

# Guatemala Threshold Program

## **MONITORING AND EVALUATION PLAN**

**Version I – February 2017**

**Version II – October 2019**

**Version III – July 2021**

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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 Economy;
- 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* (from 03/15/2017) (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, questions, data sources, and timeline for the evaluation of planned, ongoing, or completed Projects and Project Activities to determine their efficiency, effectiveness, impact and sustainability.

The M&E Plan serves the following functions:

- Explains in detail how MCC and PRONACOM (the MCA in Guatemala), 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

ANADIE	National Agency for Partnerships for the Development of Economic Infrastructure, in its Spanish acronym
CA	Constraints Analysis
CBA	Cost-Benefit Analysis
DIGEDUCA	Executive Directorate of the Vice Office of Design and Verification of Educational Quality of the Ministry of Education, in its Spanish acronym
DQR	Data Quality Review
DUCA	Declaración Única Centroamericana
ENCA	Escuela Nacional Central de Agricultura
EEMAF	Agricultural and / or Forestry Secondary Education Establishments
ERR	Economic Rate of Return
FOL	Job training, in its Spanish acronym
GoG	Government of Guatemala
IMF	International Monetary Fund
IT	Information Technology
ITT	Indicator Tracking Table
LAC	Latin America and the Caribbean
M&E	Monitoring & Evaluation
MCC	Millennium Challenge Corporation
MINEDUC	Ministry of Education, in its Spanish acronym
MINFIN	Ministry of Finance, in its Spanish acronym
OPF	Parent Organizations, in its Spanish acronym
OTA	Office of Technical Assistance of the US Department of Treasury
PADEP/CB	Academic Program of Teaching Professionalization of the Basic Cycle, in its Spanish acronym
PEM	Secondary School Teaching Staff, in its Spanish acronym
PICCA	Comprehensive Customs Cargo Control Plan, in its Spanish acronym
PIRS	Performance Indicator Reference Sheets, in its Spanish acronym
PPP	Public-Private Partnerships
PRONACOM	Programa Nacional de Competitividad
SAT	Supervision of Tax Administration, in its Spanish acronym
TCP	Threshold Country Program
TOR	Terms of Reference
TVET	Technical and Vocational Education Training
USAID	United States Agency for International Development

UTOSA

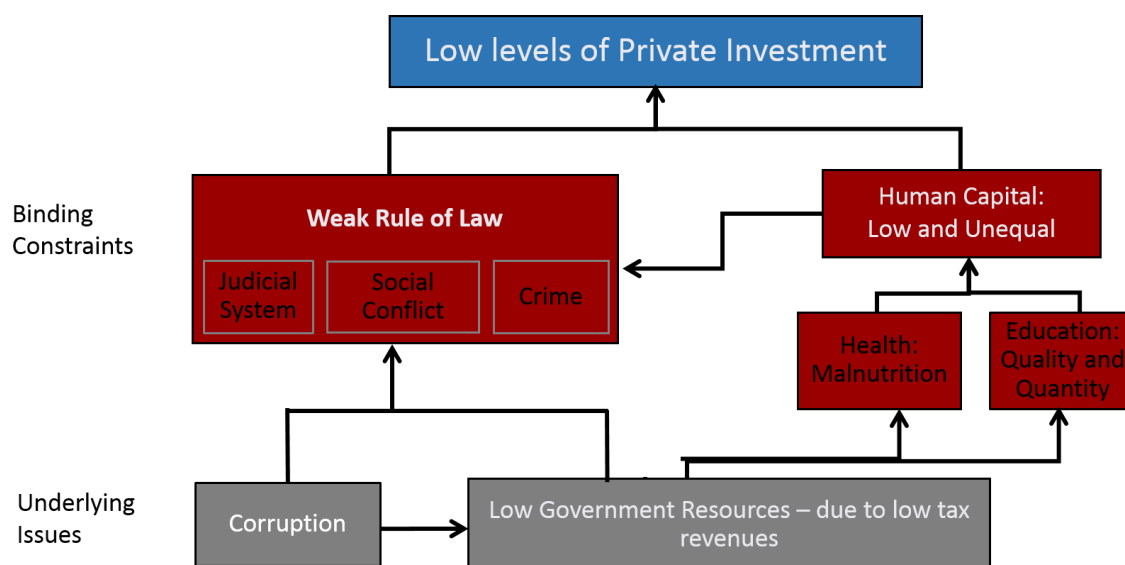
Technical Unit of Operations and Customs Security, in its  
Spanish acronym

### 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

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



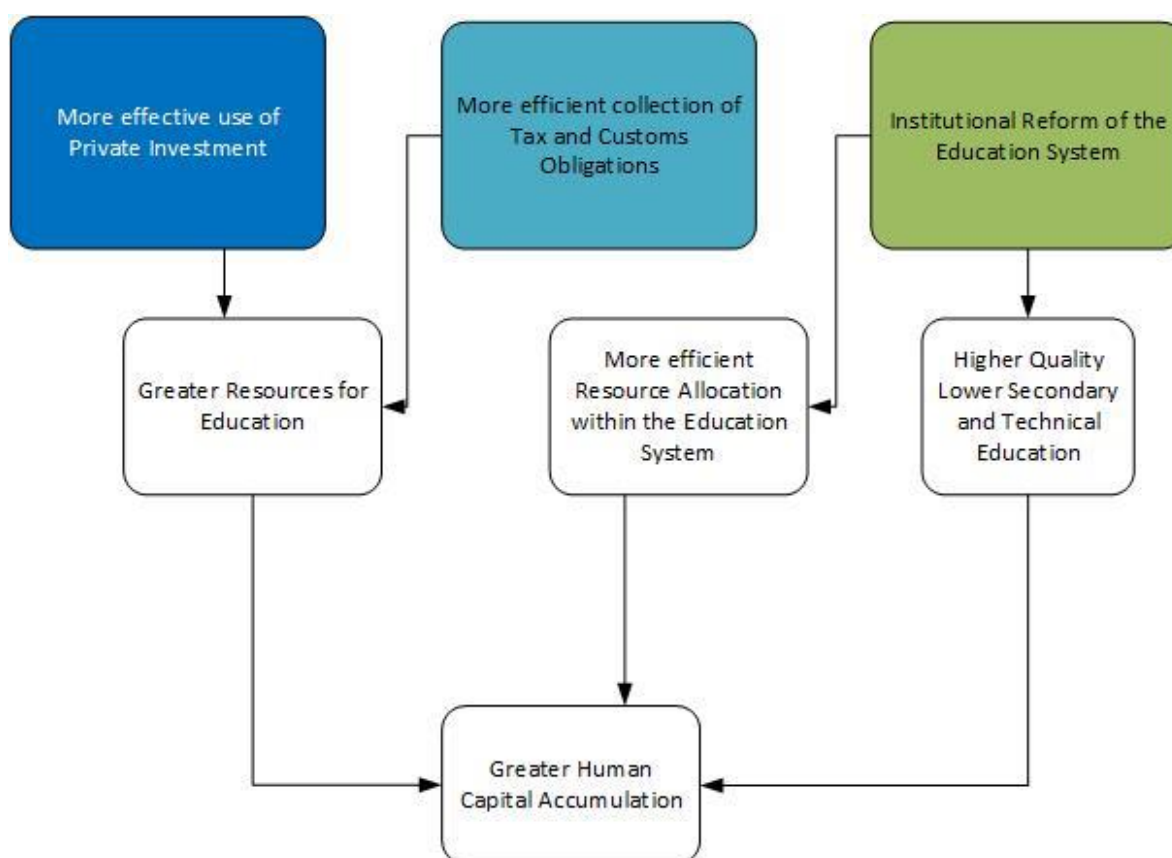
capacity to carry out important but difficult reforms that are critical for economic growth, which in turn will provide important information for any future consideration of Guatemala as compact eligible.

### **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 two-year certificate program (Profesorado) 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 Central National School of Agriculture (ENCA) 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 PROJECTED ECONOMIC BENEFITS***

Threshold Programs are not required to produce CBAs. At this time, no economic analysis has been conducted for the program.

### ***3.3.4 BENEFICIARIES***

According to the MCC “Guidelines for Economic and Beneficiary Analysis”, beneficiaries of projects are considered individuals that are expected to experience better standards of living due to MCC investments, either through increased real incomes or expenditure savings. The cost benefit analysis (CBA) for proposed projects quantifies the benefit streams through which beneficiaries should experience increased income, and the beneficiary analysis estimates the distribution of those benefits. However, Threshold Programs are not required to produce CBAs and therefore do not have an associated economic rate of return

(ERR). Without an ERR, there is no quantitative measure of the benefits of the program, so it is impossible to quantify the number of beneficiaries or distribution of those benefits. However, the following analysis was conducted to shed light on potential beneficiaries from the treatment school districts where the project is being implemented.

