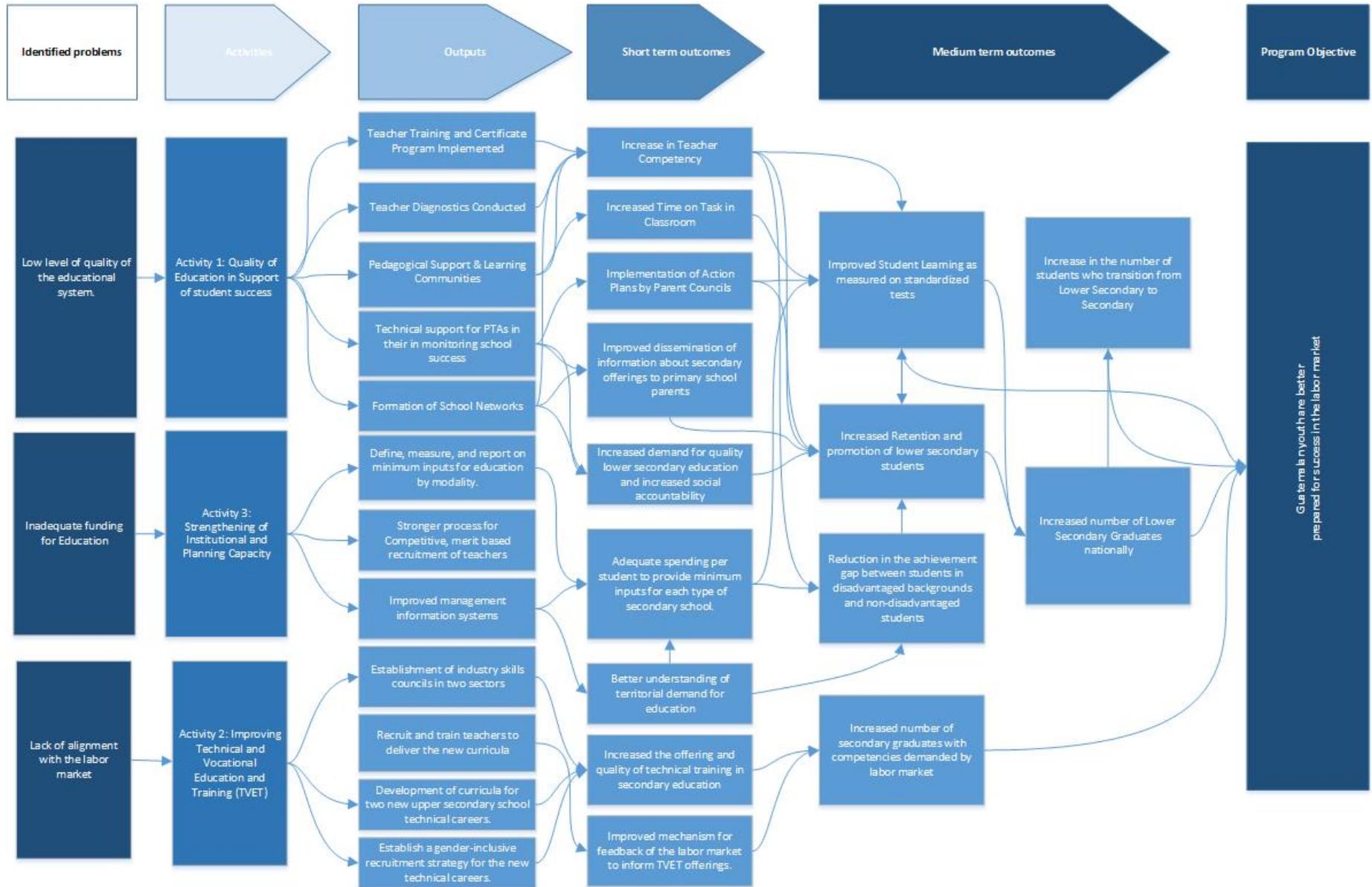
As the project becomes more defined the specific number of beneficiaries will be updated to reflect the scope of the project.

*Activity 2: Improving Technical and Vocational Education and Training (TVET) – Upper Secondary.* This Activity is largely focused on improving the efficiency of the TVET system in Guatemala and developing stronger linkages between the TVET provided and the labor demanded by the private sector. This Activity is intended to improve sector policies, facilitate the creation of new programs that have higher insertion rates, and promote the update of best practices throughout the sector. At this time, the project is not sufficiently defined to provide a specific number of beneficiaries, as the sectors or type of TVET programs have not yet been selected and it is unclear whether MCC funding will result in the creation of specific training programs that students complete. This will be updated as the Activity becomes more defined.

*Activity 3: Strengthening of Institutional and Planning Capacity.* This Activity seeks to provide support to the GoG in obtaining policy and institutional changes that improve the

efficiency of the limited resources dedicated to secondary education, through a more data-driven decision making process. Overall, the Activity seeks to identify opportunities to increase the budget dedicated to secondary education arising from increases in internal efficiency, improved management of resources, or other financial resources of the State.

### 3.3.4 PROJECT LOGIC



## **3.4 PROJECT 2: RESOURCE MOBILIZATION PROJECT**

### ***3.4.1 PROBLEM IDENTIFICATION***

The Constraints Analysis found that a clear issue or root cause underlying the two identified constraints was the GoG's inability to increase revenues in order to increase public sector investments that could lead to a reduction in the aforementioned constraints. Guatemala has the lowest tax burden within the Latin American and Caribbean region. Tax collection has averaged 10% of GDP during the past decade, while the average for LAC countries is 19.5%. The majority of taxes come from the VAT, as with most developing countries, and then corporate income taxes.

### ***3.4.2 INTERVENTIONS***

The objectives of the Resource Mobilization Project are to a) support Government reforms to increase revenues by improving the efficiency of tax and customs administration and b) strengthen its capacity to finance infrastructure via public-private partnerships in order to preserve limited public funding for social spending such as education. The two proposed Activities under this Project include, which are described in more detail below:

1. Improving Tax and Customs Administration
2. PPP Capacity Strengthening

#### **3.4.2.1 Activity 1: Improving Tax and Customs Administration**

Grant funding will finance technical assistance, to the Superintendencia de Administración Tributaria ("**SAT**"), to support the Government's efforts to undertake institutional changes to:

- Implement a strong risk management framework and strategy that integrates internal taxes and customs.
- Institute an effective Customs Post Clearance Audit program as an extension of Customs controls.
- Improve control of the physical movement of people and cargo, including the assessment of the viability of an electronic container tracking system at the ports.
- Implement a process of continuous improvement in audits and the administrative appeals process. Ensure that SAT has an objective, impartial and timely dispute resolution process based on new legislation.
- Identify shortcomings in detection and application of punitive measures and sanctions for the participation of officials and employees of SAT in illicit and ethically questionable acts and support the institutionalization of improved system of control to prevent and punish such acts, as well as train personnel in this subject.
- Strengthen SAT's Internal Capacity for Anti-corruption. Review and strengthen the SAT Office that is responsible for maintaining the integrity of the tax administration

as well as investigating allegations of serious administrative misconduct or criminal violations (corruption) by SAT employees.

- Establishment of the Fiscal Intelligence Office and controls on the use of bank information for tax purposes. Review and strengthen the SAT Office being organized for fiscal intelligence. Ensure adequate controls are in place to protect bank secrecy data. Develop basic procedures, templates and operational guides for office operation.

#### 3.4.2.2 Activity 2: Strengthening the Capacity to form Public Private Partnerships

The Program will support Government efforts, principally those of Agencia Nacional de Alianzas para el Desarrollo de Infraestructura Económica (“*ANADIE*”), to build capacity to implement PPPs, promote transparency in PPPs, assess direct and contingent liabilities of PPPs, and bring one or two PPP projects to market by funding feasibility studies that inform the technical, financial, and legal structuring, value-for-money analysis, and other requirements for projects to be tendered, as well as transaction advisory services. MCC will coordinate this assistance with efforts by the World Bank, the Inter-American Development Bank, and others to provide general, on-going PPP capacity-building assistance to governmental agencies in Guatemala, El Salvador, and Honduras in order to improve capacity and consistency of PPP practices across the region and increase the impact and sustainability of MCC’s investments.

