

**Honduras Threshold Program M&E Plan
Millennium Challenge Account
INVEST-Honduras**

May 2018

Version 2.0

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1 LIST OF ACRONYMS

| Acronym | Definition (Spanish Translation) |
|---------------|---|
| ASJ | Association for a Just Society (Asociación para una Sociedad más Justa) |
| CBC | Congressional Budget Committee |
| CCR | Country Completion Report |
| COALIANZA | Commission for the Promotion of Public-Private Partnerships (Comisión para la Promoción de la Alianza Público-Privada) |
| CoST | Construction Sector Transparency Initiative |
| CP3P | Certified PPP Professional |
| CSO | Civil Society Organization |
| ENEE | National Electric Energy Company (Empresa Nacional de Energía Eléctrica) |
| PEFA | Public Expenditure and Financial Accountability |
| FCU | Fiscal Contingency Unit |
| FDsF | Fundación Democracia sin Fronteras |
| FIA | Fiscal Impact Analysis |
| FIDE | Fundación para la Inversión y Desarrollo de Exportaciones |
| FOPRIDEH | Federation of Non-Governmental Organizations for the Development of Honduras (Federación de Organizaciones No Gubernamentales para el Desarrollo de Honduras) |
| GoH | Government of Honduras |
| INSEP | Secretariat of Infrastructure and Public Services (Secretaría de Infraestructura y Servicios Públicos) |
| INVEST-H | INVEST-Honduras (Former MCA from the first Compact) |
| M&E | Monitoring and Evaluation |
| MCA- Honduras | Millennium Challenge Account- Honduras |
| MCC | Millennium Challenge Corporation |
| MoU | Memorandum of Understanding |
| MTEF | Medium Term Expenditure Framework |
| ONADICI | National Office for the Integral Development of Internal Control (Oficina Nacional de Desarrollo Integral de Control Interno) |
| ONCAE | Regulatory Office of Contracting and Acquisitions of Honduras (Oficina Normativa de Contratación y Adquisiciones del Estado) |
| OTA | Office of Transition Assistance |
| PEFA | Public Expenditure and Financial Accountability |
| PFM | Public Financial Management |
| PPIAF | Public-Private Infrastructure Advisory Facility |
| PPP | Public-Private Partnership |
| SAPP | Superintendent of Public-Private Partnerships (Superintendencia de Alianza Público Privada) |
| SEFIN | Secretariat of Finance (Secretaría de Finanzas) |

| | |
|-------|--|
| SIAFI | Financial Management System (Sistema de Administración Financiera Integrada) |
| SIREP | Public Servants Registration and Control System (Sistema de Registro y Control de Servidores Públicos) |
| TSC | Supreme Audit Tribunal (Tribunal Superior de Cuentas) |

2 OVERVIEW

The Monitoring and Evaluation (M&E) Plan is a tool to manage the process of monitoring, evaluating and reporting progress toward Threshold Country Program (Program) results. It is used in conjunction with other tools such as work plans, procurement plans, and financial plans. The M&E Plan explains in detail *how* and *what* the Millennium Challenge Corporation (MCC) and Millennium Challenge Account-Honduras (MCA- Honduras) will a) monitor to understand project implementation and how it evolves over time to achieve intended (and unintended) outcomes; and b) how MCC and MCA will evaluate the Program in order to unpack why projects achieved what they did, shed light on key learning questions, and estimate, to the extent possible, the impact of Program interventions. The M&E plan outlines:

- Strategies to monitor and evaluate the Program that are appropriate for promoting MCC and MCA's learning goals;
- All indicators that must be reported to MCC on a regular basis;
- Complementary data to be collected by MCA for monitoring and evaluation of programs, but not reported to MCC on a regular basis, including qualitative studies;
- Any M&E requirements that the MCA must meet in order to receive disbursements;¹ and
- The objectives and targets that the MCA and Program seek to achieve.

MCC and MCA may make adjustments to the M&E Plan as needed, provided such adjustments are approved by MCC in writing and are consistent with the requirements of the Program and any relevant Supplemental Agreement between the Parties and have been approved by MCC.

3 THRESHOLD PROGRAM OVERVIEW AND LOGICS

3.1 Overview

Since MCC took over the management and implementation of the Threshold Program from USAID in 2011, the Program was re-focused to assist countries to become compact eligible by offering them the opportunity to demonstrate their commitment to just and democratic governance, economic freedom, and investments in their people. By advancing policy reforms and strengthening institutions to address the most binding constraints to economic growth, threshold programs compliment the MCC Effect created by the scorecard and allow MCC to assess the opportunity for an impactful and cost-effective partnership before committing to a larger compact.

The development of the Program started with a Constraints to Growth (CA) analysis conducted in 2012, which identified two binding constraints to economic growth: i) crime and security, and ii) the efficiency and transparency of the government. The Honduras Threshold Program focuses on the second constraint, specifically, public financial management and public private partnerships (PPPs). Firms in Honduras rank corruption and inefficient government bureaucracy as the second and third most problematic factors for doing business.² The Program is expected to result in cost savings to the Government of Honduras (GoH) in providing public services, improve public service delivery, and fewer opportunities for corruption. The Program performance will also allow MCC to observe if the GoH has the political will and capacity to carry out important but difficult reforms that are critical for economic growth, which in turn will provide

¹ Compliance with the M&E Plan is a condition for approval of each quarterly disbursement request by the country.

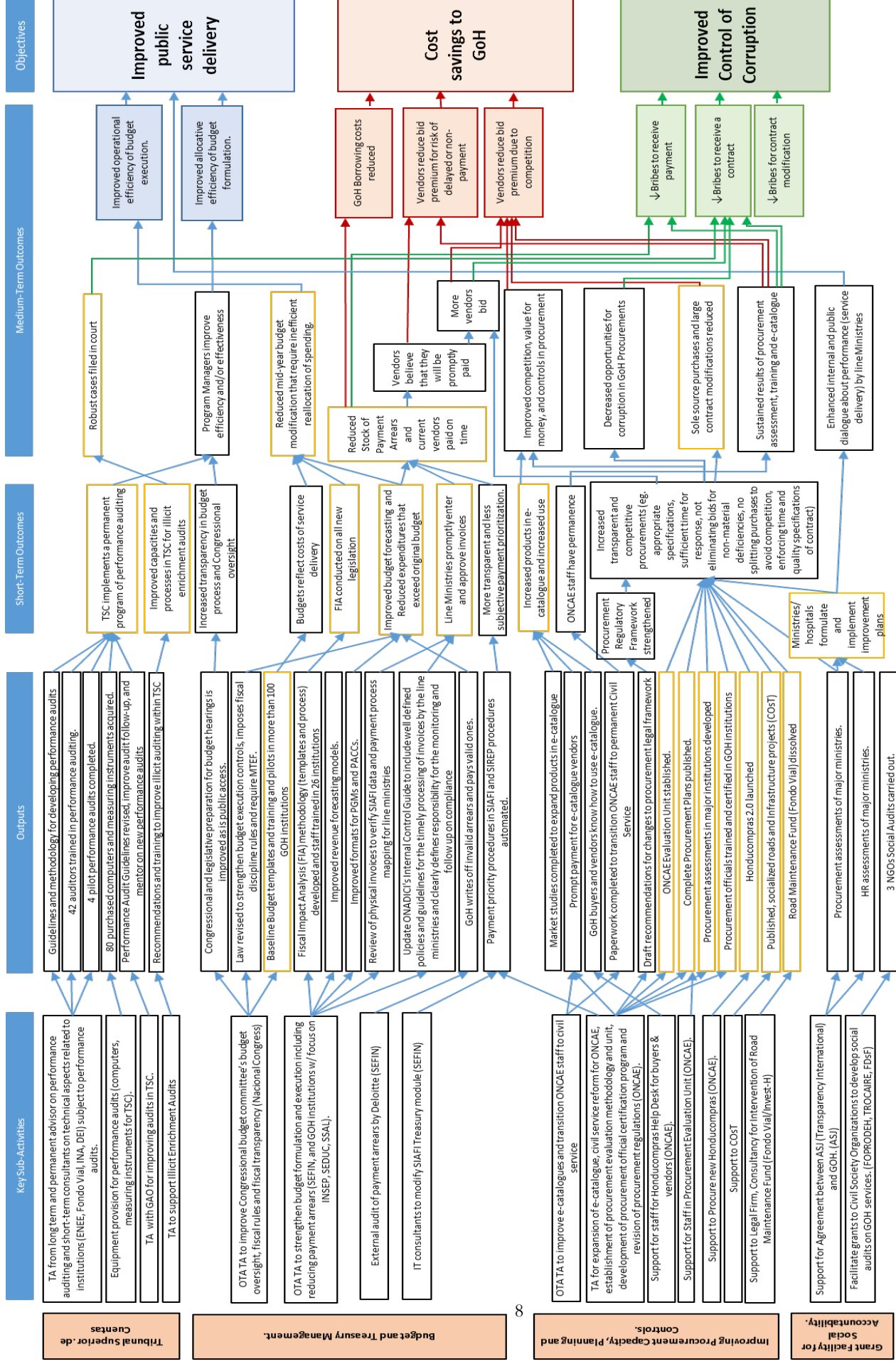
² MCC-GoH, "Honduras Constraints to Growth Analysis," January 2013.

important information for any future consideration of Honduras's compact eligibility. The Threshold Agreement was signed on August 28th, 2013 for USD 15.6 million and is expected to close May 31, 2019.

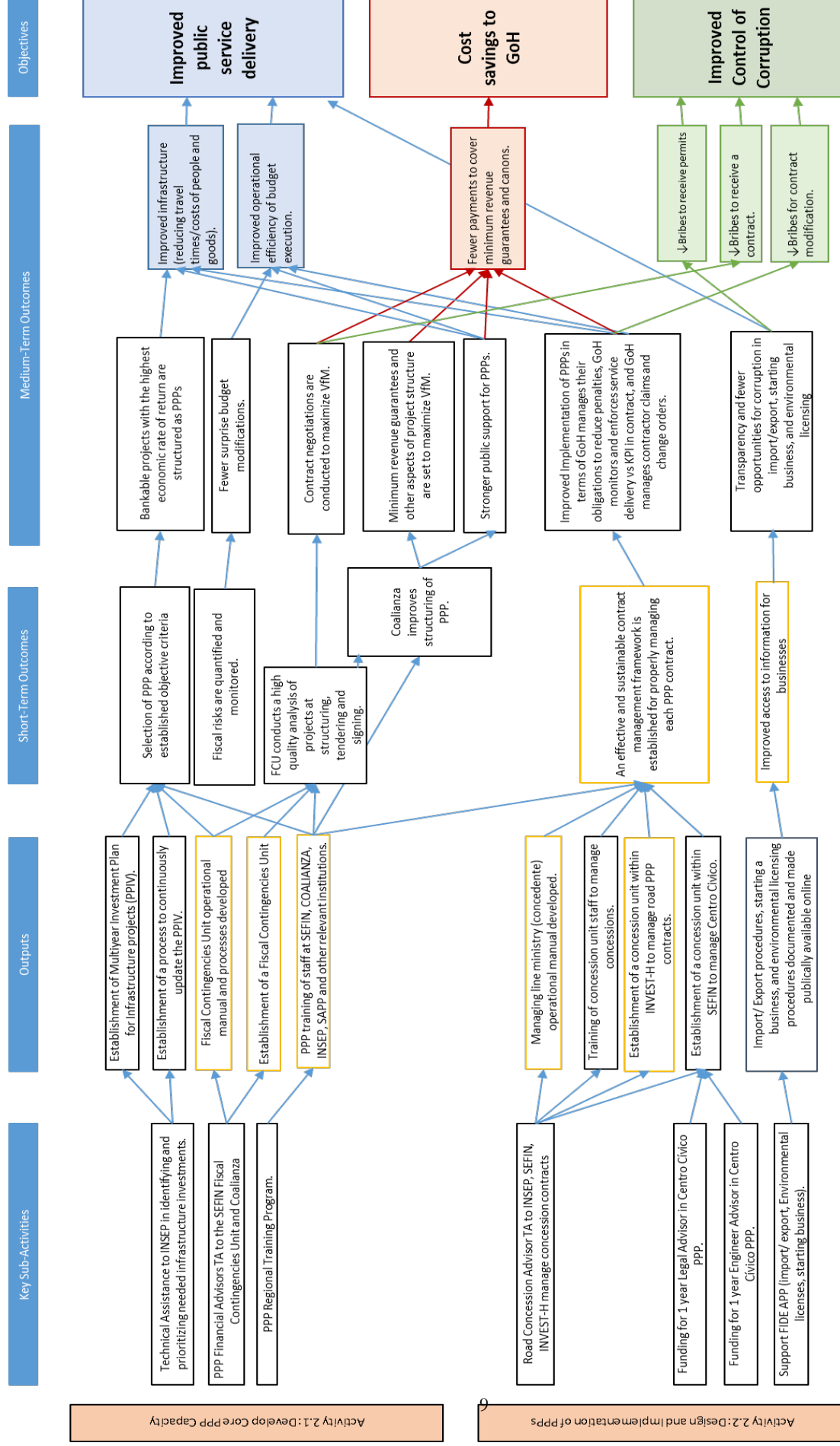
3.2 Project Logics

The overall Program will focus on improving public service delivery, cost savings to the GoH, and improved control of corruption. The Program seeks to improve the transparency and effectiveness of the GoH by strengthening budget and procurement processes, enhancing transparency and quality of controls through improved auditing capacity, and improving the functioning of PPPs and regulatory processes to enable greater private investment in Honduras and reduce financial risks to the GoH.

The Project Logics shown in this section were developed during year 4 of the Threshold Program and it was not possible to identify measureable indicators for all results (outputs and outcomes). The TCP chose to focus on a small number of indicators due to the time intensive nature of newly established data reporting and quality control procedures. Additional indicators are expected to be identified for the Post-Threshold M&E Plan. Results that are linked to measureable indicators (listed in Annex I and II) have a yellow outline in the Project Logics.



Outcomes in this color are aligned to indicators in Annex I (Results Framework)



4 PROJECT DESCRIPTIONS

4.1 Project 1: Improving Public Financial Management

Although the GoH has made important improvements in public financial management in the last few years, the 2012 Public Expenditure and Financial Accountability (PEFA) assessment identified a number of areas of weakness that are priorities for improvement, most importantly weak formulation and execution of the budget and limited enforcement of procurement norms.

Weak budget formulation and control of government budgets is one of the key contributors to the GoH's inability to pay vendors promptly, which has resulted in much higher costs for goods and services supplied to the government as vendors respond to the payment delays by increasing their prices. In addition, payment arrears increase opportunities for corruption by creating incentives for bribery to receive payments earlier.

While the GoH has established an entity, a Regulatory Office of Contracting and Acquisitions of Honduras (*Oficina Normativa de Contratación y Adquisiciones del Estado*, ONCAE), which is responsible for setting procurement norms and monitoring their implementation, this entity faces serious challenges in operating effectively, including lack of a permanent staff. As a result, Honduras has poor oversight of procurement, improper electronic disclosure of contract awards and extensions/modifications, and overuse of emergency contracting. Consequently, the government receives less value for money to undertake its core functions in providing the infrastructure and other services necessary for growth.

4.1.1 Public Financial Management (PFM) Project (\$11.2M)

The Public Financial Management (PFM) Project will address key weaknesses in budget planning, execution and analysis, treasury management, procurement process, and audits in order to reduce inefficiency and corruption in management of public resources and delivery of services.

The design of the technical assistance within the PFM Project aligns with the principals of establishing a Medium Term Expenditure Framework (MTEF). The MTEF is intended to effectively link poverty alleviation objectives to projects and activities in the annual budget through a set of institutional arrangements for prioritizing, presenting, and managing revenue and expenditure from a multi-year perspective. The MTEF is not the same as a multiannual budget, in which appropriations are authorized for a period longer than one year. The time horizon for the legislative appropriation of expenditures in an MTEF remains annual. It contains the following core pillars

- **Pillar 1.** A clearly set top-down medium-term macro-fiscal framework, which should be prepared by the Ministry of Finance, with medium-term fiscal targets and aggregate expenditure ceilings (resource envelope).
- **Pillar 2.** Bottom-up multi-year cost estimates of expenditure (what has to be financed) presented by the Institutions (line ministries), if possible on the basis of budget programs and with a focus on program performance.
- **Pillar 3.** An institutional decision-making (reconciliation) process, integrating the other two elements and making the necessary trade-offs.

Resulting from Pillar 3 negotiations, a set of medium-term budget allocations per institution should be agreed upon. The negotiations would capture the annual budget, agreed aggregate estimates of revenues, and institution expenditure estimates for the forward-looking years. They both represent government

expenditure on a “current policy basis” (often referred to as *baseline expenditures*), including any expenditure implications of “known” changes in government policy, and are consistent with its mid-term fiscal policy.

The Program will provide technical assistance to (1) the Ministry of Finance (Secretaría de Finanzas or SEFIN); (2) the Congressional Budget Committee (CBC); (3) Regulatory Office of Contracting and Acquisitions of Honduras (ONCAE); and (4) Supreme Audit Court (*Tribunal Superior de Cuentas* or TSC) as part of the following activities.

Activity 1.1: Budget and Treasury Management (\$5M):

This Activity will address public financial management in both the executive and the legislative branches of the GoH. Within the executive branches (SEFIN and line ministries), this Activity will build capacity to improve budget analysis, budget execution, and treasury management. On the legislative side, this Activity will build congressional capacity for budget oversight and discipline. This Activity is designed to be implemented primarily by the Office of Technical Assistance of the Office of the United States Department of the Treasury (OTA). As of October 2017, OTA has implemented the project with the support of different specialized consultants and will continue their work through August, 2018. Details of sub-activities within each component are given below.