*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 the five departments (Alta Verapaz, Solola, Sacatepequez, Jalapa and Chiquimula) where the intervention takes place. These students who attend lower secondary schools within the treatment school districts will benefit from receiving a greater quality of education and additional years of schooling based on the training of 1,620 teachers and principals in the specialties of Mathematics, Natural Sciences, Communication and Language, and Educational Leadership and Management (which ended in June 2020), 632 additional teachers in the specialty of Mathematics that start in 2021 and the rest of 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 and principals respectively).

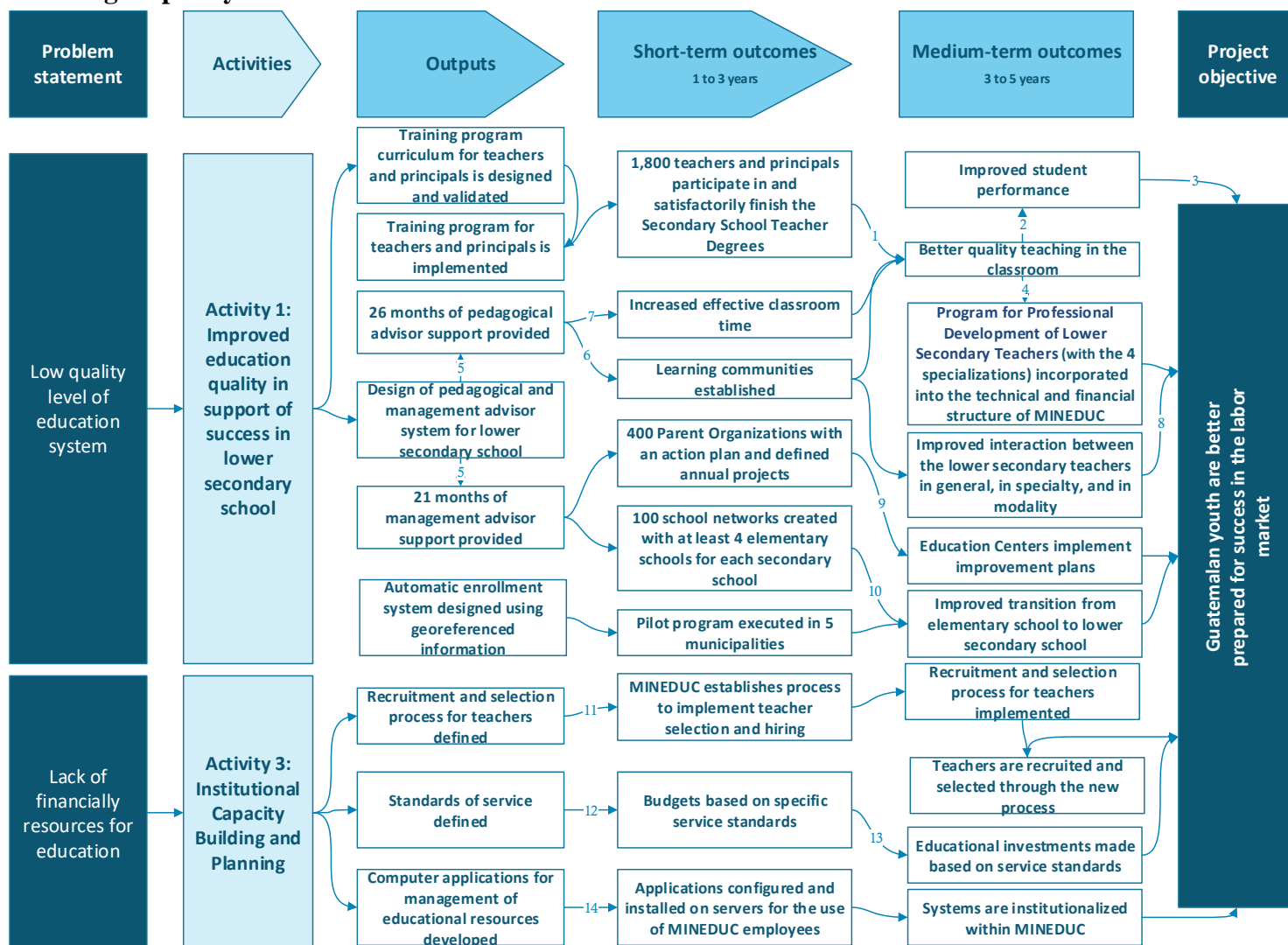
A specific aim of the project is to support a reduction in the identified gaps in school outcomes (e.g., rates of promotion, transition from primary to lower secondary, etc.) between children that are indigenous and Ladinos, girls and boys, urban and rural, and rich and poor. The five departments were 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.

*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. Under the Mineduc program, a total of 295 students of 13 schools will graduate from six career-paths on tourism, information communication technology (ICT) and automotive mechanic across TVET centers in six departments in 2021. Seventy technical teachers complete the first half of technical training. Under the ENCA program, a total of 125 students will graduate from 3 career-paths related to forestry agriculture and agroindustry in the department of Guatemala and 150 teachers will be trained. There were also additional beneficiaries from 18 EEMAF. This Activity is intended to improve sector policies, facilitate the creation of new programs that have higher labor insertion rates, and promote the update of best practices throughout the sector.

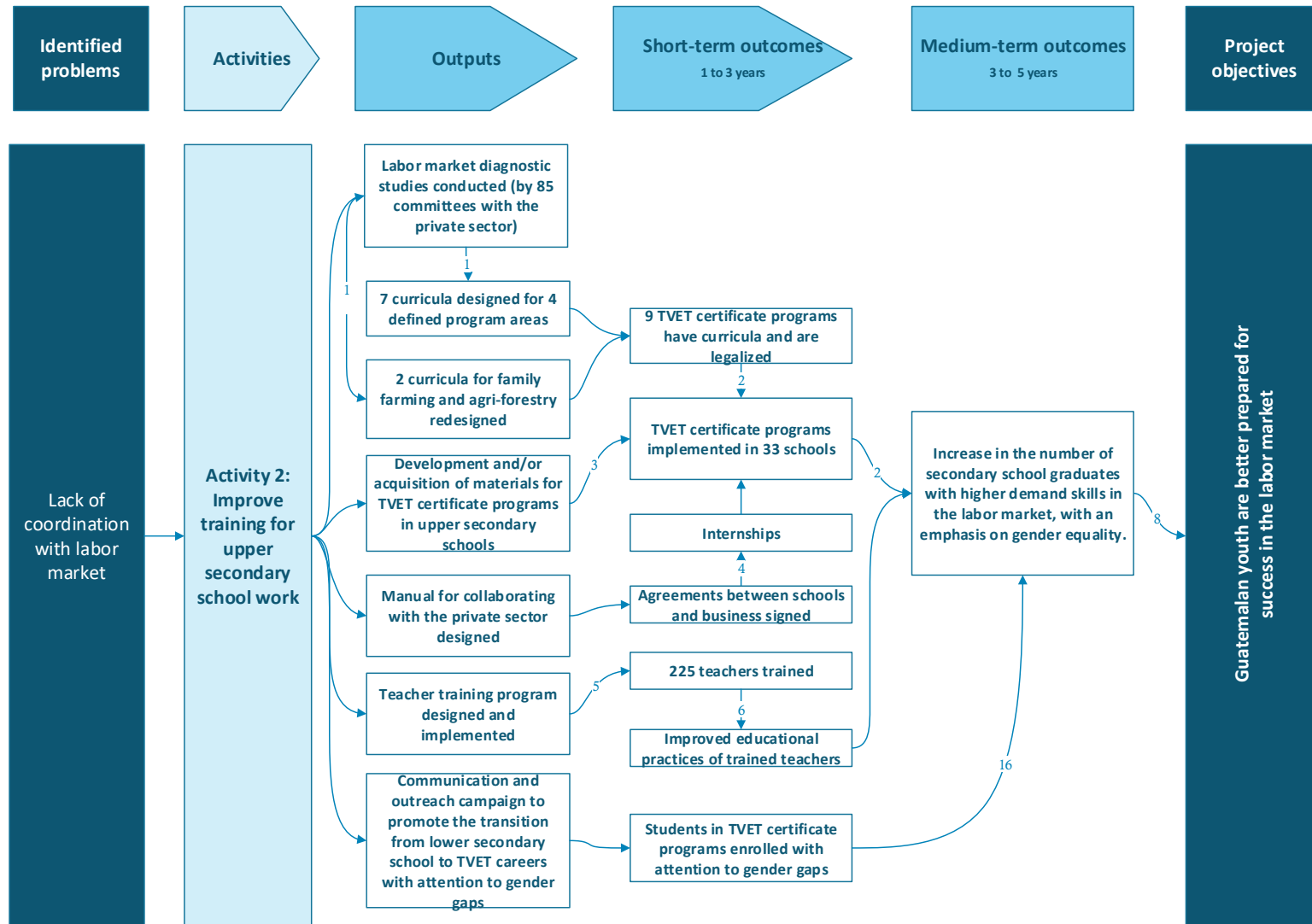
*Activity 3: Strengthening of Institutional and Planning Capacity.* This Activity seeks to provide support to the GoG, in particular the Ministry of Education, in obtaining policy and institutional changes that improve the efficiency of the limited resources dedicated to secondary education, through 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. The potential beneficiaries are the overall student population but cannot be precisely quantified.