### 3.4.3 *BENEFICIARIES*

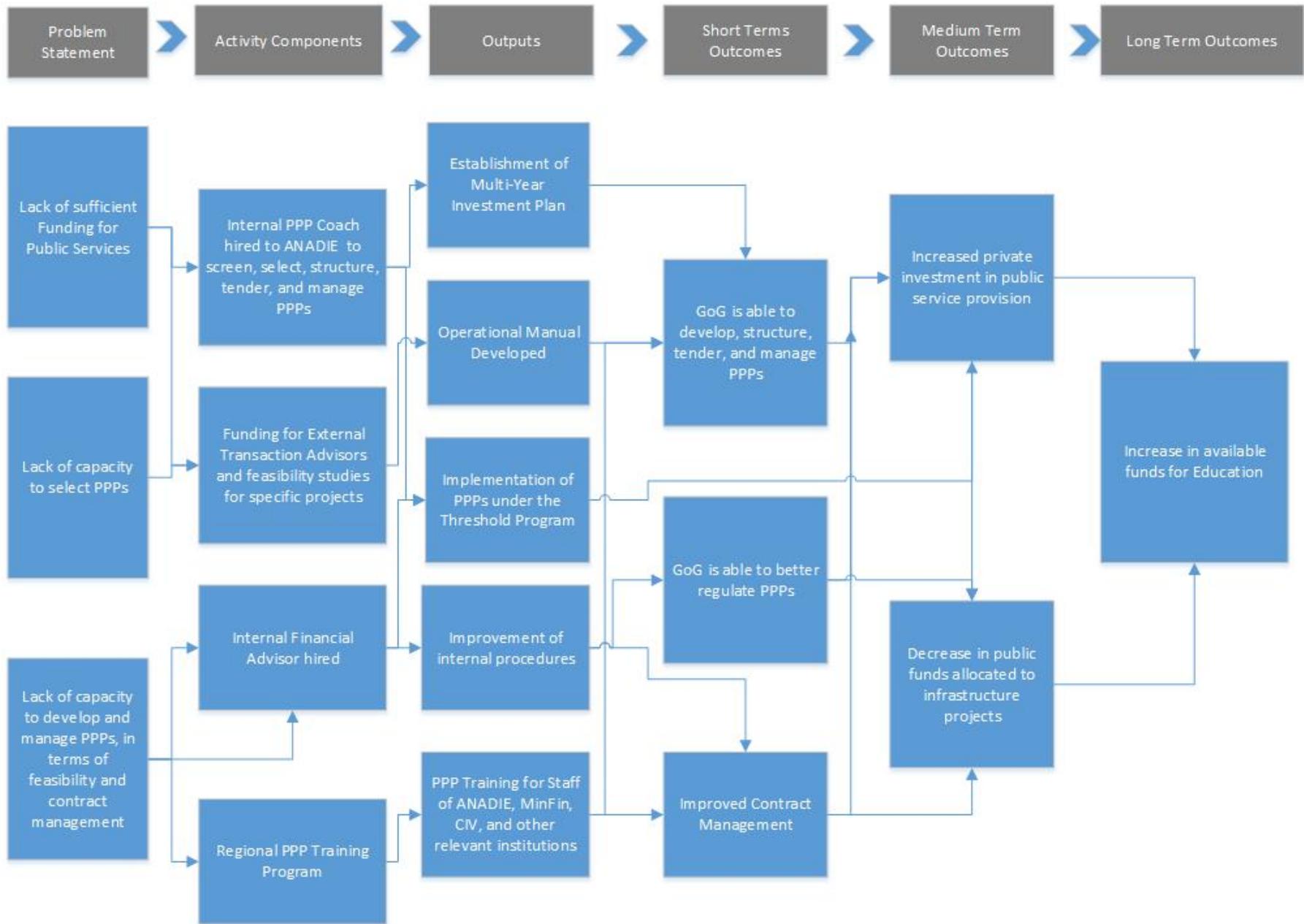
*Activity 1: Improving Tax and Customs Administration.* This Activity seeks policy and institutional reforms that would improve the efficiency of the Government of Guatemala to increase tax and customs revenue. The program does not have targeted beneficiaries, rather the intended beneficiaries of this TCP can be defined as the citizenry of Guatemala – as the intended outcome is additional resources for public investment.

*Activity 2: PPP Capacity Strengthening.* This Activity seeks to improve the GoG capacity to effectively develop and manage PPPs in order to improve their ability to access private capital to address the country’s infrastructure financing gap, where appropriate, and preserve public funding for other social services. MCC is conducting feasibility studies on three potential projects that could have additional beneficiaries, outside of the overall logic behind the inclusion on this Activity into the Program. This section will be updated to reflect specific beneficiaries from the eventual MCC investment after the investment decisions are finalized and the role of MCC in supporting those investments becomes clear.

### 3.4.4 *PROJECT LOGIC*

#### 3.4.4.1 Tax and Customs (Forthcoming With First Revision)

### 3.4.4.1 Public Private Partnerships



## **4. MONITORING COMPONENT**

The Threshold Program will be monitored systematically and progress reported regularly through the indicator tracking table (ITT). There are four levels of indicators that follow from the program logic framework: i) process, ii) output, iii) outcome, and iv) goal. The various indicator levels map to the logical framework and thus allow Project developers and managers to understand to what extent planned activities are achieving their intended objectives. Monitoring data will be analyzed regularly to allow managers of PRONACOM and MCC to make programmatic adjustments as necessary with a view towards improving the overall implementation and results of the Program.

### **4.1 SUMMARY OF MONITORING STRATEGY**

#### ***4.1.1 INDICATOR LEVELS***

The M&E plan is framed and constructed using the program logic framework approach that classifies indicators as process, output, outcome, and goal indicators. Goal indicators monitor progress on Threshold Program goals and help determine if PRONACOM and MCC are meeting their founding principle of poverty reduction through economic growth. Outcome indicators measure intermediate or medium-term effects of an intervention and are directly related through the Program Logic to the output indicators. Output indicators measure the direct result of the project activities—most commonly these are goods or services produced by the implementation of an activity. Process indicators record an event or a sign of progress toward the completion of project activities. They are a precursor to the achievement of project outputs and a way to ensure the work plan is proceeding on time to sufficiently guarantee that outcomes will be met as projected.<sup>2</sup>

#### ***4.1.2 INDICATOR CLASSIFICATION***

According to MCC's Monitoring and Evaluation Policy all indicators must be classified as one of the following types:

- Cumulative: used to report a running total, so that each reported actual includes the previously reported actual and adds any progress made since the last reporting period.
- Level: used to track trend over time.
- Date: used to track calendar dates as targets

#### ***4.1.3 COMMON INDICATORS***

MCC has introduced common indicators for external reporting across all MCC Programs for certain sectors. Common indicators allow MCC to aggregate and reports about results across countries. MCC sector experts have developed these indicators to document sector level

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<sup>2</sup> The indicator levels are formally defined in MCC's *Policy for Monitoring and Evaluation of Compact and Threshold Programs*.

progress relevant to different project activity types. Each country must include the common indicators in their M&E Plan when the indicators are relevant to that country's Compact or Threshold Activities. The common indicators relevant to the Guatemala Threshold Program are included in this M&E plan.

#### ***4.1.4 INDICATOR DOCUMENTATION TABLE***

The Indicator Documentation Table provides relevant details for each indicator by Project and can be found in Annex I. It provides descriptions for the indicator structure by specifying each indicator's: i) title; ii) definition; iii) unit of measurement; iv) data source; v) method of collection; vi) the frequency of collection; and vii) party or parties responsible.

#### ***4.1.5 INDICATOR DEFINITIONS***

This M&E Plan provides a succinct description of each indicator in Annex I. The definitions of the Outcome and indicators were developed by the M&E Units of MCC and PRONACOM in close coordination and are derived from Threshold Program documents, the economic analysis, and participatory exercises with stakeholders. The definitions for Output and Process indicators are derived from Threshold Program documents, Implementing Entities, and implementers' work plans.

#### ***4.1.6 DATA SOURCES***

Data sources have been identified and vetted for all the indicators listed in Annex I. Generally, monitoring data will be obtained from various primary sources, including Implementing Entities, Service Providers, and MCC and PRONACOM-funded surveys. In addition, the PRONACOM will obtain secondary data for the high level indicators from the relevant government agencies including the *DIGEDUCA* as part of the M&E component of the Education Project.