- a) **Ministry of Finance and line ministries:** OTA provided technical assistance and training to improve budget analysis and treasury management, including providing budget forecasting, establishing adequate controls, strengthening the Treasury Single Account and payment prioritization.
 - **Budget Formulation (Baseline Budgeting):** The purpose of developing baseline budgets is to project resource requirements for current service levels into future years. This strengthens the MTEF by providing an estimate of the requirements to cover total current services from available revenue before making important decisions regarding resource allocation. This activity will expand the baseline process that is incorporated into the budget formulation and MTEF processes by developing an instruction manual, guidelines, a baseline template and training to more than 100 GOH institutions.
 - **Revenue Forecasting:** Technical assistance for revenue forecasting was provided to SEFIN in three areas: (1) macro-fiscal forecasts at SEFIN that draw on data from the financial management system (Sistema de Administración Financiera Integrada - SIAFI), (2) a microsimulation model that looks at how changes in policies affect revenues, and (3) improved intragovernmental coordination around the consensus forecast.
 - **Treasury Management:** Linked efforts towards treasury management are described below:
 - **Improve Timeliness of Payments to Vendors:** Another aspect of the PFM project is to improve Treasury’s ability to forecast cash needs and ensure the availability of funds to meet expenditure needs in a timely manner. In addition to improvements in Treasury, this component of the project is designed to improve the payment processes in GoH institutions to ensure that properly approved payment requests are submitted to Treasury in a timely manner. This will be done by working with the National Office of Development of Internal Controls (Oficina Nacional de Desarrollo Integral de Control Interno or ONADICI).

- Improving cash management: To improve the terms and conditions of banking agreements and maximize the return on funds that are idle.
 - Transparent Payment Process: MCC is providing funding for a consultant to automate the selection of expenditure forms (called F-01's) to be paid in SIAFI, based upon a set of objective criteria. In addition to the automation, the system will provide reporting capabilities that allow for the transparent disclosure and statistics on exceptions to the process.
 - Reduction of arrears: In order to determine the validity of older pending payment requests, the program is conducting an audit of a portion of these F-01's. The result of this review will be to pay those F-01's that have been determined to be valid and to eliminate from the financial records those invalid pending F-01's.
- b) **National Congress and Congressional Budget Committee (CBC):** Technical assistance and training was provided to the Congressional Budget Committee to improve congressional budget oversight capacity; improve congressional budget discipline by developing safeguards to ensure that planned deficit targets are not breached; and provide better analysis and transparency regarding the cost implications of congressional mandates.
- Budget reporting and oversight: Consultants worked with the Congressional Budget Commission (Comisión del Presupuesto del Congreso) and SEFIN to strengthen budget execution controls that included activities of reviewing reporting and issuing recommendations. Efforts also intended to improve congressional budget oversight capacity, improve congressional budget discipline by developing safeguards to ensure planned deficit targets are not breached, and provide better analysis and transparency regarding the cost implications of congressional mandates.
 - Fiscal Impact Analysis (FIA): FIA is the capacity of the government to estimate the fiscal impact of revenue and expenditure-related new executive and legislative proposals. FIAs can be used as a tool for the National Congress and Council of Ministers in their decision making processes and can also be an input to the baseline process. FIA's will include a help desk, template, instructions manual and training to more than 25 GOH institutions.

Activity 1.2: Improving Procurement Capacity, Planning and Controls (\$3.5M)

The Threshold Program aims to improve procurement transparency and controls (in particular on sole source contracting and contract modification), update the e-procurement system, and improve procurement capacity of road investments through the Construction Sector Transparency Initiative (CoST) initiative and Fondo Vial. It will first support this objective by assessing ONCAE's organizational structure and capacity, and recommend changes in structure, staffing, and job descriptions as appropriate. Trainings will be provided to procurement staff in line ministries in order to ensure knowledge of existing procedures and new policies for sole source and contract amendments. The Program will also help to expand the online supply catalogue to include more products, so that more ministries can benefit from bulk pricing. In addition, this support aims to reduce the administrative burden and fiduciary risks of thousands of small procurements. Specific sub-activities are described below.

- **Resident procurement technical assistance:** Supporting technical assistance for ONCAE and other Government entities to improve procurement transparency and controls by promoting compliance with existing national law and international agreements. This work includes building

capacity to undertake procurement assessments, reducing sole source procurements and contract modifications, and providing procurement training for members of the GoH. The members that complete these training will become Certified Public Procurement Officers.

- **Establishment of Civil Service Positions in ONCAE:** The Program will provide technical assistance to transition core ONCAE staff from consultancy contracts to permanent civil service positions.
- **Expansion of existing e-procurement systems:** Supporting the expansion of ONCAE's online supply catalog (an application within Honduras's e-procurement system, *HonduCompras*) to enable ministries to purchase goods and services at lower prices and with reduced administrative burden and fiduciary risk. The Program is also funding helpdesk staff to improve e-procurement use.
- **New e-procurement system:** Supporting the acquisition, development and implementation of the new transactional *HonduCompras* 2.0. This new system will replace the current multiple non-integrated *HonduCompras* systems and manual processes to improve the efficiency and effectiveness of the Honduras procurement system. The Program will also provide support to ONCAE through contracting of an international expert to integrate the system with institutional processes.
- **Social accountability through CoST:** Supporting an NGO that is acting as a host for CoST to increase social oversight of procurement process in road construction; and
- **Road Maintenance through Fondo Vial:** Providing support for a legal firm that is contracted by INVEST-H in the liquidation of Fondo Vial (Road Maintenance Fund). Former responsibilities for road maintenance will be taken over by INVEST-H.
- **Procurement Statistics and Evaluation Unit:** The GoH intends to establish a Procurement Evaluation unit within ONCAE that will monitor the compliance with procurement norms (including sole source, splitting and contract modifications) and the efficiency of the outcomes. To help accomplish this, the program is funding 10 staff positions that will be absorbed onto the GoH payroll after the Program concludes.

Activity 1.3: Improving Capacity of Tribunal Superior de Cuentas (TSC) (\$730K) :

The Program supports the TSC to strengthen their capacity in two primary areas (i) performance auditing, and (ii) in strengthening the Illicit Enrichment Investigation Unit.

Technical assistance for performance auditing under the TSC will support audits of select new controls introduced under the Public Financial Management Project. Specific interventions include support for specialized audit training, including training in management audits, forensic audits (in coordination with the Public Ministry) and procurement audits, as well as the potential provision of associated equipment. Additionally, support is provided for specific audits of new controls introduced, either under the Program or by the Government, in procurement, budget commitments, payments or other areas of public financial management.

The Program is also supporting the contracting of an external adviser to provide technical assistance to the TSC on assessment and the research process on indications of illicit enrichment within the government through the Unit of Illicit Enrichment of the TSC.

Activity 1.4: Grant Facility for Social Accountability (\$2M):

This Activity was designed to increase demand for greater accountability and responsiveness from Honduran public officials and service providers with the ultimate objective of improving national and/or municipal government efficiency and/or effectiveness. To do so, the Activity has supported grants to Honduran Civil Society Organizations (CSOs) to undertake social accountability projects that assess the quality of spending and service delivery in order to increase government accountability. Social accountability refers to the demand by citizens for greater responsiveness from public officials and service providers; this is accomplished by coalescing stakeholders to monitor and evaluate government performance. It is expected that this type of social pressure can reduce corruption, increase efficiency, and focus attention on service quality and results.

This Activity has resulted in four grants being awarded: (1) ASJ (Asociación para una Sociedad más Justa, which is the national chapter of Transparency International); (2) TROCAIRE; (3) FOPRIDEH (Federación de Organizaciones No Gubernamentales para el Desarrollo de Honduras); and (4) FDsF (Fundación Democracia sin Fronteras). Each grant was awarded to further the general objective of social accountability within Public Health Services, Education, Security, Tax Administration and quality Infrastructure. The specific objectives and expected outcomes for each grant are listed below.

1. ASJ

ASJ aims to help Honduras establish Health Services, Education, Public Security, Tax Administration and quality Infrastructure that respond to the needs of its citizens.

2. TROCAIRE:

TROCAIRE aims to contribute to the improvement of the quality of primary health care services for women and adolescents, developing action plans in 6 municipalities in the departments of La Paz, Copán, Ocotepeque and Choluteca, and validating the system's quality of service established in the national health model.

3. FOPRIDEH:

FOPRIDEH aims to contribute to the improvement of the quality of care of health services in the *Hospital General del Sur* by incorporating social audit processes with civil society organizations in the area.

4. FDsF:

FDsF aims to contribute to the implementation of road infrastructure projects in the Program municipalities with quality, efficiency and effectiveness through the involvement of local partners in the monitoring of projects using computerized transparency tools.

4.1.2 Expected Outcomes at PFM Project Inception

The outcomes listed below were defined at the inception of the TCP in 2013, when the specific project activities were expected to evolve to emphasize reform that gained traction with the GoH. These

outcomes are still relevant in 2018 but it has become clear through implementation and evaluation activities that they are ambitious for the scope of this TCP.

- *More transparent and less subjective payment prioritization.* Create, implement, and publicize transparent non-discretionary procedures for payment prioritization when the treasury has insufficient cash to pay all due obligations.
- *Reduced expenditures that exceed the original budget.* The Program will seek to reduce budget modifications (increases) that typically happen after the budget has been approved and contribute to payment arrears and the budget deficit.
- *Reduced payment arrears.* The Program will seek to reduce payment arrears both from current expenditures and historical arrears in order to restore public confidence in the GoH's commitment to prompt payment and to reduce premiums charged by vendors and vendor interest in government contracting.
- *Sole source purchases, emergency procurements and large contract modifications reduced.* Sole source contracts, emergency procurements, and large contract modifications generally cost more than using proper competitive procurement procedures, sometimes because of corruption but also due to poor planning or lack of controls.
- *Increased use of online catalogue.* The pilot of the catalogue has shown cost savings of 10-50% on supply purchases. By expanding bulk pricing, the online catalogue can also reduce the administrative burden and fiduciary risks associated with thousands of small procurements.
- *Enhanced internal and public dialogue about performance (service delivery) by line Ministries and citizens.* Public service delivery can be improved by finding cost savings and reducing opportunities for corruption.

4.1.3 PFM Project Evolution as of October 2017

The Budget and Treasury Management Activity has not had major changes in objectives, but has added a few actions to improve the impact and sustainability of the Activity including:

- An audit of payment arrears from previous administrations was contracted to determine the validity of these obligations and provide SEFIN support to pay the obligations or write them off.
- OTA found the line ministries were not accurately entering invoice receipt dates to SIAFI and as such payments were more delayed than SIAFI revealed. To make the SIAFI data more reliable and to prevent line ministries from delaying the input of valid invoices or altering their date of receipt, OTA is working with the Internal Auditor regulator (ONADICI) to clearly assign responsibility for the monitoring of prompt payments to internal auditors.
- To reduce the potential for subjectivity in payment prioritization, the Program funded IT consultants to add a module to SIAFI to produce a daily list of payments to be made according to the SEFIN treasury norms.

The Improving Procurement Capacity, Planning and Controls Activity has undergone two significant changes:

- The original design did not include support to improve the e-procurement platform (HondusCompras) as this was to be funded under a World Bank Loan. The GOH was able to use the WB funding to conduct market research, complete a needs assessment and draft technical specifications; however, they were not able to complete the purchase of a new e-procurement system as planned. At the end of 2017, MCC and MCA-Honduras decided to change the scope of

this Procurement Activity. The improvement of the e-procurement system will advance the objective of the improving Procurement Capacity, Planning and Controls Activity, which is to increase the transparency, accountability and quality of public procurement and service delivery. MCA Honduras contracted a consultant that had already begun the e-procurement design work with World Bank funding to update the market analysis for e-procurement platforms, present the business case for an e-procurement system to senior GOH officials, and draft the procurement documents. This consultant will also act as the Project Manager for the deployment of the e-procurement system. In addition to some training support from the e-procurement vendor, the program will all fund several individual consultants to support line ministries in the deployment of the new e-procurement system. MCA Honduras reallocated funding from the Public Private Partnerships Program. This was possible due to the fact that several activities under the Public Private Partnerships Program would no longer be carried out due to a change in strategy of the project.

- Following revelations from the procurement assessment and performance audit (also with program support to the Supreme Audit Institution) of severe procurement and management problems in the Road Maintenance Fund (*Fondo Vial*), the President assigned INVEST-H the responsibly to liquidate the Road Maintenance Fund and assume responsibility for road maintenance. The Program supported a legal firm to assist INVEST-H with the closing of Fondo Vial.

The Improving Capacity of the Tribunal Superior de Cuentas Activity was designed to strengthen the capacity of the TSC in specialized auditing and to support audits of the new controls introduced under the Public Financial Management Project. Originally the specialized audit training was envisioned to include training in management audits, forensic audits and procurement audits. In consultation with the TSC, the focus of the specialized audit training focused on performance audits rather than management audits and illicit enrichment auditing rather forensic auditing.

4.2 Project 2: Improving the Efficiency and Transparency of PPPs (\$2.6M)

Given tight public finances, there is currently limited scope for public investments to improve the provision of the public infrastructure. Consequently, the GoH planned to use PPPs for many new capital projects and for other public services. Planning and executing this strategy effectively will be important for the efficient and transparent provision of these services. Poorly structured PPPs can result in poor value for money and long-term contingent liabilities for the GoH.

The GoH has taken initial steps to put an effective institutional structure in place. In January 2011, the GoH passed a law creating the Commission for the Promotion of Public Private Partnerships (COALIANZA), which is empowered to negotiate a wide range of PPPs. Although COALIANZA has developed and executed several major PPPs, it has limited technical capacity, as do the line ministries and regulators responsible for managing these and future PPPs. As a result, these initial PPPs are at risk of not achieving the best value and optimal risk allocation for the GoH. For example, without support, the Ministry of Transportation may not be able to properly oversee road concessions to ensure full compliance by the concessionaire to the terms and conditions of the concession. In this case, inadequate oversight could hamper the maintenance of the logistical corridor that was improved in the first compact and which links El Salvador, Honduras, and Nicaragua to their main Atlantic port.

4.2.1 PPP Project Activities

The project will build capacity in COALIANZA, the Ministry of Roads, and the SEFIN in order to improve the effectiveness of PPPs. This will include support for the following activities:

Activity 2.1: Develop Core PPP Capacity (\$1.2M)

The program will provide support to improve the capacity and procedures of government agencies with key PPP responsibilities to develop and implement PPPs effectively. This Activity is designed to improve the capacity and procedures within GoH agencies with key PPP responsibilities to develop and implement PPPs in accordance with best practices.

Key recipients of technical assistance include COALIANZA and SEFIN. Support to COALIANZA will include developing manuals and internal procedures needed to properly: (i) select, prioritize, structure and award PPP projects, and (ii) disseminate information about PPP projects in order to sustain public support and investor interest in PPPs. Support to SEFIN will include identification and management of fiscal risks in its PPP portfolio, including the development of internal procedures and manuals and implementation of related training. Technical assistance is intended to cover the following areas.

- i. PPP Framework: Develop regulations, procedures, and guidance needed to properly identify, develop, and manage PPP projects.
- ii. PPP Pipeline Development: Strengthen the capacity of relevant government institutions (e.g., COALIANZA, SEFIN, INSEP and perhaps other line ministries) to properly screen, prioritize, and select potential PPP projects based on a set of clearly defined criteria.
- iii. PPP Development: Specialized PPP expertise to strengthen the capacity of relevant government institutions (e.g., COALIANZA, SEFIN, INSEP and perhaps other line ministries), each from its own unique perspective, to analyze, structure and negotiate specific PPP transactions according to international best practice, including properly identifying, analyzing and managing direct and contingent liabilities that arise in PPP projects.

Description of sub-activities to achieve the vision outlined in this section are described below.

Northern Triangle PPP Training Program

Honduras, El Salvador, and Guatemala have developed a joint PPP training that is based on the CP3P (Certified PPP Professional) certification program to ensure the quality and consistency of the general PPP training. This training has been developed by the Asian Development Bank, the European Bank for Reconstruction and Development, the Inter-American Development Bank, the Islamic Development Bank, the Multilateral Investment Fund, and the World Bank Group (WBG), and is funded by the Public-Private Infrastructure Advisory Facility (PPIAF). It is taught by a pool of 4 PPP specialists who were procured jointly by the three countries.

PPP Coaches

- Financial Coaches: MCA-Honduras has contracted PPP financial specialists to help the Ministry of Finance to create and operationalize a legislatively-mandated Fiscal Contingency Unit (*FCU*) to identify, analyze and manage direct and contingent liabilities arising under PPPs. This support includes analyzing several recent concession agreements (e.g., Civic Center buildings, CA-4 Highway), which has helped reduce direct and contingent liabilities in these contracts. These

coaches also work with COALIANZA and MCA-Honduras to help them evaluate promising PPP projects within their pipeline (e.g., rehabilitation of the CA-4 Highway; maintenance of the CA-2 “Pacific Corridor” Highway; and construction of the El Tablón hydroelectric plant).

- **Implementation Coach:** MCA-Honduras has contracted a PPP implementation specialist to help INSEP to create and operationalize a concessions unit to properly manage concessions agreements that INSEP has signed (e.g., Tourism Corridor Highway, Logistical Corridor Highway, Lenca Corridor Highway, Century XXI Highway), which has helped ensure performance of the obligations that INSEP and the concessionaires each have in these contracts. This PPP implementation coach also is helping (i) the SEFIN to create and operationalize a similar concessions unit to properly manage the Civic Center concession agreement, (ii) Superintendencia de Alianza Publico Privado SAPP in strengthening its capacity to effectively regulate signed concessions agreements, and (iii) COALIANZA and MCA-Honduras in evaluating promising PPP projects.

Activity 2.2: Implementation of PPPs (\$1.4M)

In order to institutionalize good practices, the Program is supporting specific current and potential PPPs, including:

- PPP Management: PPP experts to strengthen the capacity of relevant government institutions (e.g., INSEP and perhaps other line ministries, SAPP, SEFIN), each from its own unique perspective, to properly manage and regulate specific PPP transactions, including the Logistical Corridor and Tourist Corridor concessions. This expert guidance will help sustain MCC’s work under the Honduras Compact to improve and maintain the CA-5 Highway (which is part of the Logistical Corridor).
- A study to analyze options for structuring a new PPP to improve the efficiency and reduce the fiscal burden of the electricity sector. The Program may also assist the GoH in the design of a PPP in this sector
- Assisting in the implementation of a more effective PPP between a Honduran NGO, Fundación para la Inversión y Desarrollo de Exportaciones (FIDE), and the GoH. FIDE will develop and manage a single window for exports and will expand the current efforts to use the global eregulations.org web-based e-Government platform to make the regulatory process transparent, consistent, and efficient.