### 3.3.5 PROJECT LOGIC

#### 3.3.5.1 Improving Quality of Education in Support of Student Success in Lower Secondary & Strengthening of Institutional and Planning Capacity



### 3.3.5.2 Improving Technical and Vocational Education and Training (TVET) – Upper Secondary



Assumptions and risks related to the project logic can be found in [Appendix A](#).



## **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 are described in more detail below.

#### **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.

The Government is also considering legal reforms that will allow access by the SAT to bank records with the objective of improving tax control and reducing the space for tax evasion, as well as strengthening other faculties of the SAT. The Program will provide limited support to the Government to review draft legislation and estimate the potential impact on compliance and revenues, as well as identifying the costs and relevant administrative aspects and providing the Government advice during its consultations with stakeholders. If the legislation is enacted, the Program will support the Government to implement the approved changes.

#### 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 PROJECTED ECONOMIC BENEFITS**

Threshold Programs are not required to produce CBAs. At this time, no economic analysis has been conducted for the program.

#### **3.4.4 BENEFICIARIES**

According to the MCC “Guidelines for Economic and Beneficiary Analysis”, beneficiaries of projects are considered individuals that are expected to experience better standards of living due to MCC investments, either through increased real incomes or expenditure savings. The cost benefit analysis (CBA) for proposed projects quantifies the benefit streams through which beneficiaries should experience increased income, and the beneficiary analysis estimates the distribution of those benefits. However, Threshold Programs are not required to produce CBAs and therefore do not have an associated ERR. Without an ERR, there is no quantitative measure of the benefits of the program, so it is impossible to quantify the number of beneficiaries or distribution of those benefits. However, the following analysis was conducted to shed light on potential 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. Specifically, through interventions like the establishment of an integrated risk-management system for tax and customs, customs clearance audits, and process time studies, the efficiency and effectiveness of tax and customs administration will increase voluntary tax and customs compliance and thus the associated revenue. Given the diffuse productive use of state 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, since the intended outcome is additional state resources for public investment.

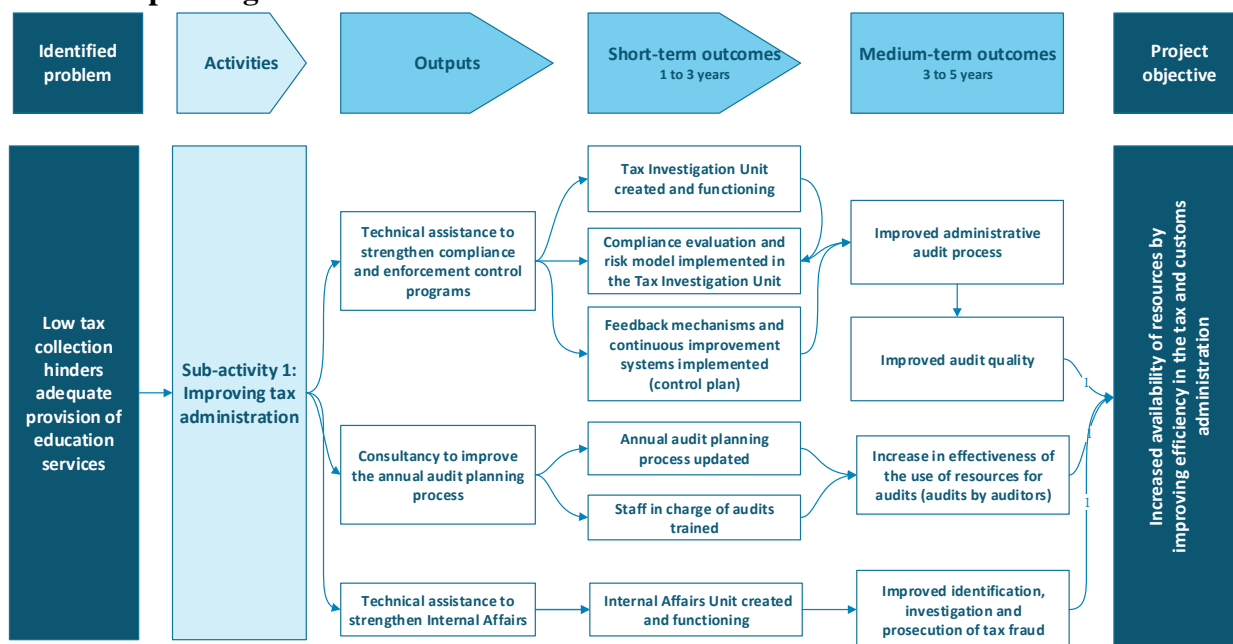
*Activity 2: PPP Capacity Strengthening.* This Activity seeks to improve the GoG capacity to effectively develop and manage PPPs in order to improve their ability to access private capital to address the country's infrastructure financing gap, where appropriate, and preserve public funding for other social services. In the same way that the Improving Tax and Customs Administration beneficiaries cannot be isolated to distinct subpopulations, the widespread state fiscal impacts from increased budgetary resources due to the PPP's role in alleviating an infrastructure financing gap prevent the discrete identification of beneficiaries. As such, the beneficiaries of the PPP Capacity Strengthening activity may be characterized as the citizenry of Guatemala.

Separately, though already implied in the above analysis, we have identified 372 specific participants of this project; those PPP professionals who have participated in MCC-funded PPP training programs. Although the human capital development interventions of this Activity contribute to the larger theory of change, which results in increased private financing of state infrastructure which consequently alleviate public budget constraints, the individual participants of MCC-funded PPP training may also be characterized as beneficiaries, as this training improves their professional preparation and competence for future employment.

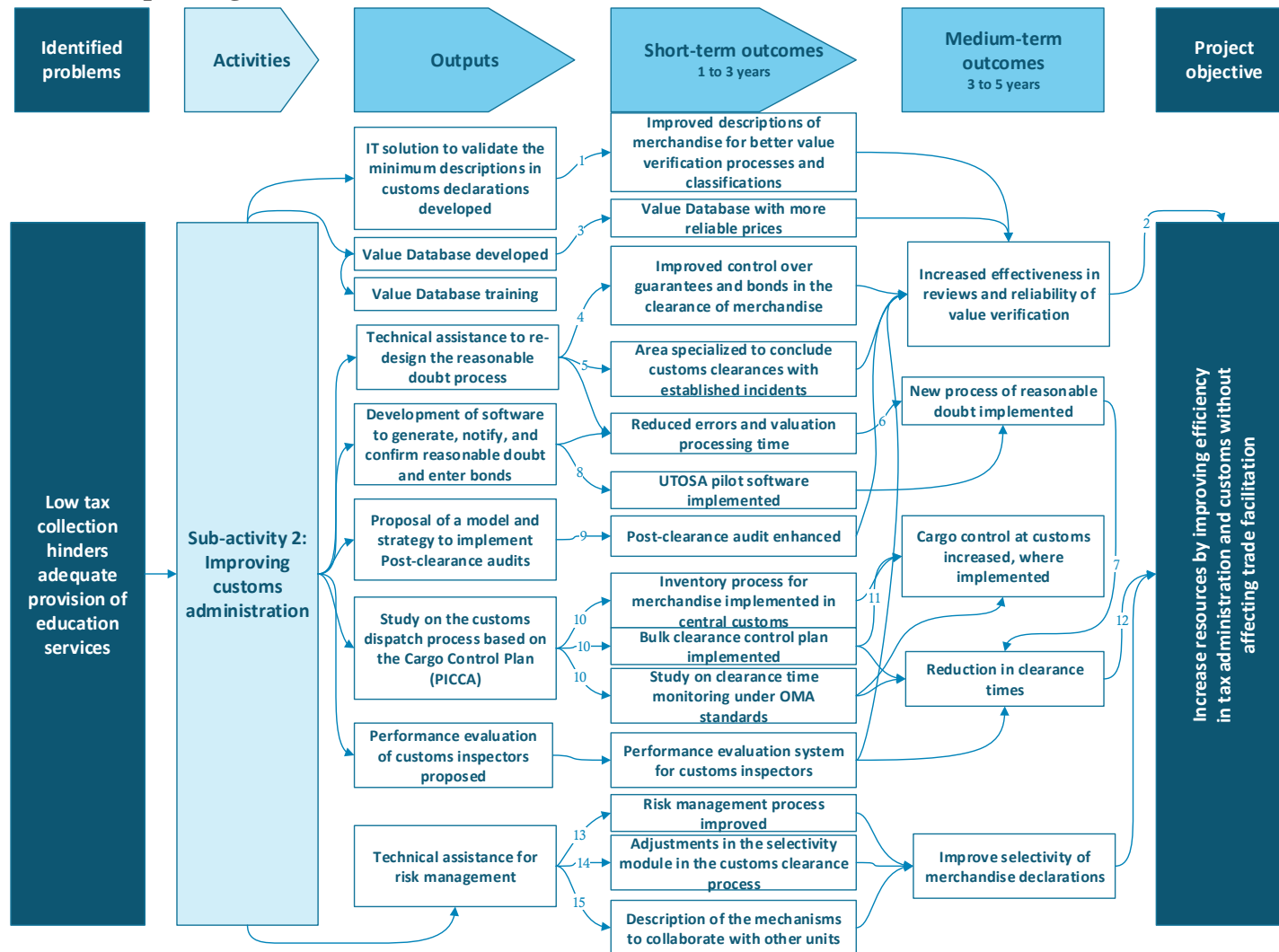
MCC did a feasibility study on one potential project that could have additional beneficiaries, outside of the overall logic behind the inclusion on this Activity into the Program. This section may be updated to reflect specific beneficiaries from the eventual MCC investment after the investment decisions are finalized and the role of MCC in supporting those investments becomes clear. Once the feasibility studies are complete and enter the award phase, MCC may report a beneficiary analysis for this activity.