#### ***4.1.7 DATA COLLECTION METHODS***

The data for many goal and outcome indicators will be drawn from surveys conducted by PRONACOM in conjunction with Implementing Entities and Service providers while the lower-level indicators will be drawn from the Project implementers' records. Data will be reported to PRONACOM on a monthly, quarterly, or annual basis, depending on the indicator's requirements. To ensure this, PRONACOM will collaborate with Implementing Entities and Contractors by requiring Contractors to develop and put in place proper reporting mechanisms.

Where and if necessary, PRONACOM will commission surveys to collect special data in coordination with the institutions in charge of each project area. Data collection instruments (including surveys and data collection forms and registries) will be designed in collaboration with the Dedicated Teams of the relevant Implementing Entities. In order to provide for the

specific needs of evaluations, Impact Evaluators shall be involved in the design of the surveys, including in setting the survey strategy, designing questionnaires and helping developing TORs for survey contractors.

#### ***4.1.8 DATA COLLECTION FREQUENCY***

During the Threshold Program period, data will be collected on a monthly, quarterly or annual basis, depending on the indicator. Some of the Contractors and Implementing Entities will be required to report on project milestones and outputs quarterly, others annually. Those arrangements will be recorded in the respective contractor's TORs and Implementing Entity Agreements. Decisions on frequency will be taken for each individual implementation-related contract to reconcile PRONACOM's need for current data with low administrative burden and high cost efficiency.

#### ***4.1.9 TABLE OF INDICATOR BASELINES AND TARGETS***

To ensure that the Program is on track to meet its overall goals and objectives, the monitoring indicators are measured against established baselines and targets, derived from ex-ante economic rate of return analysis, other types of analysis, and project planning documents. The targets reflect the underlying assumptions made in program design about what each activity would likely achieve. Baselines and targets for each indicator are defined in the Table of Indicator Baselines and Targets (Annex II).

Baseline figures were established using the most current and appropriate data available prior to each Activity's implementation. These include the MCC surveys, government surveys, as well as other organizations' records such as MINEDUC, ANADIE, and SAT. If baseline figures are revised from those used in the economic analysis, the Activity's targets, should be revised accordingly.

Targets are derived from 1) the initial economic analysis used in justifying Program investments, 2) project documents, 3) discussions with experts and consultants, and 4) implementation work plans.

Any revision of baselines and targets must adhere to MCC's policies regarding baseline and target revisions and will require MCC's formal approval.

#### ***4.1.10 DISAGGREGATION OF DATA***

Where applicable, the data will be collected, analyzed, and reported by income level, gender, age groups, regions, etc. in order to portray the benefits accruing to the different segments of the population.

The Indicator Documentation Table (Annex I) identifies which indicators should be disaggregated, to the extent that it is feasible and cost-effective. Select disaggregated figures

identified in the Indicator Documentation Table (Annex I) will be reported to MCC in the quarterly Indicator Tracking Table (ITT).

#### ***4.1.11 PENDING BASELINES AND TARGETS***

At earlier stages of Compacts or Threshold Programs a certain number of each Project's indicators, baselines and targets may be pending, particularly for lower level output and process indicators. The majority of these baselines and targets will be established once the feasibility and design studies' results are known. Others are pending updated data once implementation contracts are awarded and contractors have presented their work plans.

#### ***4.2 DATA QUALITY REVIEWS (DQRs)***

Data Quality Reviews will be conducted in accordance with the requirements of the MCC M&E Policy.

The objectives of DQRs are to assess the extent to which data meets the standards defined in the MCC M&E Policy in the areas of validity, reliability, timeliness, precision and integrity. Data Quality Reviews will be used to verify the consistency and quality of data over time across implementing agencies and other reporting institutions. DQRs will also serve to identify where the highest levels of data quality is not possible, given the realities of data collection.

The particular objectives for the Data Quality Reviews will be identification of the following parameters: (i) what proportion of the data has quality problems (completeness, conformity, consistency, accuracy, duplication, integrity); (ii) which of the records in the dataset are of unacceptably low quality; (iii) what are the most predominant data quality problems within each field.

PRONACOM will contract an independent data quality reviewer in compliance with MCC Program Procurement Guidelines. The entity responsible for Data Quality Reviews is expected to be hired in Year 3 of the Threshold Program. The M&E Coordinator and other Officers, as appropriate, within PRONACOM should also regularly check data quality. In doing so, PRONACOM may hire individual data quality monitors to monitor data collection and quality, as needed. Besides independent DQRs, PRONACOM M&E Unit will also conduct field visits on a regular basis or whenever requested by MCC, to review the quality of the data gathered through this M&E Plan. This exercise will be done in coordination with the respective project stakeholders.

#### ***4.3 STANDARD REPORTING REQUIREMENTS***

Performance reports serve as a vehicle by which PRONACOM informs MCC of implementation progress and on-going field revisions to Project work plans. Currently, MCC requires that PRONACOM submit a Quarterly Disbursement Request and Reporting

Package. The Disbursement Request must contain a quarterly **Indicator Tracking Table**, which tracks progress against indicators in the M&E Plan. Guidance on fulfilling these reporting requirements is available on the MCC website at <https://www.mcc.gov/resources/compact-implementation-guidance>.

## 5. EVALUATION COMPONENT

### *5.1 SUMMARY OF THE EVALUATION STRATEGY*

Evaluations assess as systematically and objectively as possible the Program’s rationale, relevance, effectiveness, efficiency, merits, sustainability and impact. The evaluations will strive to estimate the impacts on the targeted beneficiaries and wider regional or national economy. The evaluations will provide MCC, PRONACOM and other stakeholders with information regarding whether or not the intended outcomes are likely to be achieved and whether the impacts are attributable to the Program.

The evaluation strategy will be based upon scientific models that ensure the advantages of neutrality, accuracy, objectivity and the validity of the information. These models will comprise experimental and quasi-experimental designs as well as statistical modeling. Methodologies will be selected considering the cost-effectiveness of an evaluation’s expected learning.

More than formal documentation of Program results, evaluation will serve as a learning tool during Threshold Program implementation and beyond.

While all MCC investments are built with the goal of spurring economic growth and poverty reduction, for some of the projects these benefits will not manifest during the Threshold Program period. For example, the investments in the Education Project are directed towards the improvement of the quality of the education of high school students, which will not translate into better job opportunities and higher income until the students graduate and enter the job market. In this case, the impact of those investments will not occur until after the Threshold Program period. This argument also applies to other activities, such as the one related to the PPPs in the Resource Mobilization Project. However, literature on the economics of education does give confidence in the positive income impacts of increased investments in education. Therefore, the evaluation strategy of the Threshold Program will be that of measuring the degree to which the project’s intermediate outcomes (such a learning gains) come to fruition, rather than attempting to measure income gains directly.

*The Respective Roles of PRONACOM-Contracted Evaluations and MCC Evaluations*

Both MCC and PRONACOM will fund evaluations of the Guatemala Threshold Program from their respective budgets. PRONACOM may fund Ad Hoc Evaluations and Mid-Term/Final Evaluations. MCC will fund Impact or Performance Evaluations of every Project.

The roles of the various evaluations are different and are intended to be complementary. The primary difference is the source of funds and the respective scopes. Methodologies also tend to differ, though not necessarily. Common differences for each evaluation are noted in the following sections. The table below highlights some key differences.