The sub- activities supported by the program are:

The PPP coaches that MCC has funded have serve to help: INSEP and the SEFIN to manage, and SAPP to regulate, several road concessions that INSEP has signed (i.e., Tourism Corridor Highway, Logistical Corridor Highway, Lenca Corridor Highway, Century XXI Highway); and COALIANZA and the SEFIN to evaluate promising PPP projects within their pipeline.

PPP consultants develop assessments and institutionalize the capacity to adequately assess PPP at inception, publication of tender and contract signing as required by the 2014 revision to the law.

- Training program for the first cohort.
- Support the establishment of a strong management unit in the Ministry of Finance for the Civic Center.
- Potentially establish a concession unit in the Ministry of Infrastructure.

4.2.2 Expected Outcomes at PPP Project Inception

The outcomes listed below were defined at the inception of the TCP in 2013, when the specific project activities were expected to evolve to emphasize reform that gained traction with the GoH. Based on preliminary evaluation findings in 2018, these outcomes will likely not be achieved due to the lack of engagement by COALIANZA in adopting reform activities sponsored by the TCP. Additional detail about PPP Project evolution is listed in section 4.2.3.

- *Increased value for money of PPPs.* Strengthen the capacity of relevant government organizations to develop a strong PPP pipeline and to develop, manage and regulate specific PPP transactions according to international best practice.
- *Improved transparency and accountability of PPPs.* COALIANZA, other GoH entities, and non-governmental organizations such as FIDE will increase the amount of disclosure and socialization of projects both in design and implementation.
- *Additional benefits from advancing specific PPPs may include:* lower losses to GoH from ENEE (national electricity company), and more efficient regulatory processes.

4.2.3 PPP Project Evolution as of October 2017

There have been two overarching changes to the PPP Project that have underpinned several of the subsequent reallocations describes below.

- Within Activity 2.1 (Develop Core PPP Capacity), MCC originally intended to help the Commission for the Promotion of Public Private Partnerships (Coalianza) to develop manuals and internal procedures needed to properly identify, prioritize, and structure PPP projects. Following an unexpected change in all three commissioners for Coalianza prior to the end of their seven year terms³, Coalianza decided that it was not interested in a review of manuals and requested that the program fund PPP training. Consequently, MCC provided training through the CP3 course and intensified efforts on helping SEFIN to properly identify, analyze and manage fiscal risks in the PPP projects that Coalianza developed and submitted to SEFIN for approval in order to help the GoH to develop bankable projects with the highest economic rate of return possible. For example, when Coalianza submitted to SEFIN a poorly structured PPP project to rehabilitate and maintain the CA-4 highway, MCC support helped SEFIN to analyze and significantly improve the structure of this project.
- Within Activity 2.2 (Design and Implementation of PPPs), MCC originally intended to help INSEP establish and staff a concessions unit to properly manage the implementation of several road concessions that INSEP had signed, but after signing a formal memorandum of understanding with INSEP to help the ministry to establish and staff this concessions unit, it became apparent that INSEP had little interest in establishing the unit, staffing it with competent professionals, or managing the implementation of the road concessions according to international best practice. Consequently, MCC focused its efforts on helping SEFIN to establish and staff a

³ One resigned to become Minister of Finance, one resigned to be a commissioner of SAPP and one was arrested for casting a vote on behalf of a congressman away from his seat in a vote to approve a PPP project (captured on live TV).

concessions unit to properly manage the implementation of the Civic Center PPP while still providing periodic support to INSEP in managing its road concessions. In addition, the GoH has transferred responsibility for management of all road concessions to INVEST-H and the Program is supporting INVEST-H to establish a unit to manage these concessions.

Activity 2.2 of the PPP Project also originally envisioned that MCC would fund a study of PPP options in the electricity sector and assist the Government in developing the selected PPP. As the GoH elected to engage the IFC via the Electricity Distribution Trustfund in Banco Ficosa, funding for a transaction advisor for a PPP in electricity distribution was not required. MCC, MCA-Honduras and INSEP agreed that it would be preferable to modify this activity to replace support of a PPP in the electricity sector with a new PPP for road maintenance. However, after signing a formal memorandum of understanding with Coalianza to develop PPPs to maintain the CA-2 “Pacific Corridor” Highway, rehabilitate the CA-4 highway, and improve municipal water and sanitation systems, Coalianza showed little real interest in developing these projects (and other projects in its portfolio) according to international best practice. As a result, much of this \$2.6 of the \$4 million for this Activity was reallocated.

4.3 Beneficiaries and Project Participants

The Honduras Threshold Program challenges the country to implement key policy and institutional reforms to enable improve Public Financial Management (PFM) and the efficiency and transparency of Public Private Partnerships (PPPs). Given the attenuated causal relationship between specific policy and institutional reform interventions and economic growth impacts, the Threshold Program does not require cost-benefit analysis to calculate the economic rate of return for these interventions. Although we do not estimate quantitative impacts of the Honduras Threshold Program interventions, we can assess the intervention design, logic, and baseline evaluation results to describe the expected benefit streams and beneficiaries.

4.3.1 Public Financial Management Project

Budget and Treasury Management Activity will improve budget analysis, treasury management, and congressional budget oversight capacity. Improving Procurement Capacity Planning, and Controls Activity promotes procurement transparency and coordination for Regulatory Office of Contracting and Acquisitions of Honduras (ONCAE) and Tribunal Superior de Cuentas (TSC). These activities facilitate governmental business processes to standardize payment prioritization, reduce budget modifications and payment arrears, reduce procurement anomalies, and increase online e-catalogue use. A normalized government procurement and payment environment will reduce government procurement costs. Reduced government procurement costs will finance increased operational expenses incurred through service delivery. Improving the capacity of the TSC will help to improve performance audits. The beneficiaries of these activities are the citizens of Honduras who will experience improved or increased service delivery as a result of reduced procurement costs. Participants are ONCAE, TSC, and the Ministry of Finance’s Budget Office, Treasury, Modernization Unit, and Planning and Evaluation Unit.

The Grant Facility for Social Accountability supports civil society organizations’ social audits to improve public service delivery and transparency. Grantee organizations provide independent institutional

performance monitoring to public agencies including Education, Health, Security, Tax Administration. The beneficiaries of this activity are the citizens of Honduras, the consumers of public goods and services. Specific beneficiary groups include patrons of the Hospital General del Sur and patrons of health centers in La Paz, Copan, Ocotepeque, and Choluteca. Line ministries and public health institutions will also benefit. Project participant organizations are the Asociación para una Sociedad más Justa (ASJ), TROCAIRE, Fundación sin Fronteras (FDsF), and FOPRIDEH.

4.3.2 PPP Project

The Core PPP Capacity Development Activity will strengthen Honduran PPP-implicated institutional capacity and procedural efficiency in PPP development and implementation to generate more predictable, bankable PPPs that maximize value for money. The beneficiaries of improved national infrastructure stock, institutional operational efficiency, and reduced minimum revenue guarantee pay-outs are the consumers of PPP goods and services and the citizens of Honduras. PPP consumers will benefit from reduced costs/time through the provision of improved public infrastructure through PPPs. The citizens of Honduras, consumers of the broader basket of public goods and services, will benefit from improved public service delivery as PPP-institutional operational efficiency improves and the incidence of budget modifications decrease. Finally, direct MCC support for the FIDE PPP will benefit all firms operating in Honduras who will experience cost savings through reduced opportunity for corruption/bribery due to public access to business regulations, procedures, and licensing requirements. Project participants are Coalianza, Superintendencia de Alianza Público-Privada (SAPP), Ministerio de Finanzas, FIDE, Empresa Nacional de Energía Eléctrica, and Secretaria de Infraestructura y Servicios Públicos.

5 MONITORING

5.1 Overview

Monitoring is defined by MCC as “a continuous function that uses the systematic collection of data on specified indicators to gauge progress toward final program objectives and achievement of intermediate results along the way”. Effective project monitoring enables tracking of process indicators (financial and in-kind inputs) and of the generated outputs—essentially, the implementation chain of the project. Such a system can facilitate ongoing feedback to project managers during the course of implementation, which can help them decide if/what changes should be made to the project in order to make the achievement of intended results more likely.

A comprehensive system of monitoring requires: (1) defining the expected processes and outputs that the project aims to achieve; (2) identifying monitoring indicators, primarily for processes and outputs, and collecting the appropriate quantitative and qualitative information for these indicators; and (3) taking stock at regular intervals to reflect on this monitoring information and to determine any changes in implementation that need to be pursued.

The aforementioned step 1 can be completed as part of constructing each of the project logics, which will occur after the finalization of this M&E Plan. The other steps are described in more detail in the subsections that follow.

5.2 Monitoring Indicators and Data Collection

Monitoring indicators are used to measure progress toward the expected results throughout the design and implementation period. Different types of indicators are needed at different points in time to trace each point along the relevant Project Logic. All indicators in the M&E plan should have a specified unit of measurement, which must align with MCC's approved list of units of measurement. Units may be added to this list at the request of an MCA if necessary, but they will be subject to MCC approval.

Process, output, and (possibly) some outcome indicators are relevant for the purposes of monitoring. MCC defines these indicators as:

- **Process Indicator:** An indicator that measures progress toward the completion of a Project Activity, a step toward achievement of Project Outputs and a way to ensure the work plan is proceeding on time.
- **Output Indicator:** An indicator that directly measures Project Activities. It describes and quantifies the goods and services produced directly by the implementation of an Activity.
- **Outcome Indicator:** An indicator that measures the intermediate effects of an Activity or set of Activities and is directly related to the Output Indicators.

The monitoring indicators for this Program are summarized in Annexes I and II, including the definition, unit, and data source. The information collected for these indicators shall be submitted to MCC on a quarterly basis in a format agreed upon by MCC and MCA.

With respect to data collection for monitoring, the primary sources of information are likely to include (but not necessarily be limited to):

1. Administrative data

- *Project and other GoH Documents and Reports:* Information from various documents and reports produced by the Program and by the GoH may prove useful in monitoring the implementation of the program.
- *GoH administrative data:* Data from GoH agencies will primarily stem from the SIAFI financial system and Honducompras database. Agencies' annual reports and in-depth interviews with key informants may also be collected.

2. Qualitative data: In a reform Program such as this, qualitative information on government staff's behavior and perceptions around their use of new tools and processes can be particularly valuable in highlighting the strengths and weaknesses of project implementation. This information can be collected in the following ways:

- *Structured reflection:*⁴ Periodically bring together various stakeholders involved in carrying out Program activities to debrief recent experiences with implementation. This strategy will be described in more detail in the next two subsections.
- *Focus group discussions (FGDs) and/or open-ended semi structured key informant interviews:* The main purpose of FGDs would be to gather information about government staff's experiences with key reform elements, perceptions of the effectiveness of the program in terms of time and costs to doing business, accessibility of the information and accountability of GoH institutions, and the perceived extent of corruption in the various sectors.

⁴ This method is drawn from the reflective practice approach, which can follow various models and is commonly espoused to promote organizational learning.

5.3 Data Interpretation

The raw data that is collected through project reports and GoH administrative sources (quantitative) can be made more useful if it is woven together into a coherent narrative about project implementation. The Indicator Tracking Table (ITT) provides quantitative information, but this should be complemented by using the Narrative Report (required to be submitted with the Quarterly Disbursement request) to highlight changes in leading indicators and explain how and why implementation is proceeding as it is. Critically, this process is not a box-checking exercise but rather a way to triangulate important implementation trends using different information sources.

The data interpretation phase can be combined with the stocktaking phase insofar as discussion among implementers, MCA, MCC, and other stakeholders about monitoring information will produce a variety of interpretations and lessons in and of itself. The next subsection describes this concept in more detail.

5.4 Stock Taking

This Program is predicated on the effectiveness of technical assistance in a variety of public financial management and PPP issues. At its core, technical assistance is not simply about the transfer of information to local actors, but also relies heavily on relationship- and team-building, learning-by-doing, coaching/mentoring, and navigating organizational politics. These are all complex tasks that are difficult to describe and capture in a few indicators.

As a result, engaging implementers in a regular stocktaking exercise can offer MCA, MCC, and implementers themselves a more granular understanding of how the Program is proceeding. One way to structure this reflection process is to engage implementers in a dialogue around the following questions (or variations thereof):

- What have you worked on/accomplished in the last (1-3) months?
- What did you learn from carrying out these tasks?
- What challenges remain in these tasks, and what difficulties do you foresee moving forward?
- What are your upcoming goals and what steps will you take to complete them?

This framework is meant to elicit detailed discussion about the concrete (often small and mundane) actions that have been taken and will be taken by implementers toward the goals laid out in their work plans. In this way, it should generate useful interpretations of the higher-level information described above and underscore operational lessons that can be carried forward in implementation.

5.5 Setting Baseline and Target Values

Every indicator selected must have a baseline value, each of which will be set as soon as possible according to project/data collection timelines and data availability. The MCA M&E unit is responsible for documenting the actual start date of each sub-project in order to distinguish between pre-intervention trends and post-intervention trends. Any analysis will consider the actual start date of each activity.

Indicators in the M&E plan also include annual and Program targets, whenever possible and appropriate. MCC does not require quarterly targets; however, the MCA may choose to set quarterly targets for internal management purposes. Quarterly reporting of progress against annual targets is required by MCC, as described below. Very few indicators have targets because the majority of the indicators were defined in year 4 of the TCP. Retrospectively setting targets was not deemed appropriate at such a late stage of the program,

5.6 Quarterly Reporting

The Disbursement Request and Reporting package is submitted by MCA to MCC on a quarterly basis. This includes the completed ITT, which displays performance targets (projections) and tracks progress against them (actual), as well as a corresponding narrative report which explains progress made and performance and any reasons for deviations from the targets when applicable.

The overall narrative report included as part of the quarterly disbursement request is the responsibility of all staff of MCA and provides a brief description of the previous quarter's performance and explains how requested funds will be used in the coming quarter. The narrative report, which is not a public document and is limited to five pages, includes the following:

- Status of implementation of activities planned during the previous quarter for each component of the program and explanations in case there are deviations from the plans;
- Challenges that might affect implementation and propose measures to address the challenges; and
- Significant M&E activities that took place during the quarter such as data collection, M&E Procurements, and results of any M&E studies.

The quarterly reports are submitted from Threshold Program Director to MCA Executive Director for review and approval before being submitted to MCC. Additional guidance on reporting is contained in MCC's [*Guidance on Quarterly MCA Disbursement Request and Reporting Package*](#).

5.7 Additional Monitoring Activities

5.7.1 Data Quality Reviews

M&E data is the key source of information on progress towards the achievement of Program results and supports decision-making by program managers. Ensuring that the underlying data are of good quality is essential to maintain a high level of confidence in the decisions that are made using these data.

The Data Quality Review (DQR) is a mechanism to review and analyze the utility, objectivity, and integrity of performance data. DQRs cover: a) quality of data; b) data collection instruments; c) survey sampling methodology; d) data collection procedures; e) data entry, storage and retrieval processes; f) data manipulation and analyses; and g) data dissemination. No DQR for this TCP was undertaken because relevant indicators were not defined until year 4.

5.7.2 Annual Performance Review

MCA will conduct Annual Performance Reviews and submit an Annual Supplemental Report to regular quarterly reporting. The Annual Supplemental Report may provide information on accomplishments and developments of implementation related to progress on Activities, the consultative process, donor coordination, and lessons learned. The Annual Supplemental Report may be submitted to MCC one month after the end of each US fiscal year (October 30).

These annual performance reviews will include workshops. A workshop would be moderated by a competent facilitator(s). Participants in the workshop would include representatives from a wide range of stakeholders. The workshops would provide opportunities to:

- Review the overall reform progress of GOH;
- Analyze each activities performance against its workplan and problems encountered in the course of implementation;
- Review the GoH commitment to reforms not yet achieved and ensure that projects are aligned to current reform goals and propose modifications as necessary; and

- Use the findings for planning activities for the subsequent year.

5.7.3 Threshold Program Close-Out

Upon completion of the Program in September 2017 MCC will comprehensively assess four fundamental questions: (i) Did the GoH meet the reform objectives?; (ii) Why did the GoH meet or not meet these objectives?; (iii) How well did the Program support the reform objectives?; and (iv) What lessons can be learned from the implementation experience (both procedural and substantive)? The MCA staff will draft the Country Completion Report (CCR) of Program implementation to evaluate these fundamental questions and other aspects of Program performance. The MCA will use information from the Honduras monitoring reports as well as evaluation results produced during the Program period.

After MCA staff drafts the CCR, MCC staff will then draft the Post-Completion Assessment Report (PCAR) within 6 months of the end of the Program to evaluate these same questions and other aspects of Program program performance.

6 EVALUATION

6.1 Overview

In order to determine the extent to which the Program has contributed to economic growth and poverty reduction, a performance evaluations of activities will be carried out by an independent evaluator.

MCC's performance evaluations also address questions of program impact and cost-effectiveness. However, a performance evaluation typically lacks the ability to statistically estimate the *causal impacts* on outcomes that are attributable to the project.

6.2 Evaluation Questions

The Program Objective is to increase the efficiency and transparency of the Government of Honduras, and the overarching evaluation question is the extent to which the GoH met this objective and how the Program contributed to meeting this objective. A major update to both project logics was undertaken in year 4, after the independent evaluator had collected baseline data for the performance evaluation. Evaluation questions by project used by the independent evaluator are listed below. The interim evaluation report (submitted in 2018) was linked to the updated project logics and triangulates qualitative findings in line with the expected results described in the theories of change.

6.2.1 Threshold Program Evaluation Questions

Question 1: Were the Threshold Country Program Goals and Outcomes, as outlined in the Threshold Country Program document and M&E Plan, achieved? Why or why not?

Question 2: What were the results of the interventions – intended and unintended, positive or negative?