### 3.4.5 PROJECT LOGIC

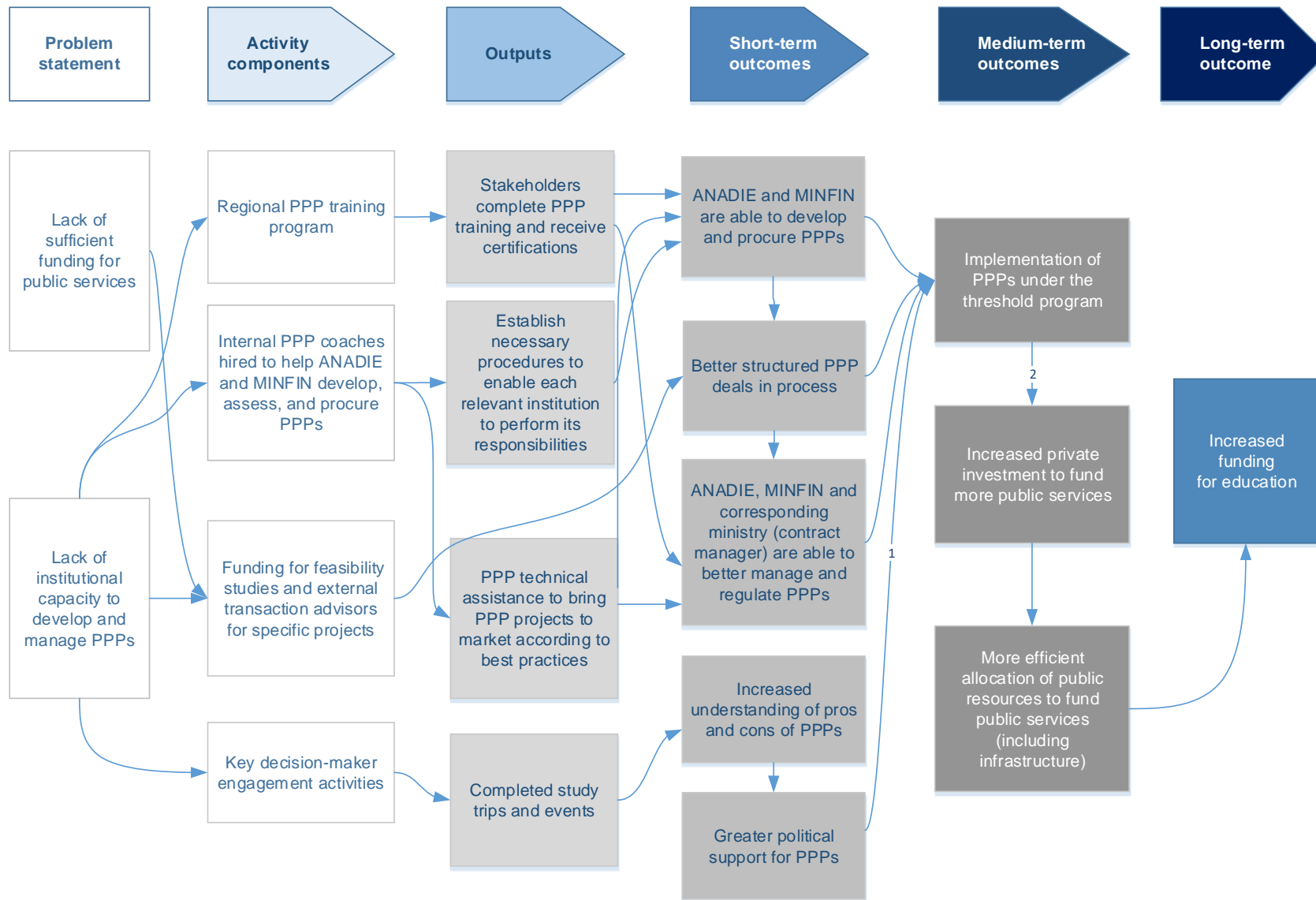
#### 3.4.5.1 Improving Tax Administration



### 3.4.5.2. Improving Customs Administration



### 3.4.5.3 Strengthening the Capacity to Form Public-Private Partnerships (PPPs)



Assumptions and risks related to the project logic can be found in [Appendix A](#).

## **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 program logic 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 report 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. In addition to the Indicator Documentation Table, which summarizes the indicator information, MCC and PRONACOM developed Performance Indicator Reference Sheets (PIRS) in Spanish, which provides more detailed information. The PIRS can be found in the Spanish version of the M&E Plan.

#### ***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, implementers' work plans, and requirements from external stakeholders.

#### ***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 government agencies, Implementing Entities, 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 MINEDUC 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 MINEDUC, and administrative data from other government agencies and Implementing Entities. The lower-level indicators will be drawn from the Implementing Entities.

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, 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. Data will be reported to PRONACOM on a quarterly or annual basis as required. To ensure this, PRONACOM will collaborate with Implementing Entities to develop and put in place proper reporting mechanisms.

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

To ensure that the Program is on track to meet its objectives, low-level monitoring indicators are measured against established baselines and targets, derived from Implementing Entities' contracts, internal project estimations, and targets established by government agencies. As the Threshold did not have a cost-benefit analysis, targets for high-level indicators are not based on a CBA. Targets were either left blank or completed based on the project team assessment. Baselines and targets for each low-level indicator are defined in the Table of Indicator Baselines and Targets (Annex II). All targets were developed in the third year of the Threshold. The Threshold is not claiming attribution for targets expect for outputs.

Baseline figures were established using the most current and appropriate data available either prior Activity's implementation or after an Implementing Entity defined its project design strategy.

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 gender, regions, and ethnic group 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).

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

The objective of the Data Quality Review (DQR) currently underway is to provide an independent analysis of the quality and utility of performance information. This analysis will cover a) quality of data, b) data collection instruments, c) data collection procedures, d) data

entry, storage and retrieval processes, and e) data manipulation and analyses. The DQR will assess all common indicators from the M&E Plan plus additional indicators determined by MCC and PRONACOM. It will also identify key issues or problem and mitigation measures to correct them.

Initially, PRONACOM planned to hire an independent data quality reviewer in compliance with MCC Program Procurement Guidelines. It was expected that the entity responsible for data quality reviews (DQR) would be hired in the third year of the Threshold Program, this process was carried out, and the process was awarded. However, due to the emergency measures that came into force in Guatemala as of March 2020 due to COVID-19, this activity was suspended and will be replaced with an internal review.

In addition to the DQR, the M&E Coordinator and the Project Leads within PRONACOM, will also regularly check data quality. They will also conduct field visits on a quarterly 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/doc/quarterly-mca-disbursement-request-and-reporting-package>.

## **5. EVALUATION COMPONENT**

### ***5.1 SUMMARY OF THE EVALUATION STRATEGY***

The evaluations of the Guatemala Threshold Program and its associated projects and activities will provide MCC, PRONACOM and other stakeholders with a systematic and objective assessment of the design, implementation, expected results and attribution to the Program in case of impact evaluations.

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 secondary education, 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 as learning gains) come to fruition, rather than attempting to measure income gains directly.

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

MCC will fund evaluations of the Guatemala Threshold Program, while PRONACOM and the Ministry of Education will fund part of the data collection to support these evaluations.