	<b>Mid-Term and Final Evaluation</b>	<b>MCC Impact Evaluation</b>	<b>MCC Performance Evaluation</b>	<b>Ad Hoc Evaluation</b>
<b>Main Objective</b>	Evaluates Threshold Program progress and results in a comprehensive manner	Measures the changes in income and/or other aspects of well-being that are <i>attributable</i> to a defined intervention (through a modeled counterfactual)	A study that seeks to answer descriptive questions, such as: what were the objectives, how was it implemented and perceived; whether expected results occurred and are sustainable	Addresses short-term information gaps
<b>Methodologies</b>	<ul style="list-style-type: none"> <li>• Interviews</li> <li>• Case studies</li> <li>• Statistical analysis of primary data</li> <li>• Summaries of secondary data (including Impact evaluations)</li> </ul>	<ul style="list-style-type: none"> <li>• Experimental</li> <li>• Quasi-experimental</li> <li>• Other advanced statistical analysis</li> </ul>	<ul style="list-style-type: none"> <li>• Pre-Post comparison</li> <li>• Ex-post ERR</li> <li>• Other</li> </ul>	(varies)
<b>Strengths</b>	<ul style="list-style-type: none"> <li>• Broad survey of all issues</li> <li>• Focus on implementation issues</li> </ul>	<ul style="list-style-type: none"> <li>• Attempts to establish attribution</li> <li>• Focus on high level results (impacts)</li> <li>• Use of highly specialized researchers</li> <li>• Quantitative focus</li> </ul>	<ul style="list-style-type: none"> <li>• Attempts to answer important questions for learning about what worked well and what could have been done better</li> </ul>	<ul style="list-style-type: none"> <li>• Executed quickly</li> <li>• In depth analysis of a single issue</li> </ul>
<b>Funding</b>	MCA Threshold Program	MCC budget	MCC budget	MCA Threshold Program

### 5.1.1 MCC Impact and Performance Evaluations

Impact and performance evaluations support two objectives derived from MCC's core principles: accountability and learning. Accountability refers to MCC and PRONACOM's obligations to report on their activities and attributable outcomes, accept responsibility for them, and disclose these findings in a public and transparent manner. Learning refers to improving the understanding of the causal relationships between interventions and changes in poverty and incomes. MCC advances the objectives of accountability and learning by selecting from a range of independent evaluation approaches. MCC currently distinguishes between two types of evaluations, impact and performance evaluations. At the minimum, each project should have an independent performance evaluation for accountability reasons.

#### 5.1.2 Ad Hoc Evaluations and Special Studies

MCC or PRONACOM may request ad hoc evaluations or special studies of Projects, Project Activities or the Program as a whole prior to the expiration of the Threshold Term to be conducted by an outside entity contracted in compliance with MCC Program Procurement Guidelines. Ad Hoc Evaluation and Special Studies are designed to provide Management staff, Supervisory Board members, program implementers, beneficiaries, and other stakeholders with information about Program implementation and results that cannot be uncovered from performance monitoring or independent evaluations alone.

### ***5.2 SPECIFIC EVALUATION PLANS***

#### 5.2.1 Education Project

The complete results of the activities of the Education Project will not be available during the period of the Threshold Program. Specifically, the impact of the activities devoted to the improvement of the quality of education can only be measured in the long run. Nonetheless, PRONACOM and MCC agree on the importance of designing evaluation studies to measure the effectiveness of the interventions in relation to the improvement of the quality of education. To guide the design and implementation of future impact evaluations, the M&E plan has prioritized the monitoring of activities such as the establishment of the professional development and training of teachers through the *Diplomado* program; the formation of school networks, management advisors, learning communities, pedagogical advisors, as well as outcomes of interest such as desertion, repetition, promotion, and student learning achievement.

##### ***5.2.1.1 Activity 1: General Education Activity***

###### Evaluation Questions

- Are the training instructors and the Ministry able to respond with appropriate training when teachers need more support?
- Did a majority of teachers complete the training?
- What is the proportion of teachers that need to go to remedial classes?
- What obstacles did teachers face in completing the training?

- What kinds of pedagogical support are the most important for teachers?
- Do teachers and their assigned pedagogical advisors meet regularly?
- Are parent councils able to identify and successfully mitigate factors that lead students to drop out of school?
- Do dropout rates decrease with additional funds from municipalities and capacity building for parent councils?
- Is the additional support from local government targeting the right families and students?
- Are indigenous families represented in the parent councils?
- What kind of support is provided to the parent councils to encourage female students and their families to stay in school?
- Has teacher competency improved as a result of the teacher training and certificate program?
- Did teachers adopt new pedagogical approaches as a result of their training?
- Did time devoted to learning in the classroom increase as a result of the intervention? How does this vary across different teaching subjects?
- How were student learning outcomes affected by teacher trainings' improvement in teacher performance?
- Was the pedagogical support enough to coach teachers with the Diplomado?

## Methodology

The Quality of Education Activity may be evaluable using rigorous methodology depending on the rollout strategy proposed in the design of the intervention (first cohort expected in 2018) and on the buy-in from MINEDUC and other stakeholders. Specifically, a randomized rollout or stratified random selection of Education Project beneficiaries would allow for rigorous evaluation of the changes in teaching behaviors and learning outcomes which result from the in-service professional development certificate program, pedagogical support, and creation of school networks.

If an impact evaluation that utilizes a randomized control trial or quasi-experimental method is not feasible, particularly if a strong buy-in from the Ministry and other local stakeholders is not achieved, the evaluation may take the form of a performance evaluation, which would follow only the beneficiaries of the project, and not seek to establish a control group. Both a performance evaluation and an impact evaluation will include rigorous use of qualitative methods, which would assess how the program was implemented and how each aspect of the activity interacted to work towards improving secondary education in Guatemala.

## Data Sources

- Ministry of Education
- Surveys to different actors in the school centers (students, teachers)

- Qualitative study

### **5.2.1.2 Activity 2: TVET Activity**

#### Evaluation Questions

- How was the activity implemented? Was it implemented according to the original design?
- Were the implementing goals achieved? Why or why not?
- Have study plans based on competencies been established? Are they being implemented? Why or why not?
- To what extent does there exist a better match between the skills required by the labor market and the specialization areas offered by TVET programs?
- How are the accredited institutions monitoring how successful their students are in obtaining employment?
- How are the specialization areas offered by TVET programs defined? What factors are considered in determining those areas?
- Are mechanisms to monitor graduates' insertion rates in place?
- Are mechanisms to follow up on industry's satisfaction in place?
- Is there a strong implication/partnership with industry?

#### Data Sources

- Administrative data of institutions participating in TVET
- Interviews with the main actors, implementing entities and employers.

#### Evaluation Methodology

Since the multiple reforms contemplated under this activity will be implemented at the national level, it is estimated that it will not be possible to establish a control group to compare the effects of the reforms. Thus the type of methodology to be used will be a performance evaluation that will monitor the progress of the reforms needed to establish the integrated TVET governance system. This qualitative methodology will be based on interviews with the main actors participating in the implementation of the activity. Later, when the team has a better understanding of the nature and specificity of the reforms that will be adopted, the team will determine whether it is possible to include the institutional reform components in the evaluation. Also, the evaluation will include surveys and interviews with professionals who have participated in the activity.

### **5.2.2 Resource Mobilization Project Evaluation**

Resource Mobilization Project Activities	Summary	Questions	Methodology	Data Sources
Tax and Customs	There will be a performance evaluation of the Tax and Customs Activity	<p>What are the barriers to reducing corruption and strengthening SAT's ability to detect and punish corrupt actions and improving internal accounting and managerial controls?</p> <p>How has the process of audit and administrative appeal been more available and more professional (both in quality and quantitative terms)?</p> <p>What is the change in perception concerning corruption in the areas of Tax and Customs?</p>	Performance Evaluation	Administrative data, interviews with SAT employees
Public-Private Partnerships	There will be a performance evaluation of the PPPs and possibly a case study of the implementation of the projects including a study of the incentives and obstacles (economic or political) for doing PPPs, and recommendations for the future.	<p>Is the development of key infrastructure more efficient through PPPs?</p> <p>In what areas is there a need to improve the development and management of PPPs?</p> <p>What are the major obstacles for the development and implementation of PPPs in Guatemala?</p> <p>Is the regulation of PPPs by GoG transparent and efficient?</p> <p>Have the PPPs implemented under the Program been successful?</p>	Performance evaluation. Case study.	Administrative data; Interviews with ANADIE, and other ministries and institutions; Interviews with participants and beneficiaries of each activity.

### 5.2.2.1 Tax and Customs Activity Evaluation

#### Evaluation questions

- What are the barriers to reducing corruption and strengthening SAT's ability to detect and punish corrupt actions and improving internal accounting and managerial controls?
- How have the processes of administrative audit and appeal been improved in terms of quality and timeliness?
- What improvements have been made to the internal auditing process and managerial controls?
- How has SAT improved its risk management in Customs?
- What is the change in perception concerning corruption in the areas of Tax and Customs?

#### Evaluation Methodology

The Tax and Customs Activity will be evaluated through a performance evaluation that tracks progress in increasing tax and customs collection and the reduction of corruption and perception of corruption in those areas.