Question 3: What are the lessons learned and are they applicable to other similar projects?

Question 4: What is the likelihood that the results of the Project will be sustained over time?

Question 5: Does the Program result in an increase in public sector cost savings, without resulting in deterioration in the quality or value of public expenditure?

Question 6: Does the Program result in an improvement in the quality of public service provision

6.2.2 Public Financial Management Evaluation Questions

Question 7: Do partner institutions realize improvement in the effectiveness and efficiency in the processing of invoices and cash management? Why or why not?

Question 8: Does the accuracy of REVENUE forecasting increase? Why or why not?

Question 9: Does the accuracy of budgeting increase in partner institutions? Why or why not?

Question 10: Does the budget reporting and reporting of budget challenges improve in partner institutions? Why or why not?

Question 11: Do procurement assessment recommendations lead to changes in practices?

Question 12: Does business confidence in public procurements and participation in procurements increase? Why or why not? What explains variation in perceptions of fairness of the procurement process?

Question 13: Do changes to systems and processes reduce opportunities for corruption and/or improve perceptions of corruption in PFM?

Question 14: Do performance audit recommendations lead to changes in practices?

Question 15: Does civil society oversight and recommendations lead to changes in targeted institutions?

Question 16: Are there improvements in public employees' perceptions of human resources practices and procurement practices in targeted institutions?

6.2.3 PPPs Project Evaluation Questions

Question 18: Are there improvements in the efficiency and effectiveness of the process for developing and structuring PPPs?

Question 17: Does the PPP procurement process adhere to best practice?

Question 19: Are there improvements in the efficiency and effectiveness of the process for managing PPP?

Question 20: To what extent does the project facilitate greater capacity and coordination for PPPs within GoH?

Question 21: Do the systems put in place by the project reduce opportunities for corruption or improve perceptions regarding corruption?

Question 22: Does the project result in greater transparency and awareness of PPP procedures for government, private sector and civil society groups?

6.3 Evaluation Methodologies and Data Collection

| Activity | Evaluation Type | Evaluator | Evaluation Report Dates | | | |
|--------------------------------|------------------------|---------------|-------------------------|----------|---------|-------|
| | | | Design | Baseline | Interim | Final |
| Budget and Treasury Management | Performance Evaluation | Social Impact | 2015 | 2016 | 2017-18 | 2019 |
| Procurement | Performance Evaluation | Social Impact | 2015 | 2016 | 2017-18 | 2019 |
| TSC | Performance Evaluation | Social Impact | 2015 | 2016 | 2017-18 | 2019 |
| Social Accountability | Performance Evaluation | Social Impact | 2015 | 2016 | 2017-18 | 2019 |
| PPP Capacity | Performance Evaluation | Social Impact | 2015 | 2016 | 2017-18 | 2019 |
| Implementation of PPPs | Performance Evaluation | Social Impact | 2015 | 2016 | 2017-18 | 2019 |

Based on the nature of the Program's interventions, a performance evaluation is the most appropriate methodology through which MCC will evaluate the Program. The overarching learning goal will be to understand not only what the Program accomplished, but also how and why it was able to do so. At the

highest level, the evaluation will seek to understand how the interventions influence the GoH's broader reform efforts. To address such a dynamic learning goal, the evaluation will rely on a mixed methods approach; it will use quantitative methods/information to illustrate the Program's progress toward outcomes, as well as qualitative methods/information to detail the trajectories of implementation and to unpack political and contextual factors that may explain the aforementioned progress. Additional details are provided in the evaluation design report from Social Impact.

With respect to quantitative data for evaluation, the primary sources of information may include (but are not necessarily limited to):

- *PEFA Assessment:* The Public Expenditure and Financial Accountability (PEFA) Program was founded in 2001 as a multi-donor partnership between seven donor agencies and international financial institutions to assess the condition of country public expenditure, procurement and financial accountability systems and develop a practical sequence for reform and capacity-building actions. MCC has financed 2 PEFA's for Honduras during the development of the Program. The M&E program will continue to fund PEFA assessments in order to contribute to the collective efforts of Honduran stakeholders to assess the GoH's fiscal discipline, strategic allocation of resources, and efficient use of resources for service delivery.
- *Business and government staff perceptions survey:* A quantitative survey of businesses and citizens to collect feedback regarding their experiences with and perceptions of changes in the efficiency and effectiveness of public procurement, e-regulations, and payments, and the extent of corruption before and after the Program will likely be commissioned through the program.
- *SIAFI:* The GoH integrated financial management system will provide data on budget modifications and payment arrears.

With respect to qualitative data for evaluation, the primary sources of information may include (but are not necessarily limited to):

- *Focus group discussions (FGDs) and/or open-ended semi structured key informant interviews:* The main purpose of FGDs would be to gather information about government staff's experiences with key reform elements, perceptions of the effectiveness of the program in terms of time and costs to doing business, accessibility of the information and accountability of GoH institutions, and the perceived extent of corruption in the various sectors. This information could serve as the basis for case studies on particular government staff/organizations' experience with the reform process.
- *Process studies:* Data collection looking at how internal processes have changed in relation to the reform program can shed light on the strengths and weaknesses of Program implementation. This type of information can be collected, for example, by examining business process flow and/or through participant observation.

7 INSTITUTIONAL ARRANGEMENTS

Implementation of the Programs M&E activities will be done by all MCA Directorates and will be coordinated by the M&E Specialist. Specific responsibilities and implementation arrangements are outlined below as follows:

- MCA: Will be responsible for implementation of the M&E Plan, data collection, and data quality and reporting. MCA-Honduras will oversee all Program monitoring and evaluation activities conducted for each of the Projects, ensuring that data from all implementing entities is consistent, accurately reported, and aggregated into regular performance reports as described in the M&E Plan and disseminated to the public. They will keep the Independent Evaluator informed of changes in implementation, and ensure all implementation data and processes are properly recorded.
- MCC: Will be responsible for hiring and managing the Evaluator and ensuring transparency of implementation processes and M&E reports and data. MCC will work with an Independent Evaluator to conduct a thorough evaluability assessment, in order to determine the optimal timing and design of the final evaluation.
- Independent Evaluator: Will be responsible for the overall evaluation design, completing an Evaluability Assessment of the Program, keeping track of project implementation, executing evaluations and data collection, and cost-effectiveness and final evaluation analysis of the Program.
- Office of Technical Assistance (OTA), Department of the Treasury: Will be responsible for implementation of the budget and treasury management and procurement activities. They will manage disbursements and will be responsible for submitting quarterly progress reports describing progress on Program indicators to the MCC and will consult with GoH in the preparation of the reports. Baseline information will be determined by GoH and OTA prior to implementation or, where appropriate, assessed through a study.
- Implementers (*SEFIN, Congress, ONCAE, TSC, Civil Society Organizations, COALIANZA, SAPP, INSEP, ENEE, FIDE*): Will be responsible for implementing activities. This involves recording, analyzing, and reporting on activity implementation, as well as ensuring the quality, verification and proper storage of data as per MCC's M&E Policy.

8 M&E BUDGET

The table below details the M&E budget for the Program. It focuses on data collection activities and highlights how the costs for these activities are divided between the Program M&E budget and MCC due diligence funding. Line items in this budget are subject to change, as data collection needs have yet to be fully articulated and agreed upon by all relevant stakeholders.

| Threshold M&E Budget | | | | | |
|---|------------------|------------------|------------------|-----------------------------------|--------------------|
| Line Item | 2015 | 2016 | 2017-18 | Post TCP/ no cost extension | TOTAL |
| Annual Reviews | \$5,000 | \$5,000 | \$0 | | \$10,000 |
| Travel | \$5,000 | \$5,000 | \$5,000 | | \$15,000 |
| Supplemental Evaluation Activities | \$250,000 | | \$330,000 | | \$580,000 |
| Program M&E Budget | \$260,000 | \$10,000 | \$335,000 | | \$605,000 |
| Independent Evaluator | \$250,000 | \$250,000 | \$250,000 | \$250,000 | \$1,000,000 |
| Government and Business Perceptions Survey | \$300,000 | \$0 | \$200,000 | | \$500,000 |
| MCC M&E Budget | \$550,000 | \$250,000 | \$450,000 | | \$1,500,000 |

| Annex I: Indicator Definitions | | | | | | | | | |
|--|-----------------|---|---|-----------------|----------------|-----------------------|-------------------|--|--|
| Result Statement | Indicator Level | Indicator Name | Indicator Definition | Unit of Measure | Disaggregation | Primary Data Source | Responsible Party | Frequency of Reporting | Additional Information |
| Objective Indicators | | | | | | | | | |
| Improved public service delivery | Objective | Perceptions of government effectiveness in public employees related to fairness of procurement process for selecting vendors | Indicator based on question H3 of the Public Employee Survey done by independent evaluator (Social Impact): Procurement: Would you agree or disagree with the following statement: The procurement process for selecting vendors is fair at _____. (Agency specific). (Sum of "agree" and "strongly agree") | Percentage | None | Independent Evaluator | Social Impact | Other | |
| | Objective | Perceptions of government effectiveness in public employees related to improvement of fairness of the procurement process | Indicator based on question H13 of the Public Employee Survey done by independent evaluator (Social Impact): In the last 12 months has the fairness of the procurement process improved or worsened? (Sum of "improved" and "improved greatly") | Percentage | None | Independent Evaluator | Social Impact | Other | |
| | Objective | Perceptions of government effectiveness in vendors related to financial management within government institutions | Indicator based on question E6 of the Public Employee Survey done by independent evaluator (Social Impact): In the last 12 months, has the financial management within government institutions with which you have had contact improved, worsened, or stayed the same? (not agency specific) (Sum of "good" and "very good") | Percentage | None | Independent Evaluator | Social Impact | Other | |
| | Objective | Perceptions of government effectiveness in vendors related to improvement in financial management within government institutions | Indicator based on question E6: In the last 12 months, has the financial management within government institutions with which you have had contact improved, worsened, or stayed the same? (not agency specific) (Sum of "good" and "very good") | Percentage | None | Independent Evaluator | Social Impact | Other | |
| Cost Savings to Government of Honduras | Objective | Aggregate expenditure out-turn compared to original approved budget—PEFA Indicator 1 | The difference between actual primary expenditure and the originally budgeted primary expenditure (i.e. excluding debt service charges, but also excluding externally financed project expenditure) | Letter Grade | None | PEFA | INVEST-H | Annual (or less frequently, depending on schedule for PEFA assessment) | Baseline taken from PEFA 2012. The value in Q6 actually is valid for the period 2013-2015. |
| | Objective | Extent of variance in expenditure composition during last three years, excluding contingency items—Dimension (i) of PEFA Indicator 2 | Requirement for "A": Variance in expenditure composition exceeded 5% in no more than one of the last three years | Letter Grade | None | PEFA | INVEST-H | Annual (or less frequently, depending on schedule for PEFA assessment) | |
| | Objective | Aggregate revenue out-turn compared to original approved budget—PEFA Indicator 3 | Actual domestic revenue compared to domestic revenue in the originally approved budget | Letter Grade | None | PEFA | PEFA | Annual (or less frequently, depending on schedule for PEFA assessment) | |
| | Objective | Preparation of multi -year fiscal forecasts and functional allocations—Dimension (i) of PEFA Indicator 12 | Requirement for "A": Forecasts of fiscal aggregates (on the basis of main categories of economic and functional/sector classification) are prepared for at least three years on a rolling annual basis. Links between multi-year estimates and subsequent setting of annual budget ceilings are clear and differences explained | Letter Grade | None | PEFA | PEFA | Annual (or less frequently, depending on schedule for PEFA assessment) | |
| | Objective | Linkages between investment budgets and forward expenditure estimates—Dimension (iv) of PEFA Indicator 12 | Requirement for "A": Investments are consistently selected on the basis of relevant sector strategies and recurrent cost implications in accordance with sector allocations and included in forward budget estimates for the sector | Letter Grade | None | PEFA | PEFA | Annual (or less frequently, depending on schedule for PEFA assessment) | |
| | Objective | Stock of expenditure payment arrears (as a percentage of actual total expenditure for the corresponding fiscal year) and any recent change in the stock—Dimension (i) of PEFA Indicator 4 | Requirement for "A": The stock of arrears is low (i.e. is below 2% of total expenditure) | Letter Grade | None | PEFA | PEFA | Annual (or less frequently, depending on schedule for PEFA assessment) | |
| | Objective | Comprehensiveness of information included in budget documentation—PEFA Indicator 6 | Share of the information listed in PEFA guidance in the budget documentation most recently issued by the central government | Letter Grade | None | PEFA | PEFA | Annual (or less frequently, depending on schedule for PEFA assessment) | |
| | Objective | The level of extra-budgetary expenditure (other than donor funded projects) which is unreported, i.e. not included in fiscal report—Dimension (i) of PEFA Indicator 7 | Requirement for "A": The level of unreported extra-budgetary expenditure (other than donor funded projects) is insignificant (below 1% of total expenditure) | Letter Grade | None | PEFA | PEFA | Annual (or less frequently, depending on schedule for PEFA assessment) | |
| | Objective | Public access to key fiscal information—PEFA Indicator 10 | Number of elements of public access to information as listed in PEFA guidance that is fulfilled | Letter Grade | None | PEFA | PEFA | Annual (or less frequently, depending on schedule for PEFA assessment) | |

| Annex I: Indicator Definitions | | | | | | | | | |
|--|-----------------|---|---|-----------------|----------------|-----------------------|-------------------|--|------------------------|
| Result Statement | Indicator Level | Indicator Name | Indicator Definition | Unit of Measure | Disaggregation | Primary Data Source | Responsible Party | Frequency of Reporting | Additional Information |
| Cost Savings to Government of Honduras | Objective | Clarity/comprehensiveness of and political involvement in the guidance on the preparation of budget submissions (budget circular or equivalent)—Dimension (ii) of PEFA Indicator 11 | Requirement for "A": A comprehensive and clear budget circular is issued to Ministries, Departments, and Agencies (MDAs), which reflects ceilings approved by Cabinet (or equivalent) prior to the circular's distribution to MDA | Letter Grade | None | PEFA | PEFA | Annual (or less frequently, depending on schedule for PEFA assessment) | |
| | Objective | Timely budget approval by the legislature or similarly mandated body (within the last three years)—Dimension (iii) of PEFA Indicator 11 | Requirement for "A": The legislature has, during the last three years, approved the budget before the start of the fiscal year | Letter Grade | None | PEFA | PEFA | Annual (or less frequently, depending on schedule for PEFA assessment) | |
| | Objective | Scope of the legislature's scrutiny—Dimension (i) of PEFA Indicator 27 | Requirement for "A": The legislature's review covers fiscal policies, medium term fiscal framework and medium term priorities as well as details of expenditure and revenue | Letter Grade | None | PEFA | PEFA | Annual (or less frequently, depending on schedule for PEFA assessment) | |
| | Objective | Extent of hearings on key findings undertaken by the legislature—Dimension (ii) of PEFA Indicator 28 | Requirement for "A": In-depth hearings on key findings take place consistently with responsible officers from all or most audited entities, which receive a qualified or adverse audit opinion | Letter Grade | None | PEFA | PEFA | Annual (or less frequently, depending on schedule for PEFA assessment) | |
| | Objective | Issuance of recommended actions by the legislature and implementation by the executive—Dimension (iii) of PEFA Indicator 28 | Requirement for "A": The legislature usually issues recommendations on action to be implemented by the executive, and evidence exists that they are generally implemented | Letter Grade | None | PEFA | PEFA | Annual (or less frequently, depending on schedule for PEFA assessment) | |
| | Objective | Transparency, comprehensiveness and competition in the legal and regulatory framework—Dimension (i) of PEFA Indicator 19 | Requirement for "A": The legal framework meets all six requirements listed in PEFA guidance | Letter Grade | None | PEFA | PEFA | Annual (or less frequently, depending on schedule for PEFA assessment) | |
| | Objective | Use of competitive procurement methods—Dimension (ii) of PEFA Indicator 19 | Requirement for "A": When contracts are awarded by methods other than open competition, they are justified in accordance with the legal requirements in all cases. | Letter Grade | None | PEFA | PEFA | Annual (or less frequently, depending on schedule for PEFA assessment) | |
| | Objective | Public access to complete, reliable and timely procurement information—Dimension (iii) of PEFA Indicator 19 | Requirement for "A": All of the key procurement information elements are complete and reliable for government units representing 90% of procurement operations (by value) and made available to the public in a timely manner through appropriate means | Letter Grade | None | PEFA | PEFA | Annual (or less frequently, depending on schedule for PEFA assessment) | |
| | Objective | Existence of an independent administrative procurement complaints system—Dimension (iv) of PEFA Indicator 19 | Requirement for "A": The procurement complaints system meets all seven criteria listed in PEFA guidance | Letter Grade | None | PEFA | PEFA | Annual (or less frequently, depending on schedule for PEFA assessment) | |
| | Objective | Effectiveness of expenditure commitment controls—Dimension (i) of PEFA Indicator 20 | Requirement for "A": Comprehensive expenditure commitment controls are in place and effectively limit commitments to actual cash availability and approved budget allocations (as revised) | Letter Grade | None | PEFA | PEFA | Annual (or less frequently, depending on schedule for PEFA assessment) | |
| | Objective | Comprehensiveness, relevance and understanding of other internal control rules/ procedures—Dimension (ii) of PEFA Indicator 20 | Requirement for "A": Other internal control rules and procedures are relevant, and incorporate a comprehensive and generally cost-effective set of controls, which are widely understood | Letter Grade | None | PEFA | PEFA | Annual (or less frequently, depending on schedule for PEFA assessment) | |
| | Objective | Degree of compliance with rules for processing and recording transactions—Dimension (iii) of PEFA Indicator 20 | Requirement for "A": Compliance with rules is very high and any misuse of simplified and emergency procedures is insignificant | Letter Grade | None | PEFA | PEFA | Annual (or less frequently, depending on schedule for PEFA assessment) | |
| Improved control of corruption | Objective | Perceptions of corruption in public employees related to corruption as a significant problem within the targeted government agencies | Indicator based on question D2 of the Public Employee Survey done by independent evaluator (Social Impact): How common is corruption among public officials (Agency specific) (Sum of "common" and "very common") | Number | None | Independent Evaluator | Social Impact | Other | |