##### **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.

## **5.2 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.

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

##### **Evaluation Methodology**

Mathematica was contracted in September 2016 as the independent evaluator for this evaluation. The Quality of Education Activity will be evaluated using a mixed methods impact evaluation using experimental design with buy-in from MINEDUC and other stakeholders. A school-district-randomized rollout of the Education Project will allow for a rigorous evaluation of the changes in teaching behaviors and learning outcomes. These

outcomes are expected from the in-service professional development certificate program (Profesorado), pedagogical and managerial support, as well as from the creation/strengthening of learning communities and school networks.

The impact evaluation will include rigorous use of qualitative methods, which will assess how the program was implemented and how each aspect of the activity interacted to work towards improving secondary education in Guatemala.

### Evaluation Questions

- **Are the training instructors and the Ministry able to respond appropriately and with appropriate training when teachers need more support?**

- Did a majority of teachers complete the training?
- What obstacles did teachers face when completing the training?
- What kinds of pedagogical support are most important to teachers?
- Do teachers and their assigned pedagogic advisors meet regularly?
- Did teacher competency improve after the implementation of Éxito Escolar?
- What were teachers' perceptions of the reasons for changes in student learning outcomes? Did they come as a result of the teacher training program, the parent councils, school networks, or an interaction between all of the components?
- Did the parent councils implement the Action Plans initiated by Éxito Escolar as planned?
- What were the results of the plans? How effective were they?
- 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 targeted at the right families and students?
- Are indigenous families represented in the parent councils?
- What kind of support do the parent councils provide female students and their families to encourage those students to stay in school?
- How do school principals, teachers, parents, and students perceive the relative contribution of different sub-activities (i.e., teacher professional development, pedagogic support, school networks, and parent councils) to observed changes in students' outcomes?
- How did parents' perceptions of secondary education change as a result of broader dissemination of information to parents of primary school students?

- What were the main facilitators of and barriers to implementing Éxito Escolar activities in terms of reaching hypothesized medium term outcomes including:
  - Improvements in student learning
  - Higher graduation rates
  - Increased retention and promotion of secondary education students
- Did teachers adopt new pedagogical approaches as a result of Éxito Escolar? (e.g. active learning, more attention paid to different learning styles of students, adaption of lessons for language minorities, and equal attention paid to both genders and students of all socio-economic backgrounds)
- To what extent did time devoted to learning in the classroom increase as a result of the intervention?
- How does time devoted to learning in the classroom vary across different teaching subjects?
- How did Éxito Escolar affect student enrollment in secondary schools (promotion rates, retention rates, dropout rates)?
- How were student learning outcomes affected by Éxito Escolar?
- How do changes in student learning outcomes vary across gender, socio-economic, and language groups?

#### Data Sources

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

#### Timeline

Mathematica produced a Baseline Report in April 2018 as a first step towards the final evaluation. That report is available online [here](#).

The final report for this evaluation were initially expected in late 2021. However, due to complications related to data collection during COVID and a threat to results, the expected date for this final report has now been extended to late 2022.

#### ***5.2.1.2 Activity 2: Technical and Vocational Education and Training (TVET) Activity***

##### Evaluation Methodology

Mathematica was contracted in September 2016 as the independent evaluator for this evaluation in combination with the other two activities of the Education Project . Since the

multiple reforms contemplated under the TVET 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.

### 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 is there 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.

### Timeline

The evaluation design report for this evaluation was produced in April 2020 with plans for a final report in 2022.

#### ***5.2.1.3 Activity 3: Strengthening Institutional and Planning Capacity***

## Evaluation Methodology

A mixed-methods performance evaluation will be used to assess Activity 3 which will be included in the report connected to Activity 1. This evaluation has two main components. The first is a trend analysis, for which secondary data will be used to examine changes over time in key outcomes related to the project (e.g. changes in budget allocations to secondary education). The second component is a qualitative component including rounds of key informant interviews with stakeholders and focus groups with program participants.

## Evaluation Questions

- To what extent was the implementer able to complete activities in accordance with his or her work plan?
  - Were activities as implemented consistent with the objectives of the education project?
  - What factors facilitated implementation of the activities?
  - What factors were barriers to implementation?
  - What steps did the implementer take to address any barriers faced during the implementation process?
- To what extent did the activity help improve decision making and resource utilization in MINEDUC?
  - What factors contributed to or constrained translation of the investment in activities into improved quality, efficiency, and equity in decision making and resource utilization in lower-secondary education?

## Data Sources

- Education Management Information System (EMIS) data
- Other administrative data
- Budget documents
- Key informant interviews (national and in sample of departments/districts/schools)

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

Pending availability of qualified personnel, MCC will contract an independent evaluator to assess the Tax and Customs Activity. The Public-Private Partnership Activity (PPP) will be evaluated concurrently with a similar MCC-funded program in El Salvador.

#### ***5.2.2.1 Tax and Customs Activity Evaluation***

## Evaluation Methodology

An independent evaluator for this activity was contracted in September 2019 through MBO Partners Inc. for this evaluation. The Tax and Customs Activity will be evaluated through a performance evaluation that will review and assess the development, implementation and likely results of this Activity. It will also compile and document any lessons that may be drawn to improve the design and implementation of future activities of this sort. Further information about methodology will be available [here](#) upon the approval of an Evaluation Design Report.

## Evaluation Questions

- To what extent have the project objectives been aligned with critical tax and custom-related challenges in Guatemala?
- To what extent have the project interventions (including assessments and recommendations made by OTA during implementation) been aligned with the existing body of knowledge on best practice in tax policy and administration and adjusted to the political and socioeconomic context of Guatemala? If so, how? Did the underlying assumptions hold through?
- To what extent were the project activities coordinated with other donor activities (e.g. USAID, IMF, World Bank project) to ensure project complementary and reduce duplication?
- What is the share of evaluable activities versus non-evaluable activities as determined by the review of the program logic and evaluability assessment? Why are these activities non-evaluable? What steps can MCC take in the future to minimize the share of non-evaluable sub-activities?
- To what extent has the project resulted in changes in behavior or practices of the SAT personnel?
- To what extent has the project produced the intended outcomes and met its objectives? To what extent can this be attributed (qualitatively) to the MCC program (versus other factors)?
  - What were the barriers and opportunities to reducing corruption and strengthening SAT's ability to detect and punish corrupt actions and improving internal accounting and managerial controls? Were these barriers taken into account in the project design?
  - 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?



- To what extent are the interventions likely to contribute significantly to the project objective of “increasing tax revenue (without impeding trade)”? Please clarify why or why not.
- What implementation problems has the project faced and how effectively have MCC/OTA addressed them?
- To what extent has the Government of Guatemala made progress to the achievement of the Policy Milestones established in the Threshold Program Agreement?

#### Data Sources

- Administrative data from SAT
- Key Informant Interviews
- Observational Analysis

#### Timeline

The Customs Activity does not yet have an approved Evaluation Design Report. The Independent Evaluator is working to finalize the evaluation design soon with a final report tentatively planned for March 2021.

The Tax Activity portions of this activity received a waiver to not evaluate this project because it could not be done in a cost-effective way.

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

##### Evaluation Methodology

The PPP performance evaluation in Guatemala and El Salvador will feature a mixed-methods implementation analysis that uses a political economy approach to answer a series of questions on the quality of PPP implementation. It will also include an outcome analysis using a longitudinal trend design to assess changes in the countries’ capacity to design and execute PPPs. To the extent possible, the evaluator will compare the implementation experiences and outcomes of El Salvador and Guatemala in the performance evaluation.

##### Evaluation Questions

- Did the GoG/GoES follow the PPP law in developing and managing PPP projects? Did they follow best international practice in developing and managing PPP projects?
- What role did political and institutional contexts play in implementing PPPs in both countries?

- How well was the ex-ante CBA done for each PPP? How good was the PPP’s financial model and business case, including the demand study and the ability of the government and users to pay? What was the quality of the government’s assessment of PPP costs and benefits from a technical, financial, economic, environmental, social, legal, and political perspective?
- How good were the Ministry of Finance’s assessment and management of its direct payment and contingent liability obligations arising from the PPP?
- How effective were the “concedente” (line ministry that signed the concession) and the regulator in managing and regulating the concession after it was signed?
- Does MCC’s three-pillar approach to PPP assistance meet stakeholder needs? Were any pillars more useful than others? How could the three-pillar approach be improved?
- How did training and coaching outcomes differ between the two countries?
- To what extent did the project facilitate greater capacity for PPPs within GoES and GoG? How have institutional interactions normalized or been codified to support PPPs?
- To what extent has the PPP Activity resulted (or is it likely to result) in greater private investment in key infrastructure projects?
- What cost savings accrue to GoES and GoG through the PPPs?
- [If applicable] Were cost savings used for education investments?

#### Data Sources

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

#### Timeline

The Evaluation Design Report for this evaluation was produced in January 2018 . The team produced a first Interim Evaluation Report in July 2020 and is preparing to draft a second Interim Evaluation Report, expected in September 2021. The final report for the evaluation is expected in 2024.