#### Data Sources

- Interviews with taxpayers and importers
- Administrative data from SAT
- Key Informant Interviews with SAT Employees
- Key Informant Interviews with SAT stakeholders
- Observational Analysis

#### ***5.2.2.2 Public-Private Partnerships Evaluation***

##### Evaluation Questions

- In what areas is there a need to improve the development and management of PPPs?
- What are the major obstacles for the development and implementation of PPPs in Guatemala?
- Is the regulation of PPPs by GoG transparent and efficient?
- Have the PPPs implemented under the Program been successful?

##### Evaluation Methodology

The evaluation will include a performance evaluation that will monitor the GoG selection and management process for the PPPs, as well as the implementation progress under the Threshold Program. The evaluation may also include a case study, of one or both PPPs established under the Threshold, that will have as its main objective to understand the decisions to be made at each phase of the management of the project, the incentives that need to exist to make an PPP successful, the obstacles (political and economic) encountered, and the formulation of recommendations and lessons learned for the future development of PPPs.

##### Data Sources

- Implementing entities
- Interviews with key people in the implementing entities

## **6. IMPLEMENTATION AND MANAGEMENT OF M&E**

### **6.1 RESPONSIBILITIES**

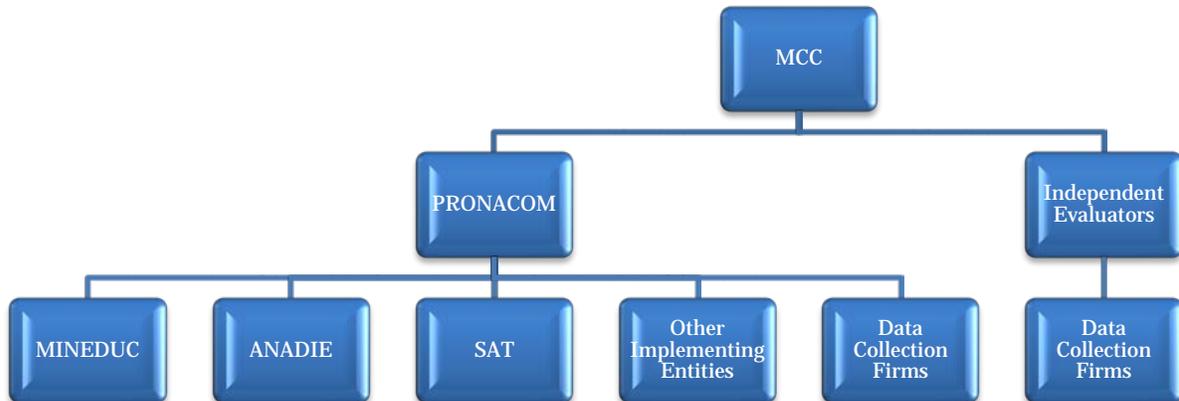
The M&E Unit of PRONACOM is part of the Management Team of PRONACOM, and is composed of an M&E Coordinator who has the key responsibility of leading and managing

all M&E activities. Additionally, the M&E Unit will hire short-term support on an as-needed basis.

The M&E Unit will carry out, or hire contractors to complete the following and other related activities:

- Direct implementation of all activities laid out in the M&E Plan and ensure all requirements of the M&E Plan are met by PRONACOM
- Ensure that the M&E Plan and Cost-Benefit Analysis (CBA) are modified and updated as improved information becomes available
- Develop and use a documentation system to ensure that key M&E actions, processes and deliverables are systematically recorded. This may be accomplished either as part of the M&E information system or independently. The documentation may encompass the following elements:
  - Process, output and outcome indicators,
  - Performance indicators (to be developed by implementers and added subsequently to the M&E Plan),
  - Changes to the M&E Plan,
  - Key M&E deliverables including TORs, contracts/agreements, data collection instruments, reports/analyses, etc.
- Develop and implement a systematic dissemination approach to ensure participation of all the stakeholders, and to facilitate feedback of lessons learned into the Program implementation process.
- Organize and oversee regular independent Data Quality Reviews on a periodic basis to assess the quality of data reported to PRONACOM
- Participate in project monitoring through site visits, review of project reports and analysis of performance monitoring and other data
- Update the M&E work plan periodically
- Contribute to the design of the evaluation strategy
- Collaborate with the Procurement Director to prepare and conduct procurement of M&E contracts.

## 6.2 REPORTING DATA FLOW STRUCTURE



## 6.3 REVIEW AND REVISION OF THE M&E PLAN

The M&E Plan will be revised as needed during the life of the Threshold Program to adjust to changes in the Program's design and to incorporate lessons learned for improved performance monitoring and measurement. Any revision of the M&E Plan will follow MCC's Policy for Monitoring and Evaluation approved May 2009 and updated in May 2012.

## 7. M&E BUDGET

The budget for the implementation of the proposed M&E activities for the Threshold Program is \$1,700,000. This includes funding for data collection for the evaluations of both projects, M&E training, as well as Data Quality Reviews. The line items of this budget will be reviewed and updated as the program develops, on an annual or quarterly basis, when the respective quarterly detailed financial plan is submitted to MCC with the quarterly disbursement request.

The M&E budget does not include the M&E staff whose salaries and field trips are included in the administrative budget of the Threshold Program. The budget should not exceed the total amount over the three years, but the distribution of funding between line items and years may be adjusted according to the results of the M&E Plan's regular reviews.

**M&E Budget**

<b>Item</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>	<b>Total (US\$)</b>
<b>Evaluation and data collection</b>	360,000	300,000	200,400	300,000	200,000	1,360,400
<b>Monitoring</b>		100,000				100,000
<b>Capacity building, reporting and dissemination, and data quality reviews</b>	25,000	40,000	25,000	25,000	25,000	140,000
<b>Other</b>					100,00	100,000
<b>Total</b>	375,000	450,000	250,400	350,000	325,000	<b>1,700,000.00</b>

While the resources for the carrying-out of surveys are allocated by PRONACOM from Program funds, the cost of independent evaluators is to be funded directly by MCC with their own funds, separate from the Threshold Program funds.

## 8. OTHER

### 8.1 M&E REQUIREMENTS FOR DISBURSEMENTS

The MCC M&E Policy states that the M&E Plan should include “any M&E requirements that an MCA must meet in order to receive disbursements” (Section 5.1.1). The Policy notes that substantial compliance with M&E Plan is a condition for approval of quarterly disbursements. The requirements for the disbursements are contained in section Article 5 of the Threshold Grant Agreement.

### 8.2 M&E PLAN ASSUMPTIONS AND RISKS

As with any large program, a number of assumptions and risks could influence the normal process of its implementation according to the schedule and resources allocated. The assumptions and risks presented below are deemed to be applicable to this Monitoring and Evaluation Plan and other program components that relate directly to monitoring and evaluation issues. Assumptions are basically details associated with activities assumed ahead that need to occur for the monitoring and evaluation to be successfully implemented, while risks are considered factors that might restrict or limit the success of M&E.

Assumptions	Risks
<b>Education Project</b>	
The cooperation of the Ministry of Education to implement the contemplated reforms of the education system	The strengthening of the education system includes the formulation and execution of political, legal and operation reforms. Among them the design of teacher development and evaluation programs, the design of student evaluation programs, and the revision of study plans. The implementation of these programs according to schedule depend on MINEDUC's decisive support.
Teachers and teachers organizations are willing to cooperate	The development and implementation of a normative framework for the evaluation of teachers cannot be successful without teachers' support. The same is true about the development and implementation of the teacher development program and the new study plans
There is an adequate supply of development and specialized training service providers	Several of the activities include development and training processes, therefore their success depends on the existing supply and interest for the provision of these services