| Annex I: Indicator Definitions | | | | | | | | | |
|---|-----------------|--|--|-------------------|---|----------------------------|----------------------|------------------------|--|
| Result Statement | Indicator Level | Indicator Name | Indicator Definition | Unit of Measure | Disaggregation | Primary Data Source | Responsible Party | Frequency of Reporting | Additional Information |
| Improved control of corruption | Objective | Perceptions of corruption in vendors related to the need of PROVIDING A GIFT OR MAKING AN UNOFFICIAL PAYMENT to winning a procurement contract (specific agency) | Indicator based on question C12: In general, how important is PROVIDING A GIFT OR MAKING AN UNOFFICIAL PAYMENT to winning a procurement contract with _____? (Agency specific) (4 institutions only, Sum of "important" and "very important." Means are weighted given that this question was agency specific. Unweighted value is 19%) | Number | None | Independent Evaluator | Social Impact | Other | |
| | Objective | Perceptions of corruption in vendors related to the need of PROVIDING A GIFT OR MAKING AN UNOFFICIAL PAYMENT to winning a procurement contract (all institutions) | Indicator based on question C12 of the Public Employee Survey done by independent evaluator (Social Impact): In general, how important is PROVIDING A GIFT OR MAKING AN UNOFFICIAL PAYMENT to winning a procurement contract with _____? (Agency specific) (all institutions, Sum of "important" and "very important." Means are weighted given that this question was agency specific. Unweighted value is 17%) | Number | None | Independent Evaluator | Social Impact | Other | |
| | Objective | Perceptions of corruption in vendors related to how big a problem is corruption in procurement in Honduran government agencies | Indicator based on question F20 of the Public Employee Survey done by independent evaluator (Social Impact): In your opinion, how big a problem is corruption in procurement in Honduran government agencies? (Not agency specific) (Sum of "a moderate problem" and "a major problem") | Number | None | Independent Evaluator | Social Impact | Other | |
| Public Financial Management Project | | | | | | | | | |
| Budget and Treasury Management Activity | | | | | | | | | |
| Baseline budget templates, training, and pilots in more than 100 GOH institutions | Output | Baseline data incorporated into budget formulation | Is baseline budget information included in the budget formulation process within SEFIN for the non-financial public sector? | Yes/No | None | SEFIN (Budget Guidelines) | SEFIN | Annual | This step is one of the pillars of the MTEF process for sound public financial management. |
| More transparent and less subjective payment prioritization (short-term outcome) | Outcome | Percentage of payments processed early | Percentage of payments (in dollar value terms) processed earlier than specified by prioritization rules | Percentage | None | F01 Calculations Report | Treasury of Honduras | Quarterly | Payment earlier than 30 days after date of reception by line ministry may present opportunities for corruption. |
| | Outcome | Percentage of payments processed late | Percentage of Payments (in dollar value terms) processed later than specified by the prioritization rules | Percentage | None | F01 Calculations Report | Treasury of Honduras | Quarterly | Once an invoice (F-01) is submitted to a line ministry, it must process within 30 days and send to Treasury for payment. Treasury must approve within 15 days. Vendor should get paid within 45 days, otherwise the payment is late. |
| | Outcome | Existence of an objective, rules-based payment prioritization process | Whether or not SEFIN adopts a payment prioritization process that is based on objective rules | Yes/No | None | SEFIN Prioritization Rules | MCA | Other | If payments are arbitrarily prioritized by SEFIN, it may present opportunities for corruption. |
| Reduced stock of payment arrears and current vendors paid on time (medium-term outcome) | Outcome | Value of all delinquent payments (by 1 day or more from the date of signature or fecha de firmado), disaggregated by duration of delinquency (1 day or more, 30 days or more, 90 days or more, 180 days or more, 365 days or more) | Value of payments within SIAFI that are delinquent (45 past from the date of signature or fecha de firmado), disaggregated by duration of delinquency (1 day or more, 30 days or more, 90 days or more, 180 days or more, 365 days or more) | Honduran Lempiras | 1 day, 30 days, 90 days, 180 days, 365 days, more than 365 days | UDEM/SEFIN F01 Report | UDEM/SEFIN | Quarterly | Baseline calculated with data from Q11 (FY17 Q2), but represents value from 2014. |
| | Outcome | Prompt payment of invoices by Treasury | Percentage of Requests for Payment (F01) that were processed by Treasury within 15 days from the date of reception (fecha de recepcion) as required by Treasury norms | Percentage | None | UDEM/SEFIN F01 Archive | SIAFI/SEFIN | Quarterly | A prompt payment to means payment to vendor within 45 days of date of reception by line ministry (30 days for line ministry; 15 for Treasury) |
| Line Ministries promptly enter and approve invoices (short-term outcome) | Outcome | Prompt payment of invoices by institutions | Percentage of Requests for Payment (F01) that are paid by line ministry within 30 days from the date of signing (fecha de firmado) | Percentage | None | UDEM/SEFIN F01 Archive | SIAFI/SEFIN | Quarterly | A prompt payment to means payment to vendor within 45 days of date of reception by line ministry (30 days for line ministry; 15 for Treasury) |
| | Outcome | Accuracy of the Date of Reception (fecha de recepcion) of invoices | Percentage of Requests for Payment (F01) that have an accurate date of repction (fecha de recepcion) as defined by CGR 001-2017 Circular | Percentage | None | UDEM/SEFIN F01 Archive | SIAFI/SEFIN | Quarterly | Invoices (F-01) received by line ministries must be entered into the system on the same day for accountability of prompt payment |

| Annex I: Indicator Definitions | | | | | | | | | |
|--|-----------------|--|---|-----------------|----------------|-----------------------------------|--|------------------------|--|
| Result Statement | Indicator Level | Indicator Name | Indicator Definition | Unit of Measure | Disaggregation | Primary Data Source | Responsible Party | Frequency of Reporting | Additional Information |
| Fiscal impact analysis (FIA) conducted on all new legislation (short-term outcome) | Outcome | Process for ensuring executive decrees are in compliance with FIA requirements | Is fiscal impact analysis required for executive decrees before the Council of Ministers as defined by the circular No. DGP-008-2017? | Yes/No | None | Circular No. DGP-008-2017 | SEFIN | Annual | All new legislation should ideally undergo FIA to provide input into decision-making. This is essential for budget management. |
| | Outcome | Percentage of executive decrees that have gone to the Council of Ministers in compliance with FIA requirements | Percentage of executive decrees that have gone to the Council of Ministers with a Fiscal Impact Analysis in compliance with the Circular | Percentage | None | Circular No. DGP-008-2017 | General Secretariat of Coordination for General Government | Annual | Executive decrees is one of two mechanisms for introducing new laws. |
| | Outcome | Process for ensuring that draft legislation is in compliance with Fiscal Impact Analysis (FIA) requirements | Whether or not fiscal impact analysis is required for draft legislation before the Congress through modification of organic budget law or through new general budget provision. | Yes/No | None | Draft Legislation Report | General Secretariat of Coordination for General Government | Annual | Legislation passed by Congress is one of two mechanisms for introducing new laws. |
| | Outcome | Percentage of draft legislation in compliance with FIA requirements | Percentage of draft legislation that has gone to Congress with a fiscal impact analysis in compliance with modification of organic budget law or new general budget provision | Percentage | None | Draft Legislation Report | General Secretariat of Coordination for General Government | Annual | Legislation passed by Congress is one of two mechanisms for introducing new laws. |
| Reduced mid-year budget modification that require inefficient reallocation of spending (medium-term outcome) | Outcome | Percentage of budget modification | The percentage of change, in absolute terms, between original Approved Budget and final Year-End Modified Budget for National Funds for Central Administration | Percentage | None | Budget Modification Summary Table | SEFIN (General Budget Department) | Annual | 2014 - 17.6% 2015 - 14.2% 2016 - 10.0% 2017 - 11.4% |
| Procurement Activity | | | | | | | | | |
| ONCAE Evaluation Unit established | Output | ONCAE Evaluation Unit established | Number of permanent civil service employees hired to staff and operationalize the ONCAE Evaluation Unit | Number | None | Oficio ONCAE-AE-465-2018 | ONCAE | Quarterly | This new unit directly established by the Threshold Program undertakes procurement assessments across GoH to raise the bar on transparency |
| | Output | Number of institutions evaluated by ONCAE | Number of institutions evaluated by ONCAE regarding implementation of lawful operative procedures | Number | None | Oficio ONCAE-AE-465-2018 | ONCAE | Quarterly | |
| Complete Procurement Plans published | Output | Complete Procurement Plans presented to ONCAE | The average number of days after the start of year (January 1) that line ministries submit complete annual procurement plans to ONCAE | Date | None | Oficio ONCAE-AE-465-2018 | ONCAE | Annual | |
| Procurement officials trained and certified on 57 GoH institutions | Output | Procurement officials certified by ONCAE in GOH institutions | Number of procurement officials in line ministries certified by ONCAE through the Certification Program (Diplomado en Formacion de Especialistas en Contratacion Publica) | Number | None | Oficio ONCAE-AE-465-2018 | ONCAE | Quarterly | |
| New Honducompras launched | Output | Honducompras 2.0 (new) launched | New integrated government procurement system (Honducompras) implemented and operational for executing procurements in accordance with the law in 5 key institutions | Date | None | Honducompras 2.0 | ONCAE | Once | This sub-activity is funded by the Threshold Program. |
| Published, socialized roads/Infrastructure projects (COsT) | Output | Transparency of infrastructure project procurements | Number of infrastructure projects procurements investigated for transparency based on support from the Threshold Program | Number | None | Fourth Insurance Study | FDsF (organization maintaining CoST) | Quarterly | |
| Road Maintenance Fund (Fondo Vial) dissolved | Output | Road Maintenance Fund (Fondo Vial) dissolved | The date by which termination and settlement of all Road Maintenance Fund (Fondo Vial) staff has been completed in anticipation of incorporation into Invest-H as a new unit (Unidad de Conservacion del Patrimonio Vial) | Date | None | Termination Settlement | INVEST-H | Once | |
| Increased use of e-catalogue (medium-term outcome) | Outcome | Value of purchases through bulk purchase agreements | Value of total issued purchase orders through bulk purchase agreements (including joint purchasing and purchasing through e-catalogue) | Lempiras | None | Honducompras | ONCAE | Annual | Data quality note: data in Honducompras 1.0 is generally underreported |

| Annex I: Indicator Definitions | | | | | | | | | |
|--|-----------------|--|---|-----------------|----------------|---|-------------------------------------|------------------------|---|
| Result Statement | Indicator Level | Indicator Name | Indicator Definition | Unit of Measure | Disaggregation | Primary Data Source | Responsible Party | Frequency of Reporting | Additional Information |
| Sole source purchases and large contract modifications reduced (medium-term outcome) | Outcome | Quantity of sole source procurements reported in Hondugompras | Quantity of sole source procurements reported in Hondugompras | Number | None | Hondugompras | ONCAE | Annual | Data quality note: data in Hondugompras 1.0 is generally underreported |
| | Outcome | Value of sole source procurements reported in Hondugompras | Value of sole source procurements reported by line ministries in Hondugompras | Lempiras | None | Hondugompras | ONCAE | Annual | Data quality note: data in Hondugompras 1.0 is generally underreported |
| | Outcome | Value of large contract modifications reported in Hondugompras | Value of contract modifications larger than 10% of contract value as reported in Hondugompras | Lempiras | None | Hondugompras | ONCAE | Annual | This indicator cannot be reported using Hondugompras 1.0, thus the baseline value is 0 lempiras. The indicator is expected to be reported in Hondugompras 2.0 once it is operational. |
| Decreased opportunities for corruption in GoH Procurements (medium-term outcome) | Outcome | Number of procurement assessments conducted by ONCAE | Number of Institutions evaluated by the Program established ONCAE Procurement Evaluation Unit regarding their procurement processes | Number | None | Oficio ONCAE-AE-465-2018 | ONCAE | Annual | |
| Tribunal Superior de Cuentas (TSC) Activity | | | | | | | | | |
| Improved capacities and processes in TSC for illicit enrichment audits (short-term outcome) | Outcome | Number of illicit enrichment investigative cases initiated | Number of investigative cases initiated by Illicit enrichment Unit within TSC (including through allegations or through net worth monitoring of public officials) | Number | None | TSC Dispatch Memo | Ministerio Publico | Quarterly | This indicator measures the first step in prosecuting cases of illicit enrichment. |
| | Outcome | Productivity of Auditors within the TSC Illicit Enrichment Unit | Average number of cases completed by auditors each year employed by the Illicit Enrichment Unit | Number | None | TSC Dispatch Memo | Illicit Enrichment Unit at Tribunal | Quarterly | This indicator measured the productivity of each auditor |
| | Outcome | Percentage of active cases at risk of being dismissed | Percentage of total active cases under investigation that are over 7 years old from the time of initiation within the Illicit Enrichment Unit | Percentage | None | TSC Dispatch Memo | Illicit Enrichment Unit at Tribunal | Quarterly | Cases that are older than 10 years are dismissed. Cases older than 7 years would be at risk of being dismissed and should be monitored |
| TSC implements a permanent program of performance auditing or Increased use of auditing in the GoH (medium-term outcome) | Outcome | Auditors trained at TSC | Number of staff trained on how to conduct performance audits | Number | None | Report on Audit Training and Assistance | TSC | Quarterly | |
| | Outcome | Performance audits completed | Number of performance audits completed by TSC staff | Number | None | Performance Audit Report | TSC | Quarterly | |
| Robust cases filed in court (medium-term objective) | Outcome | Number of Illicit enrichment cases filed in court | Number of investigative cases finished by Illicit Enrichment Unit of TSC (including through allegations or through net worth monitoring of public officials) and filed in court and accepted by prosecutors | Number | None | TSC Dispatch Memo | Illicit Enrichment Unit at Tribunal | Quarterly | There are two mechanisms for the Illicit Enrichment Unit to initiate cases: through allegations by another entity or through net worth monitoring of public officials |
| Grant Facility for Social Accountability Activity | | | | | | | | | |
| Ministries/ hospitals formulate and implement improvement plans (short-term outcome) | Outcome | Percentage of satisfied patients at Hospital General del Sur | Percentage of outpatient people present in the waiting area who reported being satisfied with quality of service at the Hospital General del Sur | Percentage | None | Annex I and II Social Audit Report | Foprideh (grantee) | Other | |
| | Outcome | Percentage of recommended actions implemented (6 municipalities, 14 clinics) | Percentage of recommended actions that were implemented in all 14 clinics across 6 municipalities. | Percentage | None | Follow-up Report on Final Action Plans | TROCAIRE (grantee) | Other | |
| | Outcome | Number of projects disseminated to relevant public institutions | Number of social accountability projects conducted and disseminated to relevant institutions by SDsF | Number | None | Social Audit Socialization Report with Government Authorities | FDsF (grantee) | Other | Projects are conducted 6 communities |

| Annex I: Indicator Definitions | | | | | | | | | |
|--|-----------------|--|--|-----------------|----------------|---|-------------------|------------------------|---|
| Result Statement | Indicator Level | Indicator Name | Indicator Definition | Unit of Measure | Disaggregation | Primary Data Source | Responsible Party | Frequency of Reporting | Additional Information |
| Ministries/ hospitals formulate and implement improvement plans (short-term outcome) | Outcome | Percentage of recommended actions implemented in procurement/ contracts in SEDUC | Percentage of recommended actions implemented based on ASJ's assessment (compras/ contrataciones, SEDUC) | Percentage | None | ASJ Indicator Matrix | ASJ (grantee) | Other | SEDUC is the Ministry of Education |
| | Outcome | Percentage of recommended actions implemented in procurement/ contracts in SESAL | Percentage of recommended actions implemented based on ASJ's assessment (compras/ contrataciones, SESAL) | Percentage | None | ASJ Indicator Matrix | ASJ (grantee) | Other | SESAL is the Ministry of Health |
| | Outcome | Percentage of recommended actions implemented in procurement/ contracts in Secretaria de Seguridad | Percentage of recommended actions implemented based on ASJ's assessment (compras/ contrataciones, Seguridad) | Percentage | None | ASJ Indicator Matrix | ASJ (grantee) | Other | |
| | Outcome | Percentage of recommended actions implemented in procurement/ contracts in INSEP | Percentage of recommended actions implemented based on ASJ's assessment (compras/ contrataciones, INSEP) | Percentage | None | ASJ Indicator Matrix | ASJ (grantee) | Other | INSEP is the Ministry of Infrastructure |
| PPP Project | | | | | | | | | |
| PPP Capacity Activity | | | | | | | | | |
| Establishment of a Fiscal Contingencies Unit | Output | Fiscal Contingencies Unit established in SEFIN | The date when the executive decree to create the Fiscal Contingencies Unit within SEFIN was issued | Date | None | La Gaceta: Creation of Unit of Fiscal Risks and Modifications Law | MCA | Once | New unit established by Threshold Program |
| FCU operational manual developed | Output | Operations Manual for Fiscal Contingencies Unit adopted | Date when the Operations Manual for Fiscal Contingencies Unit (outlining processes for all stages of PPP structuring) was submitted to SEFIN | Date | None | MCAH Manual of Contingent Liabilities | MCA | Once | |
| PPP training of staff at SEFIN, COALIANZA, INSEP, SAPP and other relevant institutions | Output | PPP training received | Number of people who have completed all 11 modules of PPP training (Programa de Capacitacion sobre Estructuracion, Evaluacion, y Administracion de PPP) and are prepared to obtain CP3P certification credential | Hours | None | PPP Consolidated Training Document | MCA | Quarterly | The GoH is expected to make the CP3C certification credential a requirement due to the efforts of the Threshold Program. These trainings are an important step towards building that workforce. |
| Implementation of PPPs Activity | | | | | | | | | |
| Managing line ministry (concedente) operational manual developed | Output | Operations Manual for INVEST-H submitted | The date when the Operations Manual (outlining internal and external operations) for the PPP Unit is submitted to INVEST-H | Date | None | Operations Manual | INVEST-H | Once | New unit established by Threshold Program |
| Establishment of a concession unit within INVEST-H to manage road PPP contracts | Output | PPP Unit established within INVEST-H | Number of employees hired to staff and operationalize the PPP Unit within INVEST-H | Number | None | INVEST-H Hiring Logs | MCA | Once | New unit established by Threshold Program. |