## 6. IMPLEMENTATION AND MANAGEMENT OF M&E

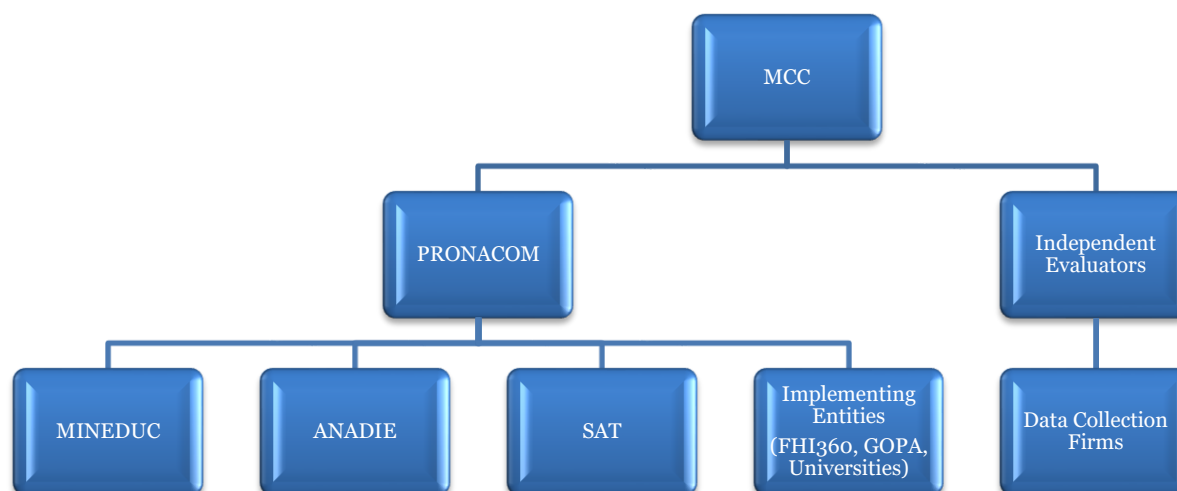
### 6.1 RESPONSIBILITIES

The M&E Unit of PRONACOM is part of PRONACOM’s Threshold Program Team, 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
- Work with sector leads to monitor implementation strategy, and track objectives and targets in M&E Plan
- Ensure that the M&E Plan is 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 at least one independent Data Quality Reviews to assess the quality of data reported to PRONACOM.
- Ensure that MCC approved recommendations of DQR are followed through and implemented.
- 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 most recently in March 2017.

## 7. M&E BUDGET

Initially, the budget for the implementation of the proposed M&E activities for the Threshold Program was \$1,700,000. It was subsequently reduced to \$1,431,000 in 2019 due to a combination of two factors. The first factor was a significant savings in the M&E Budget for data collection due to MINEDUC's contributions to the design and implementation of the student test. The second factor was the need to cover additional expenses due to extending the Threshold by 20 months.

The M&E budget includes funding for data collection for the evaluations of both projects, M&E training, Monitoring field visit expenses, 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.

In 2021, a further reduction was made, re-allocating some M&E funds to cover the 10 month program extension as well as the start of implementation of a new cohort of the continuous training program for mathematics teachers. The current budget is US \$ 603,518.79.

The M&E budget does not include the M&E staff whose salaries are included in the administrative budget of the Threshold Program. The budget should not exceed the total amount over the five 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

Item	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Total (US\$)
Evaluation and data collection	30,175	227,036	73,261	64,852	120,000	32,000	547,324
Monitoring		1622	4,082	23,927	20,000	6,564	56,195
Capacity building, reporting and dissemination, and data quality reviews							0
Other							0
<b>Total</b>	<b>30,175</b>	<b>228,658</b>	<b>77,343</b>	<b>88,779</b>	<b>140,000</b>	<b>38,564</b>	<b>603,519</b>

While the resources for the carrying-out of data collection 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.

## APPENDIX A: FOOTNOTES FOR PROGRAM LOGIC

### EDUCATION PROJECT

#### Activities 1 & 3. Éxito Escolar and Institutional Strengthening

#	Assumption	Risk
1	A 10% dropout rate for teachers and principals participating in the Secondary School Teaching Degree programs	The dropout rate may be greater than 10%, it was observed at 40% for the elementary program.
2	Teacher trained in their specific areas and didactics will result in better student performance.	The trained teachers don't use the new material in the classroom and the students don't improve their performance.
3	Teachers and principals that participate in the Secondary School Teacher Degree will continue working during the duration of the project in the intervention education centers.	The teachers and principals are reassigned to education centers outside the intervention group. Despite commitment from the central ministry, reassignment decisions are made locally.
4	The Ministry of Education can assign resources in order to continue the Program for Professional Development of Lower Secondary Teachers	Budget limitations arise and the Program for Professional Development of Lower Secondary Teachers cannot be implemented with national resources.
5	The proper number of advisors is contracted to carry out the implementation of the strategic plan.	The advisors aren't contracted and that has an impact on the implementation delays. At the end of the project, the strategy as a whole cannot be carried out.
6	The learning communities are integrated with a sufficient number of teachers that can provide knowledge and can be mutually supported.	A critical mass of teachers in each school, necessary both for the exchange of knowledge and for the formation of the communities, is not achieved
7	The pedagogical advisors manage to establish a level of trust with the teachers and emphasize the need to effectively occupy the class time.	The pedagogical advisors fail to establish a good relationship with the teachers and cannot support the teachers in improving effective class time.
8	The continuous training of teachers is established with the learning communities	The learning communities dissolve once the program ends.



	and this contributes to a better system of teaching and learning.	
9	MINEDUC will provide resources and the Parent Organizations will raise funds for the implementation of the improvement plans.	The necessary resources to carry out the improvement plans are not correctly managed.
10	Lower secondary and elementary schools work together in the school networks to ensure elementary school students continue their studies in lower secondary school.	There is not enough space for elementary students who want to continue their education in lower secondary school.
11	The Ministry of Education implements the teacher recruitment and selection process.	The recruitment and selection process becomes a political process rather than a technical one. The unions are opposed to the new system of teacher recruitment and selection.
12	Standards or service are based in standards of quality.	These mechanisms don't fit the priorities of MINEDUC.
13	The Ministry of Finance allocates sufficient resources to MINEDUC, which in turn assigns a budget for the improvement of lower secondary service standards.	Ministry of Finance does not increase the budget of the Ministry of Education. Increase of the budget of MINEDUC is invested elsewhere.
14	The following are developed and implemented in the Ministry of Education: 1) computer system of recruitment and selection, 2) System of registration and monitoring of teacher training and professional development, 3) Applications included in the infrastructure proposal, 4) System of educational resources bank, 5) System of educational demand, 6) Teacher demand system, 7) application for sample generation for the continuous process of verification of the payroll system	MINEDUC does not show interest in participating in the elaboration, review and implementation of the deliverables prepared by the implementing entity and therefore does not appropriate them.

## Activity 2. TVET

#	Assumption	Risk
1	Participation of the enterprises involved in the areas of the sector committees.	The enterprises do not respond, or those who respond are not representative.
2	The educational centers where the TVET careers are implemented have the infrastructure, personnel, equipment and materials necessary to carry out their implementation according to plan.	Schools do not have one or more of the requirements to successfully teach TVET careers.

3	There are, or can be developed, specialized materials to facilitate the instruction of the programs.	The acquisition costs of copyrighted materials exceed the capacity of the contracts
4	The number of companies that accept internship students are enough to serve all 5th and 6th grade students.	There are not enough companies in the area to enroll the students of the school in internships.
5	The technical teachers are interested in receiving the training.	Since the update is not mandatory, a large number of technical teachers do not participate
6	It is assumed that the teachers participating in the update program will continue to work during the duration of the project in the intervention education centers.	Teachers are reassigned to other educational centers or stop working in them

## RESOURCE MOBILIZATION PROJECT

### Activity 1. Tax and Customs Reform

#	Assumptions	Risks
1	The DUCA is successfully implemented and is functioning and stable	The stabilization time of DUCA does not allow for implementation
2	It is expected that the SAT, other government entities and international cooperation will carry out complementary activities to achieve the result	Not enough actions are implemented or resources are not allocated to achieve the objective
3	The SAT completes the team of 10 price analysts to update the indicators of the Value Database and carry out merchandise price studies	The lack of analysts reduces the impact and effectiveness of the Value Database.
4	The SAT designates resources to develop control mechanisms over the guarantees and bonds presented in the clearance of goods	It is not within the priorities of the SAT and therefore cannot be carried out
5	The SAT designates resources to establish the specialized area to conclude the customs clearance with incidents	SAT does not form the area of office completion which reduces the impact of the project
6	IT consultants and their counterparts from SAT are available to complete the development of software related to projects	Withdrawal of current IT staff due to lack of SAT support
7	All components of the Reasonable Doubt project are implemented	All the components of the project aren't put in place, which reduces the effectiveness and impact of the project of Reasonable Doubt
8	UTOSA and/or Operational Department supports the management of the production step	Due to the lack of management of UTOSA, the pilot is not implemented