<b>Assumptions</b>	<b>Risks</b>
There is a high level of collaboration with the education community (teachers, administrators, students, parents, municipal authorities and MINEDUC) is necessary to ensure the success of the project	The success of the Project depends on the continuous work and support of the different members of the education community. The apathy of some sector or the conflicts between sectors could significantly limit the success of the system
The boundaries of the systems are made taking advantage of the existing relations between the school centers that are members of the system and without imposing artificial borders	Forcing school centers to collaborate with other centers that do not offer complementarities should be avoided. The deterioration of established relations between centers by leaving some out of the system should also be avoided. The functioning of an artificially formed system could result in inefficiencies and limit the effectiveness of the model.
The boundaries of the systems are made taking into account the geography and environmental vulnerability of the territory	There is risk that the geography of the territory would impose onerous commuting costs to teachers and students. Also, environmental disaster can affect the capacity of the systems to attend to student needs.
<b>Resource Mobilization Project</b>	
<b>Tax and Customs</b>	
Adequate compliance measures taken with regard to Personal Income Tax, including identifying employers at risk of underreporting employee PIT	Reform-minded leadership is replaced or caused to take on staff which lacks qualifications or is hired without proper vetting
Rules of appeal restrict introduction of evidence requested but not produced during the course of an audit	Polygraphs are not available for all staff in high-risk positions, thus failing to close out corruption and putting diligent staff at risk.
The new Appeals Tribunal is staffed professionally, has documented procedures, and fairly considers disputes on the basis of law	Inadequate quantity of staff in the key positions (for example, inspection of exports) jeopardizes the effectiveness of administrative improvements.
Customs penalties are sufficient to deter under declaration and are imposed uniformly	
Issuance and use of false invoices are detected and penalized sufficiently so that their use diminishes to an insubstantial amount	Attention to short-term revenue does not permit assigning resources to initiatives leading to long-term effectiveness.
Customs and tax risk management systems are mutually coherent, effective in risk identification and are up to date with feedback from the field	Sequential improvement in customs posts causes smugglers and evaders to move to posts where reforms have not been undertaken or are not yet effective.
SAT puts in place sufficient physical and legal protection so that officers are not deterred by threats or demonstrations of violence and property is protected	Anticorruption and administrative reform efforts in SAT are undermined by less than proportionate reform in other organizations (police, military, judiciary, etc.)
SAT puts in place sufficient physical and legal protection so that officers are not deterred by threats or demonstrations of violence and property is protected	Anticorruption and administrative reform efforts in SAT are undermined by less than proportionate reform in other organizations (police, military, judiciary, etc.)

## Monitoring and Evaluation Plan PRONACOM

<b>Assumptions</b>	<b>Risks</b>
SAT has in place robust vetting of new and current high-risk employees, including polygraphs and takes personnel actions in line with polygraph findings	Technical assistance is scattershot and overwhelms SAT's ability to absorb, reducing the assistance provided by any particular donor.
A system of valuation control is put in place to verify declared against market value, and staff are able to use the information, having been trained in valuation, origin, and classification	IT infrastructure and data do not support management of risk, valuation database, and other important data access needs.
Customs enters into and uses exchange of information agreements with the WCO and key trading partners	The IT system turns out to be subject to manipulation so that non-compliance is camouflaged, making it difficult to manage risks.
Post clearance audits are performed with customs involvement, and such audits are based on risk assessment apart from assessments employed for tax audits	
Customs staff is adequate in number, trained and deployed to monitor exports to control VAT credits	
Bonds required to clear customs are provided in the appropriate amount, for the appropriate duration and are executed on when necessary to collect revenue	
Investigatory staff is designed and trained to investigate instances of customs evasion	

<b>PPPs</b>	
Potential investors have trust in the transparency of the bidding processes and the legal protection of contracts.	The successful implementation of the PPP projects depend on the public and private collaboration. For this purpose it is necessary to promote the transparency of the bidding processes and the protection of contracts to guarantee the broad participation of private businesses.
Institutions appropriate the reforms and tools to attract the investments	The program impact in terms of the increased government capacity to promote investments depends on the compromise that the government has to keep using the PPPs tools.

**Guatemala Threshold**  
**Annex I: Indicator Documentation Table**

CI Code	Indicator Level	Indicator Name	Definition	Unit of Measure	Disaggregation	Primary Data Source	Responsible Party	Frequency of Reporting	Additional Information
<b>Education Project</b>									
	Outcome	Transition rate from primary to lower secondary school	Percentage of students that complete primary school and continue on to lower secondary in the next year.	Percentage	Scope (National/ Area of Influence), Sex(Male/Female)	MINEDUC School Database (Ficha Escolar)	DIPLAN	Annual	
	Outcome	Transition rate of indigenous students from primary to lower secondary school	Percentage of indigenous students that complete primary school and continue on to lower secondary in the next year.	Percentage	Scope (National/ Area of Influence), Sex(Male/Female)	MINEDUC School Database (Ficha Escolar)	DIPLAN	Annual	
	Outcome	Transition rate of students from lower secondary to upper secondary school	Percentage of students that complete lower secondary and continue on to upper secondary in the next year.	Percentage	Scope (National/ Area of Influence), Sex(Male/Female)	MINEDUC School Database (Ficha Escolar)	DIPLAN	Annual	
	Outcome	Transition rate of indigenous students from lower secondary to upper secondary school	Percentage of indigenous students that complete lower secondary and continue on to upper secondary in the next year.	Percentage	Scope (National/ Area of Influence), Sex(Male/Female)	MINEDUC School Database (Ficha Escolar)	DIPLAN	Annual	
	Outcome	Dropout rate	Percentage of students that leave school during the school year	Percentage	Scope (National/Area of Influence), Department (Alta Verapaz, Solola, Sacatepequez, Jalapa, & Chiquimula), Grade (7th/8th/9th), Sex (Male/Female)	MINEDUC School Database (Ficha Escolar)	DIPLAN	Annual	
	Outcome	Dropout rate of indigenous students	Percentage of indigenous students that leave school during the school year	Percentage	Scope (National/Area of Influence), Department (Alta Verapaz, Solola, Sacatepequez, Jalapa, & Chiquimula), Grade (7th/8th/9th), Sex (Male/Female)	MINEDUC School Database (Ficha Escolar)	DIPLAN	Annual	

**Guatemala Threshold**  
**Annex I: Indicator Documentation Table**

CI Code	Indicator Level	Indicator Name	Definition	Unit of Measure	Disaggregation	Primary Data Source	Responsible Party	Frequency of Reporting	Additional Information
	Outcome	Repetition rate	Percentage of students that repeat the same grade	Percentage	Scope (National/Area of Influence), Department (Alta Verapaz, Solola, Sacatepequez, Jalapa, & Chiquimula), Grade (7th/8th/9th), Sex (Male/Female)	MINEDUC School Database (Ficha Escolar)	DIPLAN	Annual	
	Outcome	Repetition rate of indigenous students	Percentage of indigenous students that repeat the same grade	Percentage	Scope (National/Area of Influence), Department (Alta Verapaz, Solola, Sacatepequez, Jalapa, & Chiquimula), Grade (7th/8th/9th), Sex (Male/Female)	MINEDUC School Database (Ficha Escolar)	DIPLAN	Annual	
	Outcome	School days completed	Number of days of school completed per year, calculated as an average among all schools in the area of influence	Days	Department (Alta Verapaz, Solola, Sacatepequez, Jalapa, & Chiquimula)	Data collected through external consultancy	External Consultant	Annual	
<b>Improving the Quality of Education in Support of Student Success in Lower Secondary</b>									
E-7	Outcome	Graduates from MCC-supported education activities	The number of students graduating from the highest grade (year) for that educational level in MCC-supported education schooling programs.	Number	Sex (Male/Female)	Administrative Data	Education Consultant	Annual	
E-6	Outcome	Students participating in MCC-supported education activities	The number of students enrolled or participating in MCC-supported educational schooling programs.	Number	Sex (Male/Female)	Administrative Data	Education Consultant	Annual	
	Outcome	Average grade level of students in lower secondary school	Average test scores, converted in the grade level equivalent	Grade Level	Department (Alta Verapaz, Solola, Sacatepequez, Jalapa, & Chiquimula) Grade (7th/8th/9th), Sex (Male/Female)	School Assessments	DIGEDUCA	Annual	
	Outcome	Students scoring at grade level	Percentage of students who score at or above current grade level.	Percentage	Department (Alta Verapaz, Solola, Sacatepequez, Jalapa, & Chiquimula), Grade (7th/8th/9th), Sex (Male/Female)	School Assessments	DIGEDUCA	Annual	