| Annex I: Indicator Definitions | | | | | | | | | |
|--|-----------------|--|---|-----------------|----------------|------------------------------------|-------------------|--|---|
| Result Statement | Indicator Level | Indicator Name | Indicator Definition | Unit of Measure | Disaggregation | Primary Data Source | Responsible Party | Frequency of Reporting | Additional Information |
| Import/ Export procedures, starting a business, and environmental licensing procedures documented and made publically available online | Output | Number of procedures required to start a business | Number of procedures that new businesses in Honduras must complete to start the business | Number | None | Doing Business Survey (World Bank) | MCA | Annual (or less frequently, depending on schedule for Doing Business survey) | |
| | Output | Time required to start a business | Amount of time that new businesses in Honduras take, on average, to start the business | Days | None | Doing Business Survey (World Bank) | MCA | Annual (or less frequently, depending on schedule for Doing Business survey) | |
| An effective and sustainable contract management system is established for properly managing each PPP contract (short-term outcome) | Outcome | Management of risk of PPP non-compliance | Number of monthly reports produced by INVEST-H PPP Unit outlining any risks of contractual non-compliance for each PPP contract and actions to mitigate those risks | Number | None | Monthly PPP Unit Reports | MCA | Quarterly | This indicator is intended to measure effectiveness of the new INVEST-H PPP unit in managing the roads PPPs |
| Improved access to information for businesses (short-term outcome) | Outcome | Creation of new businesses facilitated by improved access to information | Number of companies registered through the Threshold sponsored online portal MiEmpresaEnLinea, which is the first step towards becoming a business. | Number | None | MiEmpresa EnLinea | MCA | Annual | |

| Annex II: Indicator Baselines and Targets | | | | | | | | | | |
|---|--|-----------------|----------------|----------|--------|--------|--------|--------|-------------------------|------------------------|
| Indicator Level | Indicator Name | Unit of Measure | Classification | Baseline | Year 1 | Year 2 | Year 3 | Year 4 | End of Threshold Target | Additional Information |
| Objective Indicators | | | | | | | | | | |
| Objective | Perceptions of government effectiveness in public employees related to fairness of procurement process for selecting vendors. | Percentage | Level | 53% | | | | none | none | |
| Objective | Perceptions of government effectiveness in public employees related to improvement of fairness of the procurement process. | Percentage | Level | 61% | | | | none | none | |
| Objective | Perceptions of government effectiveness in vendors related to financial management within government institutions. | Percentage | Level | 49% | | | | none | none | |
| Objective | Perceptions of government effectiveness in vendors related to improvement in financial management within government institutions | Percentage | Level | 38% | | | | none | none | |
| Objective | Aggregate expenditure out-turn compared to original approved budget—PEFA Indicator 1 | Letter Grade | Level | B | | | | C | C | |
| Objective | Extent of variance in expenditure composition during last three years, excluding contingency items—Dimension (i) of PEFA Indicator 2 | Letter Grade | Level | C | | | | B | B | |
| Objective | Aggregate revenue out-turn compared to original approved budget—PEFA Indicator 3 | Letter Grade | Level | A | | | | B | B | |

| Annex II: Indicator Baselines and Targets | | | | | | | | | | |
|---|---|-----------------|----------------|----------|--------|--------|--------|--------|-------------------------|------------------------|
| Indicator Level | Indicator Name | Unit of Measure | Classification | Baseline | Year 1 | Year 2 | Year 3 | Year 4 | End of Threshold Target | Additional Information |
| Objective | Preparation of multi -year fiscal forecasts and functional allocations—Dimension (i) of PEFA Indicator 12 | Letter Grade | Level | C | | | | B | B | |
| Objective | Linkages between investment budgets and forward expenditure estimates—Dimension (iv) of PEFA Indicator 12 | Letter Grade | Level | C | | | | B | B | |
| Objective | Stock of expenditure payment arrears (as a percentage of actual total expenditure for the corresponding fiscal year) and any recent change in the stock—Dimension (i) of PEFA Indicator 4 | Letter Grade | Level | B | | | | A | A | |
| Objective | Comprehensiveness of information included in budget documentation—PEFA Indicator 6 | Letter Grade | Level | A | | | | A | A | |
| Objective | The level of extra-budgetary expenditure (other than donor funded projects) which is unreported, i.e. not included in fiscal report—Dimension (i) of PEFA Indicator 7 | Letter Grade | Level | A | | | | A | A | |
| Objective | Public access to key fiscal information—PEFA Indicator 10 | Letter Grade | Level | B | | | | A | A | |
| Objective | Clarity/comprehensiveness of and political involvement in the guidance on the preparation of budget submissions (budget circular or equivalent)—Dimension (ii) of PEFA Indicator 11 | Letter Grade | Level | C | | | | B | B | |

| Annex II: Indicator Baselines and Targets | | | | | | | | | | |
|---|---|-----------------|----------------|----------|--------|--------|--------|--------|-------------------------|------------------------|
| Indicator Level | Indicator Name | Unit of Measure | Classification | Baseline | Year 1 | Year 2 | Year 3 | Year 4 | End of Threshold Target | Additional Information |
| Objective | Timely budget approval by the legislature or similarly mandated body (within the last three years)—Dimension (iii) of PEFA Indicator 11 | Letter Grade | Level | C | | | | B | B | |
| Objective | Scope of the legislature’s scrutiny—Dimension (i) of PEFA Indicator 27 | Letter Grade | Level | B | | | | A | A | |
| Objective | Extent of hearings on key findings undertaken by the legislature—Dimension (ii) of PEFA Indicator 28 | Letter Grade | Level | B | | | | A | A | |
| Objective | Issuance of recommended actions by the legislature and implementation by the executive—Dimension (iii) of PEFA Indicator 28 | Letter Grade | Level | C | | | | B | B | |
| Objective | Transparency, comprehensiveness and competition in the legal and regulatory framework—Dimension (i) of PEFA Indicator 19 | Letter Grade | Level | A | | | | A | A | |
| Objective | Use of competitive procurement methods—Dimension (ii) of PEFA Indicator 19 | Letter Grade | Level | D | | | | C | C | |
| Objective | Public access to complete, reliable and timely procurement information—Dimension (iii) of PEFA Indicator 19 | Letter Grade | Level | C | | | | B | B | |

| Annex II: Indicator Baselines and Targets | | | | | | | | | | |
|---|---|-----------------|----------------|----------|--------|--------|--------|--------|-------------------------|------------------------|
| Indicator Level | Indicator Name | Unit of Measure | Classification | Baseline | Year 1 | Year 2 | Year 3 | Year 4 | End of Threshold Target | Additional Information |
| Objective | Existence of an independent administrative procurement complaints system—Dimension (iv) of PEFA Indicator 19 | Letter Grade | Level | D | | | | C | C | |
| Objective | Effectiveness of expenditure commitment controls—Dimension (i) of PEFA Indicator 20 | Letter Grade | Level | B | | | | A | A | |
| Objective | Comprehensiveness, relevance and understanding of other internal control rules/ procedures—Dimension (ii) of PEFA Indicator 20 | Letter Grade | Level | B | | | | A | A | |
| Objective | Degree of compliance with rules for processing and recording transactions—Dimension (iii) of PEFA Indicator 20 | Letter Grade | Level | C | | | | B | B | |
| Objective | Perceptions of corruption in public employees related to corruption as a significant problem within the targeted government agencies | Number | Level | 67% | | | | none | none | |
| Objective | Perceptions of corruption in vendors related to the need of PROVIDING A GIFT OR MAKING AN UNOFFICIAL PAYMENT to winning a procurement contract (specific agency) | Number | Level | 20% | | | | none | none | |
| Objective | Perceptions of corruption in vendors related to the need of PROVIDING A GIFT OR MAKING AN UNOFFICIAL PAYMENT to winning a procurement contract (all institutions) | Number | Level | 15% | | | | none | none | |

| Annex II: Indicator Baselines and Targets | | | | | | | | | | |
|---|--|-------------------|----------------|--------------|--------|--------|--------|--------|-------------------------|---|
| Indicator Level | Indicator Name | Unit of Measure | Classification | Baseline | Year 1 | Year 2 | Year 3 | Year 4 | End of Threshold Target | Additional Information |
| Objective | Perceptions of corruption in vendors related to how big a problem is corruption in procurement in Honduran government agencies | Number | Level | 89% | | | | none | none | |
| Public Financial Management Project | | | | | | | | | | |
| Budget and Treasury Management Activity | | | | | | | | | | |
| Output | Baseline data incorporated into budget formulation | Yes/No | Level | No | | | | | Yes | This is one of the pillats of the Medium Term Expenditure Framework (MTEF). This practice did not exist before the Threshold Program |
| Outcome | Percentage of payments processed early | Percentage | Level | 70.3 | | | | | none | Baseline values calculated from cumulative invoices (F-01) data from 2013. Early payments are being defined as those made prior to 30 days past the date of reception at the line ministry. Of the total 260,396 invoices (F-01) that were paid, 183,151 were paid earlier than 30 days from the date of reception. |
| Outcome | Percentage of payments processed late | Percentage | Level | 25.6 | | | | | none | Baseline values calculated from cumulative invoices (F-01) data from 2013. Late payments are being defined as those made 45 days after the date of reception. Of the total 260,386 F-01 that were paid, 66,692 were paid later than 45 days from date of reception. |
| Outcome | Existence of an objective, rules-based payment prioritization process | Yes/No | Level | No | | | | | Yes | |
| Outcome | Value of all delinquent payments (by 1 day or more) | Honduran Lempiras | Level | 10.5 million | | | | | none | Baseline calculated with data from Q11 (FY17 Q2), but represents value from 2014 and is reported as 10516485853 Lempiras. |
| Outcome | Prompt payment of invoices by Treasury | Percentage | Level | 67.2 | | | | | 100% | Baseline values calculated from cumulative invoices (F-01) data from 2013. Treasury paid 202,772 of the total 301,798 invoices (F-01) within 15 days of the date the F-01 was approved by the line ministry or 67.19% of the time. |
| Outcome | Prompt payment of invoices by institutions | Percentage | Level | 79.1 | | | | | 100% | Baseline values calculated from cumulative invoices (F-01) data from 2013. Line minstries Institutions approved invoices (F-01) within 30 days of the date of reception of the goods and services 238,640 times of the total 301,798 invoices or 79.07% of the time. |
| Outcome | Accuracy of the Date of Reception (fecha de recepcion) of invoices | Percentage | Level | 0 | | | | | none | |

| Annex II: Indicator Baselines and Targets | | | | | | | | | | |
|---|--|-----------------|----------------|----------|--------|--------|--------|--------|-------------------------|--|
| Indicator Level | Indicator Name | Unit of Measure | Classification | Baseline | Year 1 | Year 2 | Year 3 | Year 4 | End of Threshold Target | Additional Information |
| Outcome | Process for ensuring executive decrees are in compliance with FIA requirements | Yes/No | Level | No | | | | | Yes | |
| Outcome | Percentage of executive decrees that have gone to the Council of Ministers in compliance with FIA requirements | Percentage | Level | 0 | | | | | none | |
| Outcome | Process for ensuring that draft legislation is in compliance with Fiscal Impact Analysis (FIA) requirements | Yes/No | Level | No | | | | | Yes | The FIA process did not exist before the Threshold Program, hence baseline is 0. |
| Outcome | Percentage of draft legislation in compliance with FIA requirements | Percentage | Level | 0 | | | | | none | |
| Outcome | Percentage of budget modification | Percentage | Level | 17.6% | | | | | none | Baseline data is from 2014. Data for subsequent years: 2015 - 14.2% 2016 - 10.0% 2017 - 11.4% |
| Procurement Activity | | | | | | | | | | |
| Output | ONCAE Evaluation Unit established | Number | Cumulative | 0 | | | | | 5 | 5 staff members are expected for a functional unit |
| Output | Number of institutions evaluated by ONCAE | Number | Cumulative | 0 | | | | | none | |
| Output | Complete Procurement Plans presented to ONCAE | Date | Date | n/a | | | | | none | |
| Output | Procurement officials certified by ONCAE in GOH institutions | Number | Cumulative | 0% | | | | | none | |
| Output | Honducopras 2.0 (new) launched | Date | Date | n/a | | | | | none | |

| Annex II: Indicator Baselines and Targets | | | | | | | | | | |
|---|---|-----------------|----------------|----------|--------|--------|--------|--------|-------------------------|---|
| Indicator Level | Indicator Name | Unit of Measure | Classification | Baseline | Year 1 | Year 2 | Year 3 | Year 4 | End of Threshold Target | Additional Information |
| Output | Transparency of infrastructure project procurements | Number | Cumulative | 0% | | | | | none | |
| Output | Road Maintenance Fund (Fondo Vial) dissolved | Date | Date | n/a | | | | | none | |
| Outcome | Value of purchases through bulk purchase agreements | Lempiras | Level | 0 | | | | | 0 | |
| Outcome | Quantity of sole source procurements reported in Hondugompras | Number | Level | 15 | | | | | none | Baseline data quality is questionable due to underreporting in Hondugompras 1.0 |
| Outcome | Value of sole source procurements reported in Hondugompras | Lempiras | Level | 142313 | | | | | none | Baseline data quality is questionable due to underreporting in Hondugompras 1.0 |
| Outcome | Value of large contract modifications reported in Hondugompras | Lempiras | Level | 0 | | | | | none | |
| Outcome | Number of procurement assessments conducted by ONCAE | Number | Level | 0 | | | | | none | |
| Tribunal Superior de Cuentas (TSC) Activity | | | | | | | | | | |
| Outcome | Number of illicit enrichment investigative cases initiated | Number | Cumulative | 0 | | | | | none | The Illicit Enrichment Unit was created through the Threshold Program. |
| Outcome | Productivity of Auditors within the TSC Illicit Enrichment Unit | Number | Level | 0 | | | | | none | The Illicit Enrichment Unit was created through the Threshold Program. In 2013, there was no unit and no audits |
| Outcome | Percentage of active cases at risk of being dismissed | Percentage | Level | 0 | | | | | none | The Illicit Enrichment Unit was created through the Threshold Program. In 2013, there was no unit and no audits |
| Outcome | Auditors trained at TSC | Number | Level | 0 | | | | | none | |
| Outcome | Performance audits completed | Number | Cumulative | 0 | | | | | none | |

| Annex II: Indicator Baselines and Targets | | | | | | | | | | |
|---|--|-----------------|----------------|----------|--------|--------|--------|--------|-------------------------|---|
| Indicator Level | Indicator Name | Unit of Measure | Classification | Baseline | Year 1 | Year 2 | Year 3 | Year 4 | End of Threshold Target | Additional Information |
| Outcome | Number of Illicit enrichment cases filed in court | Number | Cumulative | 0 | | | | | none | The Illicit Enrichment Unit was created through the Threshold Program. In 2013, there was no unit and no audits |
| Grant Facility for Social Accountability Activity | | | | | | | | | | |
| Outcome | Percentage of satisfied patients at Hospital General del Sur | Percentage | Level | 85% | | | | | none | The baseline comes from an assessment conducted by Foprیده |
| Outcome | Percentage of recommended actions implemented (6 municipalities, 14 clinics) | Percentage | Level | 0 | | | | | none | |
| Outcome | Number of projects disseminated to relevant public institutions | Number | Level | 0 | | | | | none | |
| Outcome | Percentage of recommended actions implemented in procurement/ contracts in SEDUC | Percentage | Level | 0 | | | | | none | |
| Outcome | Percentage of recommended actions implemented in procurement/ contracts in SESAL | Percentage | Level | 0 | | | | | none | |
| Outcome | Percentage of recommended actions implemented in procurement/ contracts in Secretaria de Seguridad | Percentage | Level | 0 | | | | | none | |
| Outcome | Percentage of recommended actions implemented in procurement/ contracts in INSEP | Percentage | Level | 0 | | | | | none | |
| PPP Project | | | | | | | | | | |
| PPP Capacity Activity | | | | | | | | | | |
| Output | Fiscal Contingencies Unit established in SEFIN | Date | Date | N/A | | | | | none | |
| Output | Operations Manual for Fiscal Contingencies Unit adopted | Date | Date | N/A | | | | | none | |
| Output | PPP training received | Hours | Cumulative | 0 | | | | | none | |
| Implementation of PPPs Activity | | | | | | | | | | |
| Output | Operations Manual for INVEST-H submitted | Date | Date | N/A | | | | | none | |

| Annex II: Indicator Baselines and Targets | | | | | | | | | | |
|---|--|-----------------|----------------|----------|--------|--------|--------|--------|-------------------------|---|
| Indicator Level | Indicator Name | Unit of Measure | Classification | Baseline | Year 1 | Year 2 | Year 3 | Year 4 | End of Threshold Target | Additional Information |
| Output | PPP Unit established within INVEST-H | Number | Cumulative | 0 | | | | | 6 | 6 staff members are required to have a fully functional unit |
| Output | Number of procedures required to start a business | Number | Level | 13 | | | | | 4 | Baseline value taken from DB Economy Profile for Honduras 2015. Values of indicators published in a DB Report, are actually measured on June a year earlier |
| Output | Time required to start a business | Days | Level | 14 | | | | | 4 | Baseline value taken from DB Economy Profile for Honduras 2015. Values of indicators published in a DB Report, are actually measured on June a year earlier |
| Outcome | Management of risk of PPP non-compliance | Number | Level | 0 | | | | | none | |
| Outcome | Creation of new businesses facilitated by improved access to information | Number | Level | 0 | | | | | none | |