9	SAT carries out the mapping of the current audit process, which involves the collaboration of the customs and inspection intendancies	There is no consensus between the Intendancy of Inspection and Customs to approve the necessary improvements
10	For the results related to PICCA, the control improvement is related to the customs where the proposal is implemented	SAT does not provide the human resources necessary for it to be implemented
11	The team must have the support of normative and operational personnel before starting the development of the software	Do not count on operational personnel and regulations assigned by the SAT
12	SAT establishes as recurrent the study of clearance times and the evaluation of the performance of the customs inspectors	The SAT does not does not systematize the customs clearance study and the reviewers' performance evaluation, therefore, the mechanisms for monitoring and evaluating efficiency are reduced
13	Control points and information systems are established to monitor customs management	No proposals to measure the performance of reviewers are implemented
14	The SAT approves the improvements to the risk management process	SAT does not assert itself or approve the proposal to improve the risk process, which reduces the effectiveness and impact of the project.
15	There is support from the Risk Analysis and Information Management Unit to put into production the adjustments made by the IT consultant.	No adjustments are implied, which reduces the effectiveness and impact of the project.
16	The Customs Intendancy reviews and sets in motion the mechanisms of collaboration between areas of the customs service.	The necessary mechanisms are not put in place, which reduces the effectiveness of risk analysis.

## Activity 2. PPP

#	Assumptions	Risks
1	The cooperation of relevant government entities (e.g. Congress, Ministry of Infrastructure, General Directorate of Civil Aviation) and/or social acceptance by relevant stakeholders (e.g. the Public, labor unions, private interest) needed in order to develop and manage the PPPs in accordance to international best practices	The success of the PPP activity depends on the continuous work and support of the various government entities and other relevant stakeholders. Conflicts of interest might arise and affect the success the project.
2	The competence of relevant government entities (e.g. MINFIN, ANADIE, line Ministries, regulator) to effectively manage signed PPPs.	Relevant government entities might not have the competence or political will to effectively manage the PPPs during their life cycle



[illegible]



Guatemala Threshold Annex I: Indicator Documentation Table										Guatemala Threshold Annex II: Table of Indicator Baselines and Targets												
CI Code	Indicator Level	Indicator Name	Definition	Unit of Measure	Disaggregation	Primary Data Source	Responsible Party	Frequency of Reporting	Additional Information	Indicator Level	Indicator Name	Unit of Measure	Indicator Classification	Baseline (2017/2018)	Year 1 Apr 2016- Mar 2017	Year 2 Apr 2017- Mar 2018	Year 3 Apr 2018- Mar 2019	Year 4 Apr 2019- Mar 2020	Year 5 Apr 2020- Mar 2021	Year 6 Apr 2021- Oct 2021	End of Threshold Target	
	Output	Percentage of graduates from primary school with a guaranteed spot in lower secondary school	Percentage of graduates from primary school with a guaranteed spot in Lower Secondary School, as a result of the new automatic registration system	Percentage	Department (Alta Verapaz, Solola, Sacatepequez, Jalapa, & Chiquimula)	Administrative Data	Education Consultant	Annual		Output	Percentage of graduates from primary school with a guaranteed spot in lower secondary school	Percentage	Level	0 (2017)								
	Process	Teachers and principals enrolled in Secondary School Teacher Degree	Number of teachers and principals enrolled in Secondary School Teacher Degree program	Number	Sex (Male/Female)	InterNaciones, del Valle, Panamericana and San Carlos universities	Universities	Semi-Annual	Data collected every semester.	Process	Teachers and principals enrolled in Secondary School Teacher Degree	Number	Level	0 (2017/18)					1,620	606	2,226 (2021)	
Improving Technical and Vocational Education and Training in Upper Secondary										Improving Technical and Vocational Education and Training in Upper Secondary												
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	Department (Guatemala, Alta Verapaz, Solola, Sacatepequez, Jalapa, & Chiquimula) Sex (Male/Female)	Administrative Data	Education Consultant	Annual		Outcome	Graduates from MCC-supported education activities	Number	Cumulative	0 (2017/18)							420 (2021/22)	
E-6	Outcome	Students participating in MCC-supported education activities	The number of students enrolled or participating in MCC-supported educational schooling programs.	Number	Department (Guatemala, Alta Verapaz, Solola, Sacatepequez, Jalapa, & Chiquimula) Sex (Male/Female)	Administrative Data	Education Consultant	Annual		Outcome	Students participating in MCC-supported education activities	Number	Level	0 (2017/18)							672 (2020)	
E-5	Output	Instructors trained	The number of classroom instructors (university professors, school teachers, & school principals) who complete MCC-supported training focused on instructional quality.	Number	Department (Guatemala, Alta Verapaz, Solola, Sacatepequez, Jalapa, & Chiquimula) Sex (Male/Female)	Administrative Data	Education Consultant	Annual		Output	Instructors trained	Number	Cumulative	0 (2017/18)							220 (2020)	
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	Annual		Output	Legal, financial, and policy reforms adopted	Number	Cumulative	0 (2017/18)							3 (2020)	
	Process	National and departmental committees with private sector	Number of national and departmental committees established with private sector that support the four vocational career paths	Number	None	Administrative Data	Education Consultant	Annual		Process	National and departmental committees with private sector	Number	Cumulative	0 (2017/18)							85 (2020)	
	Outcome	Number of schools with one cohort attending new vocational program	Number of schools selected by MINEDUC, Enca, MCC, and PRONACOM, where at least one cohort of students is attending the new vocational program	Number	Department (Guatemala, Alta Verapaz, Solola, Sacatepequez, Jalapa, & Chiquimula)	Administrative Data	Education Consultant	Annual		Outcome	Number of schools with one cohort attending new vocational program	Number	Cumulative	0 (2017/18)							15 (2020)	
	Output	Number of certificate programs with guides and/or textbooks completed	Number of certificate programs with guides and/or textbooks completed	Number	None	Administrative Data	Education Consultant	Annual		Output	Number of certificate programs with guides and/or textbooks completed	Number	Cumulative	0 (2017/18)							9 (2020)	
	Outcome	Gender parity index in new certificate programs	Number of women in new certificate programs divided by number of men in new certificate programs	Ratio	Department (Guatemala, Alta Verapaz, Solola, Sacatepequez, Jalapa, & Chiquimula)	Administrative Data	Education Consultant	Annual		Outcome	Gender parity index in new certificate programs	Ratio	Level	0 (2017/18)							1 (2020)	
	Outcome	Education centers linked with enterprises	Education centers that have at least one learning agreement for their students	Number	Department (Guatemala, Alta Verapaz, Solola, Sacatepequez, Jalapa, & Chiquimula)	Administrative Data	Education Consultant	Annual		Outcome	Education centers linked with enterprises	Number	Cumulative	0 (2017/18)							15 (2020)	
	Process	Teachers enrolled in TVET technical training	Number of teachers enrolled in TVET training program	Number	Sex (Male/Female)	GOPA/ INTECAP	Education Consultant	Annual		Process	Teachers enrolled in TVET technical training	Number	Level	0 (2017/18)							220 (2020)	
Strengthening Institutional and Planning Capacity.										Strengthening Institutional and Planning Capacity.												
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		Output	Legal, financial, and policy reforms adopted	Number	Cumulative	0 (2017/18)							1 (2020)	
	Output	Number of systems developed for MINEDUC's Institutional Strengthening	Number of systems developed and provided for MINEDUC's Institutional Strengthening initiative	Number	None	Administrative Data	Education Consultant	Quarterly		Output	Number of systems developed for MINEDUC's Institutional Strengthening	Number	Cumulative	0 (2017/18)							7 (2020)	





[illegible]

### Annex III

#### Modifications to the Guatemala Threshold Monitoring and Evaluation Plan

Version 3 – June 2021

#### Indicator Changes:

Percentage point difference between treatment and control in math		
Project:	Guatemala Education Project	
Activity:	Activity I: Improving the Quality of Education in Support of Student Success in Lower Secondary	
Sub-Activity:		
	<b>Change Description:</b>	Dropped “Percentage point difference between treatment and control in math”
	<b>Justification:</b>	Existing indicators do not sufficiently meet adequacy criteria
	<b>Justification Description:</b>	This indicator was discarded because the evaluating firm has another measurement methodology and could generate contradictory data.

Average percentage of correct answers of lower secondary students in math		
Project:	Guatemala Education Project	
Activity:	Activity I: Improving the Quality of Education in Support of Student Success in Lower Secondary	
Sub-Activity:		
	<b>Change Description:</b>	Added indicator “Average percentage of correct answers of lower secondary students in math”
	<b>Justification:</b>	New issues emerged, suggesting importance of a new indicator
	<b>Justification Description:</b>	Previous indicator was not adequately measuring changes.