**Guatemala Threshold**  
**Annex I: Indicator Documentation Table**

CI Code	Indicator Level	Indicator Name	Definition	Unit of Measure	Disaggregation	Primary Data Source	Responsible Party	Frequency of Reporting	Additional Information
	Outcome	Students scoring below grade level	Percentage of students who score one grade below their current grade level.	Percentage	Department (Alta Verapaz, Solola, Sacatepequez, Jalapa, & Chiquimula), Grade (7th/8th/9th), Sex (Male/Female)	School Assessments	DIGEDUCA	Annual	
E-5	Output	Instructors trained	The number of classroom instructors who complete MCC-supported training focused on instructional quality as defined by the threshold training activity.	Number	Department (Alta Verapaz, Solola, Sacatepequez, Jalapa, & Chiquimula), Sex (Male/Female)	Administrative Data	Education Consultant	Quarterly	This includes all instructors trained through the remedial education and diplomado training
	Output	Teachers who complete the Diplomado	Number of teachers who enroll and complete the Diplomado program	Number	Department (Alta Verapaz, Solola, Sacatepequez, Jalapa, & Chiquimula), Sex (Male/Female)	Administrative Data	Education Consultant	Quarterly	
	Output	Teachers who complete remedial education	Number of teachers who enroll and complete in the remedial education program	Number	Department (Alta Verapaz, Solola, Sacatepequez, Jalapa, & Chiquimula), Sex (Male/Female)	Administrative Data	Education Consultant	Quarterly	
	Output	School networks established	Number of school networks established with the participation of 6th grade teachers, lower secondary teachers, parents and management advisors	Number	Department (Alta Verapaz, Solola, Sacatepequez, Jalapa, & Chiquimula)	Administrative Data	Education Consultant	Quarterly	
	Output	Learning communities established	Number of learning communities established	Number	Department (Alta Verapaz, Solola, Sacatepequez, Jalapa, & Chiquimula)	Administrative Data	Education Consultant	Quarterly	
	Output	Parent councils established	Number of parent councils established that are receiving capacity building/training.	Number	Department (Alta Verapaz, Solola, Sacatepequez, Jalapa, & Chiquimula)	Administrative Data	Education Consultant	Quarterly	
	Output	Action plans established	Number of Parent Council action plans established	Number	Department (Alta Verapaz, Solola, Sacatepequez, Jalapa, & Chiquimula)	Administrative Data	Education Consultant	Quarterly	
	Output	School visits by management advisors	Average total number of school visits that management advisors completed each month	Number	Department (Alta Verapaz, Solola, Sacatepequez, Jalapa, & Chiquimula)	Administrative Data	Education Consultant	Quarterly	

**Guatemala Threshold**  
**Annex I: Indicator Documentation Table**

CI Code	Indicator Level	Indicator Name	Definition	Unit of Measure	Disaggregation	Primary Data Source	Responsible Party	Frequency of Reporting	Additional Information
	Output	School visits by pedagogical advisors	Average total number of school visits that the pedagogical advisors completed each month	Number	Department (Alta Verapaz, Solola, Sacatepequez, Jalapa, & Chiquimula)	Administrative Data	Education Consultant	Quarterly	
<b>Improving Technical and Vocational Education and Training in Upper Secondary</b>									
E-7	Outcome	Graduates from MCC-supported education activities	The number of students graduating from the highest grade (year) for that educational level in MCC-supported education schooling programs.	Number	Sex (Male/Female)	Administrative Data	Education Consultant	Annual	
E-6	Outcome	Students participating in MCC-supported education activities	The number of students enrolled or participating in MCC-supported educational schooling programs.	Number	Sex (Male/Female)	Administrative Data	Education Consultant	Annual	
<b>Strengthening Institutional and Planning Capacity.</b>									
E-3	Output	Legal, financial, and policy reforms adopted	The number of reforms adopted by the public sector attributable to compact support that increase the education sector's capacity to improve access, quality, and /or relevance of education at any level, from primary to post-secondary.	Number	None	Administrative Data	Education Consultant	Quarterly	

**Guatemala Threshold**  
**Annex I: Indicator Documentation Table**

CI Code	Indicator Level	Indicator Name	Definition	Unit of Measure	Disaggregation	Primary Data Source	Responsible Party	Frequency of Reporting	Additional Information
<b>Improving Tax and Customs Administration</b>									
	Goal	Tax revenue as a share of GDP	The value of tax revenues calculated as a percentage of GDP	Percentage	None	Government of Guatemala	PRONACOM	Annual	
	Goal	Customs revenue as a share of GDP	Customs revenue as a percentage of GDP	Percentage	None	Government of Guatemala	PRONACOM	Quarterly	
	Outcome	Internal investigations conducted by SAT	Number of internal investigations of potential criminal wrongdoing instituted by SAT that are completed	Number	None	SAT	SAT	Semi-Annual	
	Outcome	Audit adjustments through appeals	The percentage of audit adjustments that reach final assessment by virtue of agreement or exhaustion of appeals, measured by value and number of audits.	Percentage	None	SAT	SAT	Semi-Annual	
	Outcome	Audit adjustments without appeals	Rate of adjustments agreed to without resorting to appeals, measured by value and number of audits.	Percentage	None	SAT	SAT	Semi-Annual	
	Outcome	Increased effectiveness of customs controls/inspections	The percentage of total adjusted declarations over the total declarations subject to physical inspection (red) in the period analyzed	Percentage	None	SAT	SAT	Semi-Annual	
	Process	Internal Affairs Unit established	Establishment and staffing of the Internal Affairs Unit	Date	None	SAT	SAT	Annual	
<b>Strengthening the Capacity to form Public Private Partnerships</b>									
	Output	Pre-feasibility studies conducted for PPP projects supported by MCC	The total number of pre-feasibility studies conducted for PPP projects supported by MCC	Number	None	ANADIE implementation report	ANADIE	Quarterly	
	Output	PPP contracts sent to the Congress to its approved supported by MCC	The total number of PPPs contracts sent to the Congress to its approved, that received technical support from MCC	Number	None	ANADIE implementation report	ANADIE	Quarterly	
	Output	PPP contracts signed supported by MCC	The total number of PPPs contracts signed, that received technical support from MCC	Number	None	ANADIE implementation report	ANADIE	Quarterly	
	Output	PPP contracts that achieved financial closure, which support MCC	The total number of PPPs contracts that achieved financial closure, that received technical support from MCC	Number	None	ANADIE implementation report	ANADIE	Quarterly	

**Guatemala Threshold**  
**Annex I: Indicator Documentation Table**

CI Code	Indicator Level	Indicator Name	Definition	Unit of Measure	Disaggregation	Primary Data Source	Responsible Party	Frequency of Reporting	Additional Information
	Output	People trained in PPP management	The total number of people who receive PPP capacity training as a result of the MCC investment	Number	Sex (Male/Female)	ANADIE implementation report	ANADIE	Quarterly	
	Outcome	Effective PPP selection and decision-making	<p>Infrascope Indicator 1.2: “Do regulations establish efficient planning frameworks and proper accounting of contingent liabilities? Have regulators determined appropriate project planning and cost-benefit analysis techniques to ensure that a PPP is the optimal project financing and service-provision option? Does the Budget Office systematically measure contingent contractual liabilities and account for delayed investment payments in a way consistent with public investment accounting?”</p> <p>Scoring:            0=Decision-making processes are not defined—they are erratic and subject to change, without accounting for liabilities;            1=Decision-making processes are defined but are only occasionally followed, and accounting for liabilities is not well established;            2=Decision-making processes are defined and upheld, but accounting practices are not adequate;            3=Proper decision-making is both defined and used for PPP project decisions, although accounting for liabilities should be improved for more consistent decisions;            4=PPP project selection is a consistent result of various efficiency, cost-benefit and social evaluation considerations required by law and accompanied by rigorous accounting practices.</p>	Index	None	Infrascope	Sourced from Infrascope	Other	
	Outcome	Public capacity to plan and oversee PPPs	<p>Infrascope Indicator 3.1: “Are the public capabilities robust for planning, design/engineering, environmental assessment, oversight of national-level project service standards and conflict resolution? And do government officials have expertise in project financing, risk evaluation and contract design? Do financial authorities employ proper accounting practices when considering fiscal and contingent liabilities? Do they have a reputation for designing contracts that reduce post-bid opportunism?”</p> <p>Scoring:            0=Federal agencies do not have any necessary expertise or experience;            1=Federal agencies have very limited project expertise and experience;            2=Federal agencies have some project planning, design and financing expertise or experience and oversee service quality to a limited extent;            3=Federal agencies generally have the necessary comprehensive project planning, design and financing expertise and experience, exhibiting moderate service quality oversight capacity;            4=Federal agencies have the necessary expertise and experience and effectively regulate the sector on a consistent basis.</p>	Index	None	Infrascope	Sourced from Infrascope	Other	