Annex III –Indicator Baselines and targets

| | | |
|---------------|---------------------------------------|--|
| PEFA scores | | |
| Project: | Public Financial Management | |
| Activity: | Budget & Treasury Management Activity | |
| Sub-Activity: | | |
| | | |
| June 2018 | Change Description: | Indicator Retired |
| | Justification: | Indicator has been added which is superior in measuring same variable(s) |
| | Justification Description: | This indicator is not an indicator rather it is a category of indicators that are listed farther down in this annex. |
| | | |

| | | |
|---|---------------------------------------|---|
| Perceptions of government effectiveness | | |
| Project: | Public Financial Management | |
| Activity: | Budget & Treasury Management Activity | |
| Sub-Activity: | | |
| | | |
| June 2018 | Change Description: | Indicator Retired |
| | Justification: | Indicator has been added which is superior in measuring same variable |
| | Justification Description: | This indicator is being measured by the evaluator (Social Impact). |
| | | |

| Perceptions of corruption | | |
|---------------------------|---------------------------------------|--|
| Project: | Threshold Program Objectives | |
| Activity: | Budget & Treasury Management Activity | |
| Sub-Activity: | | |
| | | |
| June 2018 | Change Description: | Indicator Retired |
| | Justification: | Indicator has been added which is superior in measuring same variable(s) |
| | Justification Description: | This indicator is being measured by the evaluator (Social Impact). |
| | | |

| Aggregate expenditure out-turn compared to original approved budget—PEFA Indicator 1 | | | | | | |
|--|------------------------------|--------------------------|--------|---------|--------|------------------|
| Project: | Threshold Program Objectives | | | | | |
| | | | | | | |
| June 2018 | Change Description: | Baseline Modification | | | | |
| | Change: | Previous | | Revised | | |
| | | TBD | | B | | |
| | Justification: | Baseline change | | | | |
| | Justification Description: | Updated from TBD | | | | |
| | | | | | | |
| June 2018 | Change Description: | Target Modification | | | | |
| | Change: | Year 1 | Year 2 | Year 3 | Year 4 | End of Threshold |
| | Revised Targets | | | | A | A |
| | Previous Targets | | | | TBD | TBD |
| | Justification: | TBD Replaced with Target | | | | |
| | Justification Description: | Updated from TBD | | | | |

| Extent of variance in expenditure composition during last three years, excluding contingency items—Dimension (i) of PEFA Indicator 2 | | | | | | |
|--|------------------------------|--------------------------|--------|--------|---------|------------------|
| Project: | Threshold Program Objectives | | | | | |
| Activity: | | | | | | |
| Sub-Activity: | | | | | | |
| | | | | | | |
| June 2018 | Change Description: | Baseline Modification | | | | |
| | Change: | Previous | | | Revised | |
| | | TBD | | | C | |
| | Justification: | Baseline change | | | | |
| | Justification Description: | Updated from TBD | | | | |
| | | | | | | |
| June 2018 | Change Description: | Target Modification | | | | |
| | Change: | Year 1 | Year 2 | Year 3 | Year 4 | End of Threshold |
| | Revised Targets | | | | B | B |
| | Previous Targets | | | | TBD | TBD |
| | Justification: | TBD Replaced with Target | | | | |
| | Justification Description: | Updated from TBD | | | | |
| | | | | | | |

| The average amount of expenditure actually charged to the contingency vote over the last three years—Dimension (ii) of PEFA Indicator 2 | | |
|---|-----------------------------------|--|
| Project: | Threshold Program Objectives | |
| June 2018 | Change Description: | Indicator Retired |
| | Justification: | Indicator has been added which is superior in measuring same variable(s) |
| | Justification Description: | This indicator is being measured by the evaluator (Social Impact). |

| Aggregate revenue out-turn compared to original approved budget—PEFA Indicator 3 | | | | | | |
|--|------------------------------|--------------------------|--------|---------|--------|------------------|
| Project: | Threshold Program Objectives | | | | | |
| | | | | | | |
| June 2018 | Change Description: | Baseline Modification | | | | |
| | Change: | Previous | | Revised | | |
| | | TBD | | A | | |
| | Justification: | Baseline change | | | | |
| | Justification Description: | Updated from TBD | | | | |
| | | | | | | |
| June 2018 | Change Description: | Target Modification | | | | |
| | Change: | Year 1 | Year 2 | Year 3 | Year 4 | End of Threshold |
| | Revised Targets | | | | A | A |
| | Previous Targets | | | | TBD | TBD |
| | Justification: | TBD Replaced with Target | | | | |
| | Justification Description: | Updated from TBD | | | | |
| | | | | | | |

| Preparation of multi -year fiscal forecasts and functional allocations—Dimension (i) of PEFA Indicator 12 | | | |
|---|------------------------------|-----------------------|---------|
| Project: | Threshold Program Objectives | | |
| | | | |
| June 2018 | Change Description: | Baseline Modification | |
| | Change: | Previous | Revised |
| | | TBD | C |
| | Justification: | Baseline change | |
| | Justification Description: | Updated from TBD | |
| | | | |

| | | | | | | |
|---|------------------------------|--------------------------|--------|---------|--------|------------------|
| June 2018 | Change Description: | Target Modification | | | | |
| | Change: | Year 1 | Year 2 | Year 3 | Year 4 | End of Threshold |
| | Revised Targets | | | | B | B |
| | Previous Targets | | | | TBD | TBD |
| | Justification: | TBD Replaced with Target | | | | |
| | Justification Description: | Updated from TBD | | | | |
| | | | | | | |
| Linkages between investment budgets and forward expenditure estimates—Dimension (iv) of PEFA Indicator 12 | | | | | | |
| Project: | Threshold Program Objectives | | | | | |
| Activity: | | | | | | |
| Sub-Activity: | | | | | | |
| | | | | | | |
| June 2018 | Change Description: | Baseline Modification | | | | |
| | Change: | Previous | | Revised | | |
| | | TBD | | C | | |
| | Justification: | Baseline change | | | | |
| | Justification Description: | Updated from TBD | | | | |
| | | | | | | |
| June 2018 | Change Description: | Target Modification | | | | |
| | Change: | Year 1 | Year 2 | Year 3 | Year 4 | End of Threshold |
| | Revised Targets | | | | B | B |
| | Previous Targets | | | | TBD | TBD |
| | Justification: | TBD Replaced with Target | | | | |
| | Justification Description: | Updated from TBD | | | | |
| | | | | | | |

| Stock of expenditure payment arrears (as a percentage of actual total expenditure for the corresponding fiscal year) and any recent change in the stock—Dimension (i) of PEFA Indicator 4 | | | | | | |
|---|----------------------------|------------------------------|--------|---------|--------|------------------|
| Project: | | Threshold Program Objectives | | | | |
| | | | | | | |
| June 2018 | Change Description: | Baseline Modification | | | | |
| | Change: | Previous | | Revised | | |
| | | TBD | | B | | |
| | Justification: | Baseline change | | | | |
| | Justification Description: | Updated from TBD | | | | |
| | | | | | | |
| June 2018 | Change Description: | Target Modification | | | | |
| | Change: | Year 1 | Year 2 | Year 3 | Year 4 | End of Threshold |
| | Revised Targets | | | | A | A |
| | Previous Targets | | | | TBD | TBD |
| | Justification: | TBD Replaced with Target | | | | |
| | Justification Description: | Updated from TBD | | | | |
| | | | | | | |

| Comprehensiveness of information included in budget documentation—PEFA Indicator 6 | | | | |
|--|----------------------------|------------------------------|-----------------------|---------|
| Project: | | Threshold Program Objectives | | |
| | | | | |
| June 2018 | Change Description: | | Baseline Modification | |
| | Change: | Previous | | Revised |
| | | TBD | | A |
| | Justification: | | Baseline change | |
| | Justification Description: | | Updated from TBD | |
| | | | | |

| | | | | | | |
|-----------|----------------------------|--------------------------|--------|--------|--------|------------------|
| June 2018 | Change Description: | Target Modification | | | | |
| | Change: | Year 1 | Year 2 | Year 3 | Year 4 | End of Threshold |
| | Revised Targets | | | | A | A |
| | Previous Targets | | | | TBD | TBD |
| | Justification: | TBD Replaced with Target | | | | |
| | Justification Description: | Updated from TBD | | | | |
| | | | | | | |

| | | | | | | |
|---|------------------------------|--------------------------|--------|---------|--------|------------------|
| The level of extra-budgetary expenditure (other than donor funded projects) which is unreported, i.e. not included in fiscal report—Dimension (i) of PEFA Indicator 7 | | | | | | |
| Project: | Threshold Program Objectives | | | | | |
| | | | | | | |
| June 2018 | Change Description: | Baseline Modification | | | | |
| | Change: | Previous | | Revised | | |
| | | TBD | | A | | |
| | Justification: | Baseline change | | | | |
| | Justification Description: | Updated from TBD | | | | |
| | | | | | | |
| June 2018 | Change Description: | Target Modification | | | | |
| | Change: | Year 1 | Year 2 | Year 3 | Year 4 | End of Threshold |
| | Revised Targets | | | | A | A |
| | Previous Targets | | | | TBD | TBD |
| | Justification: | TBD Replaced with Target | | | | |
| | Justification Description: | Updated from TBD | | | | |
| | | | | | | |

| Public access to key fiscal information—PEFA Indicator 10 | | | | | | |
|---|------------------------------|--------------------------|--------|---------|--------|------------------|
| Project: | Threshold Program Objectives | | | | | |
| | | | | | | |
| June 2018 | Change Description: | Baseline Modification | | | | |
| | Change: | Previous | | Revised | | |
| | | TBD | | B | | |
| | Justification: | Baseline change | | | | |
| | Justification Description: | Updated from TBD | | | | |
| | | | | | | |
| June 2018 | Change Description: | Target Modification | | | | |
| | Change: | Year 1 | Year 2 | Year 3 | Year 4 | End of Threshold |
| | Revised Targets | | | | A | A |
| | Previous Targets | | | | TBD | TBD |
| | Justification: | TBD Replaced with Target | | | | |
| | Justification Description: | Updated from TBD | | | | |
| | | | | | | |

| Clarity/comprehensiveness of and political involvement in the guidance on the preparation of budget submissions (budget circular or equivalent)—Dimension (ii) of PEFA Indicator 11 | | | |
|---|------------------------------|-----------------------|---------|
| Project: | Threshold Program Objectives | | |
| Activity: | | | |
| Sub-Activity: | | | |
| | | | |
| June 2018 | Change Description: | Baseline Modification | |
| | Change: | Previous | Revised |
| | | TBD | C |
| | Justification: | Baseline change | |
| | Justification Description: | Updated from TBD | |

| | | | | | | |
|-----------|----------------------------|--------------------------|--------|--------|--------|------------------|
| | | | | | | |
| June 2018 | Change Description: | Target Modification | | | | |
| | Change: | Year 1 | Year 2 | Year 3 | Year 4 | End of Threshold |
| | Revised Targets | | | | B | B |
| | Previous Targets | | | | TBD | TBD |
| | Justification: | TBD Replaced with Target | | | | |
| | Justification Description: | Updated from TBD | | | | |
| | | | | | | |

| | | | | | | |
|---|------------------------------|--------------------------|--------|---------|--------|------------------|
| Timely budget approval by the legislature or similarly mandated body (within the last three years)—Dimension (iii) of PEFA Indicator 11 | | | | | | |
| Project: | Threshold Program Objectives | | | | | |
| Activity: | | | | | | |
| Sub-Activity: | | | | | | |
| | | | | | | |
| June 2018 | Change Description: | Baseline Modification | | | | |
| | Change: | Previous | | Revised | | |
| | | TBD | | C | | |
| | Justification: | Baseline change | | | | |
| | Justification Description: | Updated from TBD | | | | |
| | | | | | | |
| June 2018 | Change Description: | Target Modification | | | | |
| | Change: | Year 1 | Year 2 | Year 3 | Year 4 | End of Threshold |
| | Revised Targets | | | | B | B |
| | Previous Targets | | | | TBD | TBD |
| | Justification: | TBD Replaced with Target | | | | |
| | Justification Description: | Updated from TBD | | | | |
| | | | | | | |

| Extent of central government monitoring of autonomous government agencies (AGAs) and public enterprises (PEs)—Dimension (i) of PEFA Indicator 9 | | |
|---|------------------------------|---|
| Project: | Threshold Program Objectives | |
| Activity: | | |
| Sub-Activity: | | |
| | | |
| June 2018 | Change Description: | Indicator Retired |
| | Justification: | Irrelevant due to change in Program, Project, or Activity Scope |
| | Justification Description: | Results statement for this indicator was removed from project logic |
| | | |

| | | |
|---|------------------------------|--|
| Effectiveness of transfer of tax collections to the Treasury by the revenue administration—Dimension (ii) of PEFA | | |
| Indicator 15 | | |
| Project: | Threshold Program Objectives | |
| Activity: | | |
| Sub-Activity: | | |
| | | |
| June 2018 | Change Description: | Indicator Retired |
| | Justification: | Irrelevant due to change in Program, Project or Activity scope |
| | Justification Description: | The change in the program makes this indicator no longer relevant (the intervention was discontinued). |
| | | |

| Extent to which cash flows are forecast and monitored—Dimension (i) of PEFA Indicator 16 | | |
|--|------------------------------|---|
| Project: | Threshold Program Objectives | |
| Activity: | | |
| Sub-Activity: | | |
| | | |
| June 2018 | Change Description: | Indicator Retired |
| | Justification: | Irrelevant due to change in Program, Project or Activity scope |
| | Justification Description: | The change in the program makes this indicator no longer relevant (intervention was discontinued) |
| | | |

| Reliability and horizon of periodic in-year information to MDAs on ceilings for expenditure commitment—Dimension (ii) of PEFA Indicator 16 | | |
|--|-----------------------------------|---|
| Project: | Threshold Program Objectives | |
| Activity: | | |
| Sub-Activity: | | |
| June 2018 | Change Description: | Indicator Retired |
| | Justification: | Irrelevant due to change in Program, Project or Activity scope |
| | Justification Description: | The change in the program makes this indicator no longer relevant (intervention was discontinued) |

| Frequency and transparency of adjustments to budget allocations, which are decided above the level of management of MDAs—Dimension (iii) of PEFA Indicator 16 | | |
|---|-----------------------------------|---|
| Project: | Threshold Program Objectives | |
| Activity: | | |
| Sub-Activity: | | |
| June 2018 | Change Description: | Indicator Retired |
| | Justification: | Irrelevant due to change in Program, Project or Activity scope |
| | Justification Description: | The change in the program makes this indicator no longer relevant (intervention was discontinued) |

| Extent of consolidation of the government's cash balances—Dimension (ii) of PEFA Indicator 17 | | |
|---|-----------------------------------|---|
| Project: | Threshold Program Objectives | |
| Activity: | | |
| Sub-Activity: | | |
| June 2018 | Change Description: | Indicator Retired |
| | Justification: | Irrelevant due to change in Program, Project or Activity scope |
| | Justification Description: | The change in the program makes this indicator no longer relevant (intervention was discontinued) |

| Timeliness of submission of audit reports to legislature—Dimension (ii) of PEFA Indicator 26 | | | |
|--|----------------------------|---|---------|
| Project: | | Threshold Program Objectives | |
| | | | |
| June 2018 | Change Description: | Indicator Retired | |
| | Change: | Previous | Revised |
| | | TBD | B |
| | Justification: | Irrelevant due to change in Program, Project or Activity scope | |
| | Justification Description: | Technical assistance does not work in this review of the audit report | |
| | | | |

| Scope of the legislature’s scrutiny—Dimension (i) of PEFA Indicator 27 | | | | | | |
|--|------------------------------|--------------------------|--------|---------|--------|------------------|
| Project: | Threshold Program Objectives | | | | | |
| | | | | | | |
| June 2018 | Change Description: | Baseline Modification | | | | |
| | Change: | Previous | | Revised | | |
| | | TBD | | B | | |
| | Justification: | Baseline change | | | | |
| | Justification Description: | Updated from TBD | | | | |
| | | | | | | |
| June 2018 | Change Description: | Target Modification | | | | |
| | Change: | Year 1 | Year 2 | Year 3 | Year 4 | End of Threshold |
| | Revised Targets | | | | A | A |
| | Previous Targets | | | | TBD | TBD |
| | Justification: | TBD Replaced with Target | | | | |
| | Justification Description: | Updated from TBD | | | | |

| | | |
|---|---------------------------------------|--|
| Extent to which the legislature’s procedures are well-established and respected—Dimension (ii) of PEFA Indicator 27 | | |
| Project: | Public Financial Management Project | |
| Activity: | Budget & Treasury Management Activity | |
| Sub-Activity: | | |
| | | |
| June 2018 | Change Description: | Indicator Retired |
| | Justification: | Irrelevant due to change in Program, Project or Activity scope |
| | Justification Description: | The change in the program makes this indicator no longer relevant (the indicator does not represent work OTA does in the project). |
| | | |

| | | |
|--|---------------------------------------|--|
| Adequacy of time for the legislature to provide a response to budget proposals both the detailed estimates and, where applicable, for proposals on macro-fiscal aggregates earlier in the budget preparation cycle (time allowed in practice for all stages combined)—Dimension (iii) of PEFA Indicator 27 | | |
| Project: | Public Financial Management Project | |
| Activity: | Budget & Treasury Management Activity | |
| Sub-Activity: | | |
| | | |
| June 2018 | Change Description: | Indicator Retired |
| | Justification: | Irrelevant due to change in Program, Project or Activity scope |
| | Justification Description: | The change in the program makes this indicator no longer relevant (the indicator does not represent the work OTA does in the project). |
| | | |

| | | |
|--|---------------------------------------|---|
| Rules for in-year amendments to the budget without ex-ante approval by the legislature—Dimension (iv) of PEFA Indicator 27 | | |
| Project: | Public Financial Management Project | |
| Activity: | Budget & Treasury Management Activity | |
| Sub-Activity: | | |
| | | |
| June 2018 | Change Description: | Indicator Retired |
| | Justification: | Irrelevant due to change in Program, Project or Activity scope |
| | Justification Description: | The change in the program makes this indicator no longer relevant |
| | | |