Percentage point difference between treatment and control in language	
Project:	Guatemala Education Project

Activity:	Activity I: Improving the Quality of Education in Support of Student Success in Lower Secondary	
Sub-Activity:		
	<b>Change Description:</b>	Dropped “Percentage point difference between treatment and control in language”
	<b>Justification:</b>	Existing indicators do not sufficiently meet adequacy criteria
	<b>Justification Description:</b>	This indicator was discarded because the evaluating firm has another measurement methodology and could generate contradictory data.

Average percentage of correct answers of lower secondary students in language			
Project:	Guatemala Education Project		
Activity:	Activity I: Improving the Quality of Education in Support of Student Success in Lower Secondary		
Sub-Activity:			
	Change Description:	Added indicator “Average percentage of correct answers of lower secondary students in language”	
	Justification:	New issues emerged, suggesting importance of a new indicator	
	Justification Description:	Previous indicator was not adequately measuring changes.	
New Indicator Baseline Value (Year)		47.94 (2019)	Explanation
New Indicator Target Value (Year)		57.53 (2021)	An increase of 20% is estimated compared to the scores obtained in the baseline, this was calculated from findings in studies related to teacher training.

Percentage point difference between treatment and control in science			
Project:	Guatemala Education Project		
Activity:	Activity I: Improving the Quality of Education in Support of Student Success in Lower Secondary		
Sub-Activity:			
	<b>Change Description:</b>	Dropped “Percentage point difference between treatment and control in science”	
	<b>Justification:</b>	Existing indicators do not sufficiently meet adequacy criteria	
	<b>Justification Description:</b>	This indicator was discarded because the evaluating firm has another measurement methodology and could generate contradictory data.	

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Average percentage of correct answers of lower secondary students in science			
Project:	Guatemala Education Project		
Activity:	Activity I: Improving the Quality of Education in Support of Student Success in Lower Secondary		
Sub-Activity:			
	<b>Change Description:</b>	Added indicator “Average percentage of correct answers of lower secondary students in science”	
	<b>Justification:</b>	New issues emerged, suggesting importance of a new indicator	
	<b>Justification Description:</b>	Previous indicator was not adequately measuring changes.	
New Indicator Baseline Value (Year)		46 (2019)	Explanation
New Indicator Target Value (Year)		55.2 (2021)	An increase of 20% is estimated compared to the scores obtained in the baseline, this was calculated from findings in studies related to teacher training.

Instructors trained		
Project:	Guatemala Education Project	
Activity:	Activity I: Improving the Quality of Education in Support of Student Success in Lower Secondary	
Sub-Activity:		
	Change Description:	Change to Target only
	Justification:	New data available
	Justification Description:	New data available
Previous Indicator Target Value (Year)	1,934 (2020)	Explanation
New Indicator Target Value (Year)	2,540(2020)	The new goal includes the second cohort of 606 teachers by San Carlos University and reflects the reason for the extension of the program for 2021.

Students participating in MCC-supported education activities	
Project:	Guatemala Education Project
Activity:	Activity I: Improving the Quality of Education in Support of Student Success in Lower Secondary
Sub-Activity:	

	<b>Change Description:</b>	Change to Classification only
	<b>Justification:</b>	Enrolment varies between years, so it is better to present the indicator as a level
	<b>Justification Description:</b>	Classification changed to better reflect context

Teachers and principals enrolled in Secondary School Teacher Degree			
Project:	Guatemala Education Project		
Activity:	Activity I: Improving the Quality of Education in Support of Student Success in Lower Secondary		
Sub-Activity:			
	Change Description:	Change to Target only	
	Justification:	New data available	
	Justification Description:	New data available	
Previous Indicator Target Value (Year)		1,620 (2020)	Explanation
New Indicator Target Value (Year)		2,226(2021)	The new goal includes the second cohort of 606 teachers by San Carlos University and reflects the reason for the extension of the program for 2021.

Students participating in MCC-supported education activities		
Project:	Guatemala Education Project	
Activity:	Activity II: Improving Technical and Vocational Education and Training (“TVET”) in Upper Secondary	
Sub-Activity:		
	<b>Change Description:</b>	Change to Classification only
	<b>Justification:</b>	Enrolment varies between years, so it is better to present the indicator as a level
	<b>Justification Description:</b>	Classification changed to better reflect context

Employed graduates of MCC-supported education activities	
Project:	Guatemala Education Project

Activity:	Activity II: Improving Technical and Vocational Education and Training (“TVET”) in Upper Secondary	
Sub-Activity:		
	Change Description:	Dropped “Employed graduates of MCC-supported education activities”
	Justification:	Existing indicators do not sufficiently meet adequacy criteria
	Justification Description:	This indicator was discarded because it will not be possible to measure within the program term and the evaluating firm did not prioritize it.

Tax revenue as a share of GDP			
Project:	Guatemala Resource Mobilization Project		
Activity:	Activity 1: Improving Tax and Customs Administration		
Sub-Activity:			
	<b>Change Description:</b>	Change to baseline and target.	
	<b>Justification:</b>	New baseline and target	
	<b>Justification Description:</b>	Baseline and targets changed to better reflect context	
	Previous Indicator Baseline Value (Year)	10.2% (2015)	Explanation SAT changed its measurement methodology, so the data is being changed to adapt to the SAT data.
	New Indicator Baseline Value (Year)	10.45% (2015)	
	Previous Indicator Target Value (Year)	10.2% (2020)	
	New Indicator Target Value (Year)	11.45% (2020)	

Customs revenue as a share of GDP			
Project:	Guatemala Resource Mobilization Project		
Activity:	Activity 1: Improving Tax and Customs Administration		
Sub-Activity:			
	Change Description:	Change to baseline and target.	
	Justification:	New baseline and target	
	Justification Description:	Baseline and targets changed to better reflect context	
	Previous Indicator Baseline Value (Year)	3.23% (2015)	Explanation

New Indicator Baseline Value (Year)	3.32% (2015)	Based on SAT data from External Commerce. SAT changed its measurement methodology, so the data is being changed to adapt to the SAT data.
Previous Indicator Target Value (Year)	3.23% (2020)	
New Indicator Target Value (Year)	3.57% (2020)	

Minimum description system implemented		
Project:	Guatemala Resource Mobilization Project	
Activity:	Activity 1: Improving Tax and Customs Administration	
Sub-Activity:		
	<b>Change Description:</b>	Added indicator “Minimum description system implemented”
	<b>Justification:</b>	New issues emerged, suggesting importance of a new indicator
	<b>Justification Description:</b>	Indicator was included in the Post-program Monitoring and Evaluation Plan because it is a product and because the term has been extended, it is better suited to the Monitoring and Evaluation Plan.

Value database system implemented		
Project:	Guatemala Resource Mobilization Project	
Activity:	Activity 1: Improving Tax and Customs Administration	
Sub-Activity:		
	<b>Change Description:</b>	Added indicator “Value database system implemented”
	<b>Justification:</b>	New issues emerged, suggesting importance of a new indicator
	<b>Justification Description:</b>	Indicator was included in the Post-program Monitoring and Evaluation Plan because it is a product and because the term has been extended, it is better suited to the Monitoring and Evaluation Plan.

Reasonable doubt system implemented		
Project:	Guatemala Resource Mobilization Project	
Activity:	Activity 1: Improving Tax and Customs Administration	
Sub-Activity:		
	<b>Change Description:</b>	Added indicator “Reasonable doubt system implemented”
	<b>Justification:</b>	New issues emerged, suggesting importance of a new indicator

	<b>Justification Description:</b>	Indicator was included in the Post-program Monitoring and Evaluation Plan because it is a product and because the term has been extended, it is better suited to the Monitoring and Evaluation Plan.

Computer system for the technical analysis of goods implemented in SAT linked to the value data base		
Project:	Guatemala Resource Mobilization Project	
Activity:	Activity 1: Improving Tax and Customs Administration	
Sub-Activity:		
	Change Description:	Added indicator “Computer system for the technical analysis of goods implemented in SAT linked to the value data base”
	Justification:	New issues emerged, suggesting importance of a new indicator
	Justification Description:	Indicator was included in the Post-program Monitoring and Evaluation Plan because it is a product and because the term has been extended, it is better suited to the Monitoring and Evaluation Plan.

People certified through PPP program		
Project:	Guatemala Resource Mobilization Project	
Activity:	Activity 2: Strengthening the Capacity to Form Public-Private Partnerships	
Sub-Activity:		
	<b>Change Description:</b>	Dropped “People certified through PPP program”
	<b>Justification:</b>	Existing indicators do not sufficiently meet adequacy criteria
	<b>Justification Description:</b>	The project is not addressing this issue