**Guatemala Threshold**  
**Annex I: Indicator Documentation Table**

CI Code	Indicator Level	Indicator Name	Definition	Unit of Measure	Disaggregation	Primary Data Source	Responsible Party	Frequency of Reporting	Additional Information
	Outcome	Methods and criteria for awarding projects	<p>Infrascope Indicator 3.2: "What is the track record of federal agencies for using competitive bidding and objective economic factors as the primary consideration in final project and contract awards? Are incentive-efficient schemes used for allocating projects (for example, in tollroad projects, using net present value of revenue with contract periods of variable length)?"</p> <p>Scoring:            0=The granting agency awards projects based on subjective considerations and does not use objective, economic variables;            1=The granting agency has a poor track record, but does consider economic factors with some limits to discretion;            2=The regulator considers economic criteria to award projects, although these are not always the most efficient and appropriate ones, and subjective factors still play an important role;            3=The regulator has a good track record that could be improved (that is, it uses economic variables, but does not give these priority over other factors);            4=The regulator has an excellent track record and uses economic criteria in an effective, transparent and consistent manner.</p>	Index	None	Infrascope	Sourced from Infrascope	Other	
	Outcome	Regulators' risk-allocation record	<p>Infrascope Indicator 3.3: "Has the allocation of risk between the state and the private sector been successful for national-level projects in recent years? How effective has the use of guarantees and performance bonds been for project-risk diversification?"</p> <p>Scoring:            0=Risk allocation is often handled inappropriately;            1=Risk has been allocated properly only on certain occasions, as evidenced by a high incidence of contract renegotiation, and hedging and insurance instruments have been minimally used;            2=Risk is usually distributed fairly between the state and the operator, but renegotiations are still common and financial instruments, such as insurance, guarantees and performance bonds, are occasionally used;            3=Risk has been fairly distributed, renegotiations have been moderate, and parties employ some financial risk-hedging practices;            4=Risk has been consistently allocated correctly between the state and the private sector to minimise renegotiations, with extensive and effective use of financial instruments.</p>	Index	None	Infrascope	Sourced from Infrascope	Other	

**Guatemala Threshold**  
**Annex II: Table of Indicator Baselines and Targets**

Indicator Level	Indicator Name	Unit of Measure	Indicator Classification	Baseline (2015/2016)	Year 1	Year 2	Year 3	End of Compact Target
					Apr 2016- Mar 2017	Apr 2017- Mar 2018	Apr 2018- Mar 2019	
<b>Education Project</b>								
Outcome	Transition rate from primary to lower secondary school	Percentage	Level					
Outcome	Transition rate of indigenous students from primary to lower secondary school	Percentage	Level					
Outcome	Transition rate of students from lower secondary to upper secondary school	Percentage	Level					
Outcome	Transition rate of indigenous students from lower secondary to upper secondary school	Percentage	Level					
Outcome	Dropout rate	Percentage	Level	6.58 (2015)				

**Guatemala Threshold**  
**Annex II: Table of Indicator Baselines and Targets**

Indicator Level	Indicator Name	Unit of Measure	Indicator Classification	Baseline (2015/2016)	Year 1	Year 2	Year 3	End of Compact Target
					Apr 2016- Mar 2017	Apr 2017- Mar 2018	Apr 2018- Mar 2019	
Outcome	Dropout rate of indigenous students	Percentage	Level					
Outcome	Repitition rate	Percentage	Level	5.28 (2015)				
Outcome	Repitition rate of indigenous students	Percentage	Level					
Outcome	School days completed	Days	Level					180

**Guatemala Threshold**  
**Annex II: Table of Indicator Baselines and Targets**

Indicator Level	Indicator Name	Unit of Measure	Indicator Classification	Baseline (2015/2016)	Year 1	Year 2	Year 3	End of Compact Target
					Apr 2016- Mar 2017	Apr 2017- Mar 2018	Apr 2018- Mar 2019	
<b>Improving the Quality of Education in Support of Student Success in Lower Secondary</b>								
Outcome	Graduates from MCC-supported education activities	Number	Cumulative	0 (2016)				
Outcome	Students participating in MCC-supported education activities	Number	Cumulative	0 (2016)				
Outcome	Average grade level of students in lower secondary school	Grade Level	Level					
Outcome	Students scoring at grade level	Percentage	Level					
Outcome	Students scoring below grade level	Percentage	Level					
Output	Instructors trained	Number	Cumulative	0 (2016)				

**Guatemala Threshold**  
**Annex II: Table of Indicator Baselines and Targets**

Indicator Level	Indicator Name	Unit of Measure	Indicator Classification	Baseline (2015/2016)	Year 1	Year 2	Year 3	End of Compact Target
					Apr 2016- Mar 2017	Apr 2017- Mar 2018	Apr 2018- Mar 2019	
Output	Teachers who complete the Diplomado	Number	Cumulative	0 (2016)				
Output	Teachers who complete remedial education	Number	Cumulative	0 (2016)				
Output	School networks established	Number	Cumulative	0 (2016)				
Output	Learning communities established	Number	Cumulative	0 (2016)				
Output	Parent councils established	Number	Cumulative	0 (2016)				
Output	Action plans established	Number	Cumulative	0 (2016)				

**Guatemala Threshold**  
**Annex II: Table of Indicator Baselines and Targets**

Indicator Level	Indicator Name	Unit of Measure	Indicator Classification	Baseline (2015/2016)	Year 1	Year 2	Year 3	End of Compact Target
					Apr 2016- Mar 2017	Apr 2017- Mar 2018	Apr 2018- Mar 2019	
Output	School visits by management advisors	Number	Level	0 (2016)				
Output	School visits by pedagogical advisors	Number	Level	0 (2016)	1600			
<b>Improving Technical and Vocational Education and Training in Upper Secondary</b>								
Outcome	Graduates from MCC-supported education activities	Number	Cumulative	0 (2016)				
Outcome	Students participating in MCC-supported education activities	Number	Cumulative	0 (2016)				
<b>Strengthening Institutional and Planning Capacity.</b>								
Output	Legal, financial, and policy reforms adopted	Number	Cumulative	0 (2016)				

**Guatemala Threshold**  
**Annex II: Table of Indicator Baselines and Targets**

Indicator Level	Indicator Name	Unit of Measure	Indicator Classification	Baseline (2015/2016)	Year 1	Year 2	Year 3	End of Compact Target
					Apr 2016- Mar 2017	Apr 2017- Mar 2018	Apr 2018- Mar 2019	
<b>Improving Tax and Customs Administration</b>								
Goal	Tax revenue as a share of GDP	Percentage	Level	10.2% (2015)				
Goal	Customs revenue as a share of GDP	Percentage	Level	1.6% (2015)				
Outcome	Internal investigations conducted by SAT	Number	Level					
Outcome	Audit adjustments through appeals	Percentage	Level					
Outcome	Audit adjustments without appeals	Percentage	Level					
Outcome	Increased effectiveness of customs controls/inspections	Percentage	Level					
Process	Internal Affairs Unit established	Date	Date					

**Guatemala Threshold**  
**Annex II: Table of Indicator Baselines and Targets**

Indicator Level	Indicator Name	Unit of Measure	Indicator Classification	Baseline (2015/2016)	Year 1	Year 2	Year 3	End of Compact Target
					Apr 2016- Mar 2017	Apr 2017- Mar 2018	Apr 2018- Mar 2019	
<b>Strengthening the Capacity to form Public Private Partnerships</b>								
Output	Pre-feasibility studies conducted for PPP projects supported by MCC	Number	Cumulative	0 (2016)				
Output	PPP contracts sent to the Congress to its approved supported by MCC	Number	Cumulative	0 (2016)				
Output	PPP contracts signed supported by MCC	Number	Cumulative	0 (2016)				
Output	PPP contracts that achieved financial closure, which support MCC	Number	Cumulative	0 (2016)				
Output	People trained in PPP management	Number	Cumulative	0 (2016)				
Outcome	Effective PPP selection and decision-making	Index	Level					

**Guatemala Threshold**

**Annex II: Table of Indicator Baselines and Targets**

Indicator Level	Indicator Name	Unit of Measure	Indicator Classification	Baseline (2015/2016)	Year 1	Year 2	Year 3	End of Compact Target
					Apr 2016- Mar 2017	Apr 2017- Mar 2018	Apr 2018- Mar 2019	
Outcome	Public capacity to plan and oversee PPPs	Index	Level					
Outcome	Methods and criteria for awarding projects	Index	Level					
Outcome	Regulators' risk-allocation record	Index	Level					