| Timeliness of examination of audit reports by the legislature (for reports received within the last three years)—Dimension (i) of PEFA Indicator 28 | | |
|---|---------------------------------------|---|
| Project: | Public Financial Management Project | |
| Activity: | Budget & Treasury Management Activity | |
| Sub-Activity: | | |
| June 2018 | Change Description: | Indicator Retired |
| | Justification: | Irrelevant due to change in Program, Project or Activity scope |
| | Justification Description: | The change in the program makes this indicator no longer relevant |

| Extent of hearings on key findings undertaken by the legislature—Dimension (ii) of PEFA Indicator 28 | | | | | | |
|--|------------------------------|--------------------------|--------|--------|---------|------------------|
| Project: | Threshold Program Objectives | | | | | |
| Activity: | | | | | | |
| Sub-Activity: | | | | | | |
| | | | | | | |
| June 2018 | Change Description: | Baseline Modification | | | | |
| | Change: | Previous | | | Revised | |
| | | TBD | | | B | |
| | Justification: | Baseline change | | | | |
| | Justification Description: | Updated form TBD | | | | |
| | | | | | | |
| June 2018 | Change Description: | Target Modification | | | | |
| | Change: | Year 1 | Year 2 | Year 3 | Year 4 | End of Threshold |
| | Revised Targets | | | | A | A |
| | Previous Targets | | | | TBD | TBD |
| | Justification: | TBD Replaced with Target | | | | |
| | Justification Description: | Updated from TBD | | | | |
| | | | | | | |

| Issuance of recommended actions by the legislature and implementation by the executive—Dimension (iii) of PEFA Indicator 28 | | | | | | |
|---|------------------------------|--------------------------|--------|---------|--------|------------------|
| Project: | Threshold Program Objectives | | | | | |
| Activity: | | | | | | |
| Sub-Activity: | | | | | | |
| | | | | | | |
| June 2018 | Change Description: | Baseline Modification | | | | |
| | Change: | Previous | | Revised | | |
| | | TBD | | C | | |
| | Justification: | Baseline change | | | | |
| | Justification Description: | Updated from TBD | | | | |
| | | | | | | |
| | | | | | | |
| June 2018 | Change Description: | Target Modification | | | | |
| | Change: | Year 1 | Year 2 | Year 3 | Year 4 | End of Threshold |
| | Revised Target: | | | | B | B |
| | Previous Target: | | | | TBD | TBD |
| | Justification: | TBD Replaced with Target | | | | |
| | Justification Description: | Updated from TBD | | | | |
| | | | | | | |

| Transparency, comprehensiveness and competition in the legal and regulatory framework—Dimension (i) of PEFA Indicator 19 | | | | | | |
|--|------------------------------|--------------------------|--------|---------|--------|------------------|
| Project: | Threshold Program Objectives | | | | | |
| | | | | | | |
| June 2018 | Change Description: | Baseline Modification | | | | |
| | Change: | Previous | | Revised | | |
| | | TBD | | A | | |
| | Justification: | Baseline change | | | | |
| | Justification Description: | Updated from TBD | | | | |
| | | | | | | |
| June 2018 | Change Description: | Target Modification | | | | |
| | Change: | Year 1 | Year 2 | Year 3 | Year 4 | End of Threshold |
| | Revised Targets | | | | A | A |
| | Previous Targets | | | | TBD | TBD |
| | Justification: | TBD Replaced with Target | | | | |
| | Justification Description: | Updated from TBD | | | | |
| | | | | | | |

| Use of competitive procurement methods—Dimension (ii) of PEFA Indicator 19 | | | |
|--|------------------------------|-----------------------|---------|
| Project: | Threshold Program Objectives | | |
| | | | |
| June 2018 | Change Description: | Baseline Modification | |
| | Change: | Previous | Revised |
| | | TBD | D |
| | Justification: | Baseline change | |
| | Justification Description: | Updated from TBD | |
| | | | |

| | | | | | | |
|-----------|---------------------|--------------------------|--------|--------|--------|------------------|
| June 2018 | Change Description: | Target Modification | | | | |
| | Change: | Year 1 | Year 2 | Year 3 | Year 4 | End of Threshold |
| | Revised Targets: | | | | C | C |
| | Previous Targets: | | | | TBD | TBD |
| | Justification: | TBD Replaced with Target | | | | |
| | | | | | | |

| | | | | | | |
|---|------------------------------|--------------------------|--------|---------|--------|------------------|
| Public access to complete, reliable and timely procurement information—Dimension (iii) of PEFA Indicator 19 | | | | | | |
| Project: | Threshold Program Objectives | | | | | |
| | | | | | | |
| June 2018 | Change Description: | Baseline Modification | | | | |
| | Change: | Previous | | Revised | | |
| | | TBD | | C | | |
| | Justification: | Baseline change | | | | |
| | Justification Description: | Updated from TBD | | | | |
| | | | | | | |
| June 2018 | Change Description: | Target Modification | | | | |
| | Change: | Year 1 | Year 2 | Year 3 | Year 4 | End of Threshold |
| | Revised Targets | | | | B | B |
| | Previous Targets | | | | TBD | TBD |
| | Justification: | TBD Replaced with Target | | | | |
| | | | | | | |

| Existence of an independent administrative procurement complaints system—Dimension (iv) of PEFA Indicator 19 | | | | | | |
|--|------------------------------|--------------------------|--------|---------|--------|------------------|
| Project: | Threshold Program Objectives | | | | | |
| | | | | | | |
| June 2018 | Change Description: | Baseline Modification | | | | |
| | Change: | Previous | | Revised | | |
| | | TBD | | D | | |
| | Justification: | Baseline change | | | | |
| | Justification Description: | Updated from TBD | | | | |
| | | | | | | |
| June 2018 | Change Description: | Target Modification | | | | |
| | Change: | Year 1 | Year 2 | Year 3 | Year 4 | End of Threshold |
| | Revised Targets | | | | C | C |
| | Previous Targets | | | | TBD | TBD |
| | Justification: | TBD Replaced with Target | | | | |
| | | | | | | |

| Existence of an independent administrative procurement complaints system—Dimension (iv) of PEFA Indicator 19 | | | |
|--|------------------------------|-----------------------|---------|
| Project: | Threshold Program Objectives | | |
| Activity: | | | |
| Sub-Activity: | | | |
| | | | |
| June 2018 | Change Description: | Baseline Modification | |
| | Change: | Previous | Revised |
| | | TBD | D |
| | Justification: | Baseline change | |
| | Justification Description: | Updated from TBD | |
| | | | |

| | | | | | | |
|-----------|---------------------|--------------------------|--------|--------|--------|------------------|
| June 2018 | Change Description: | Target Modification | | | | |
| | Change: | Year 1 | Year 2 | Year 3 | Year 4 | End of Threshold |
| | Revised Targets | | | | C | C |
| | Previous Targets | | | | TBD | TBD |
| | Justification: | TBD Replaced with Target | | | | |
| | | | | | | |

| Effectiveness of expenditure commitment controls—Dimension (i) of PEFA Indicator 20 | | | | | | |
|---|------------------------------|--------------------------|--------|---------|--------|------------------|
| Project: | Threshold Program Objectives | | | | | |
| Activity: | | | | | | |
| Sub-Activity: | | | | | | |
| | | | | | | |
| June 2018 | Change Description: | Baseline Modification | | | | |
| | Change: | Previous | | Revised | | |
| | | TBD | | B | | |
| | Justification: | Baseline change | | | | |
| | Justification Description: | Updated from TBD | | | | |
| | | | | | | |
| June 2018 | Change Description: | Target Modification | | | | |
| | Change: | Year 1 | Year 2 | Year 3 | Year 4 | End of Threshold |
| | Revised Targets | | | | A | A |
| | Previous Targets | | | | TBD | TBD |
| | Justification: | TBD Replaced with Target | | | | |
| | | | | | | |

| Comprehensiveness, relevance and understanding of other internal control rules/ procedures—Dimension (ii) of PEFA Indicator 20 | | | | | | |
|--|------------------------------|--------------------------|--------|---------|--------|------------------|
| Project: | Threshold Program Objectives | | | | | |
| Activity: | | | | | | |
| Sub-Activity: | | | | | | |
| | | | | | | |
| June 2018 | Change Description: | Baseline Modification | | | | |
| | Change: | Previous | | Revised | | |
| | | TBD | | B | | |
| | Justification: | Baseline change | | | | |
| | Justification Description: | Updated from TBD | | | | |
| | | | | | | |
| June 2018 | Change Description: | Target Modification | | | | |
| | Change: | Year 1 | Year 2 | Year 3 | Year 4 | End of Threshold |
| | Revised Targets | | | | A | A |
| | Previous Targets | | | | TBD | TBD |
| | Justification: | TBD Replaced with Target | | | | |
| | | | | | | |

| Degree of compliance with rules for processing and recording transactions—Dimension (iii) of PEFA Indicator 20 | | | |
|--|------------------------------|-----------------------|---------|
| Project: | Threshold Program Objectives | | |
| | | | |
| June 2018 | Change Description: | Baseline Modification | |
| | Change: | Previous | Revised |
| | | TBD | C |
| | Justification: | Baseline change | |
| | Justification Description: | Updated from TBD | |
| | | | |

| | | | | | | |
|-----------|----------------------------|--------------------------|--------|--------|--------|------------------|
| June 2018 | Change Description: | Target Modification | | | | |
| | Change: | Year 1 | Year 2 | Year 3 | Year 4 | End of Threshold |
| | Revised Targets | | | | B | B |
| | Previous Targets | | | | TBD | TBD |
| | Justification: | TBD Replaced with Target | | | | |

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|--|---------------------------------------|--|--|--|--|--|
| Baseline data incorporated into budget formulation | | | | | | |
| Project: | Public Financial Management Project | | | | | |
| Activity: | Budget & Treasury Management Activity | | | | | |
| Sub-Activity: | | | | | | |
| June 2018 | Change Description: | New Indicator | | | | |
| | Justification: | Existing indicators do not sufficiently meet adequacy criteria | | | | |
| | Justification Description: | | | | | |

| | | | | | | |
|--|---------------------------------------|--|--|--|--|--|
| Percentage of payments processed early | | | | | | |
| Project: | Public Financial Management Project | | | | | |
| Activity: | Budget & Treasury Management Activity | | | | | |
| Sub-Activity: | | | | | | |
| June 2018 | Change Description: | New Indicator | | | | |
| | Justification: | Existing indicators do not sufficiently meet adequacy criteria | | | | |
| | Justification Description: | | | | | |

| | | |
|---------------------------------------|---------------------------------------|--|
| Percentage of payments processed late | | |
| Project: | Public Financial Management Project | |
| Activity: | Budget & Treasury Management Activity | |
| Sub-Activity: | | |
| | | |
| June 2018 | Change Description: | New Indicator |
| | Justification: | Existing indicators do not sufficiently meet adequacy criteria |
| | | |

| | | |
|--|---------------------------------------|--|
| Prompt payment of invoices by Treasury | | |
| Project: | Public Financial Management Project | |
| Activity: | Budget & Treasury Management Activity | |
| Sub-Activity: | | |
| | | |
| June 2018 | Change Description: | New Indicator |
| | Justification: | Existing indicators do not sufficiently meet adequacy criteria |
| | Justification Description: | |
| | | |

| | | |
|--|---------------------------------------|--|
| Prompt payment of invoices by institutions | | |
| Project: | Public Financial Management Project | |
| Activity: | Budget & Treasury Management Activity | |
| Sub-Activity: | | |
| | | |
| June 2018 | Change Description: | New Indicator |
| | Justification: | Existing indicators do not sufficiently meet adequacy criteria |
| | Justification Description: | |
| | | |

| Accuracy of the Date of Reception (fecha de recepcion) of invoices | | |
|--|---------------------------------------|--|
| Project: | Public Financial Management Project | |
| Activity: | Budget & Treasury Management Activity | |
| Sub-Activity: | | |
| June 2018 | Change Description: | New Indicator |
| | Justification: | Existing indicators do not sufficiently meet adequacy criteria |
| | Justification Description: | |

| Process for ensuring executive decrees are in compliance with FIA requirements | | |
|--|---------------------------------------|--|
| Project: | Public Financial Management Project | |
| Activity: | Budget & Treasury Management Activity | |
| Sub-Activity: | | |
| June 2018 | Change Description: | New Indicator |
| | Justification: | Existing indicators do not sufficiently meet adequacy criteria |
| | Justification Description: | |

| Percentage of executive decrees that have gone to the Council of Ministers in compliance with FIA requirements | | |
|--|---------------------------------------|--|
| Project: | Public Financial Management Project | |
| Activity: | Budget & Treasury Management Activity | |
| Sub-Activity: | | |
| June 2018 | Change Description: | New Indicator |
| | Justification: | Existing indicators do not sufficiently meet adequacy criteria |
| | Justification Description: | |

| Process for ensuring that draft legislation is in compliance with Fiscal Impact Analysis (FIA) requirements | | |
|---|---------------------------------------|--|
| Project: | Public Financial Management Project | |
| Activity: | Budget & Treasury Management Activity | |
| Sub-Activity: | | |
| June 2018 | Change Description: | New Indicator |
| | Justification: | Existing indicators do not sufficiently meet adequacy criteria |
| | Justification Description: | |

| Percentage of draft legislation in compliance with FIA requirements | | |
|---|---------------------------------------|--|
| Project: | Public Financial Management Project | |
| Activity: | Budget & Treasury Management Activity | |
| Sub-Activity: | | |
| June 2018 | Change Description: | New Indicator |
| | Justification: | Existing indicators do not sufficiently meet adequacy criteria |
| | Justification Description: | |

| Percentage of budget modification | | |
|-----------------------------------|---------------------------------------|--|
| Project: | Public Financial Management Project | |
| Activity: | Budget & Treasury Management Activity | |
| Sub-Activity: | | |
| June 2018 | Change Description: | New Indicator |
| | Justification: | Existing indicators do not sufficiently meet adequacy criteria |
| | Justification Description: | |

| Percentage of payments processed as an exception to the prioritization rules | | |
|--|-------------------------------------|--|
| Project: | Public Financial Management Project | |
| Activity: | Procurement Activity | |
| Sub-Activity: | | |
| | | |
| June 2018 | Change Description: | Indicator Retired |
| | Justification: | Data collection for this indicator is not possible |
| | Justification Description: | |
| | | |

| Percentage of contract value posted in machine-readable format | | |
|--|-----------------------------|--|
| Project: | Public Financial Management | |
| Activity: | Procurement Activity | |
| Sub-Activity: | | |
| | | |
| June 2018 | Change Description: | Indicator Retired |
| | Justification: | Irrelevant due to change in Program, Project or Activity scope |
| | Justification Description: | Remove now but consider including in post-closure plan |
| | | |

| Existence of an objective, rules-based payment prioritization process | | | |
|---|-----------------------------|---|---|
| Project: | Public Financial Management | | |
| Activity: | Procurement Activity | | |
| June 2018 | Change Description: | Definition change | |
| | Change: | Previous | Revised |
| | | “SEFIN adopts a payment prioritization process that is based on objective rules: calendar (clase de gasto) and due date (vencimimiento de 45 días) related to the fecha de recepción del F01” | “Whether or not SEFIN adopts an automated payment process that is based on objective rules” |
| | Justification: | Definition change more accurately conveys program logic | |
| | | | |

| | | |
|--|-----------------------------|---|
| Number of procurement assessments conducted by ONCAE | | |
| Project: | Public Financial Management | |
| Activity: | Procurement Activity | |
| Sub-Activity: | | |
| | | |
| June 2018 | Change Description: | Name change from “Number of procurement processes evaluated by GoH” |
| | Justification: | Name better aligns with Program Logic |
| | Justification Description: | |
| | | |
| June 2018 | Change Description: | Definiton change from “Number of procurement processes evaluated by GoH” to “Number of Institutions evaluated by the Program established ONCAE Procurement Evaluation Unit regarding their procurement processes” |
| | Justification: | Definition change more accurately conveys program logic |
| | Justification Description: | |
| | | |

| | | |
|--|-----------------------------|--|
| Total contract value published in Honducompras as percentage of commitments for goods and services reported in SIAFI | | |
| Project: | Public Financial Management | |
| Activity: | Procurement Activity | |
| Sub-Activity: | | |
| | | |
| June 2018 | Change Description: | Indicator Retired |
| | Justification: | Irrelevant due to change in Activity scope |
| | Justification Description: | Indicator no longer aligns with current program logic but may be included in the post-closure plan |
| | | |

| | | |
|---|-----------------------------|--|
| Vendors' perceptions of equity of process | | |
| Project: | Public Financial Management | |
| Activity: | Procurement Activity | |
| Sub-Activity: | | |
| | | |
| June 2018 | Change Description: | Indicator Retired |
| | Justification: | Irrelevant due to change in Program, Project or Activity scope |
| | Justification Description: | Indicator no longer aligns with current program logic but may be included in the post-closure plan |
| | | |

| | | |
|------------------------------|-----------------------------|---|
| Transparency of procurements | | |
| Project: | Public Financial Management | |
| Activity: | Procurement Activity | |
| Sub-Activity: | | |
| | | |
| June 2018 | Change Description: | Indicator Retired |
| | Justification: | Indicators have been added which are superior in measuring the same variable |
| | Justification Description: | New indicators serve as better proxies for measuring the transparency of procurements |
| | | |

| | | |
|-----------------------------------|-------------------------------------|--|
| ONCAE Evaluation Unit established | | |
| Project: | Public Financial Management Project | |
| Activity: | Procurement Activity | |
| Sub-Activity: | | |
| | | |
| June 2018 | Change Description: | New Indicator |
| | Justification: | Existing indicators do not sufficiently meet adequacy criteria |
| | Justification Description: | |
| | | |

| Number of institutions evaluated by ONCAE | | |
|---|-------------------------------------|--|
| Project: | Public Financial Management Project | |
| Activity: | Procurement Activity | |
| Sub-Activity: | | |
| June 2018 | Change Description: | New Indicator |
| | Justification: | Existing indicators do not sufficiently meet adequacy criteria |
| | Justification Description: | |

| Complete Procurement Plans presented to ONCAE | | |
|---|-------------------------------------|--|
| Project: | Public Financial Management Project | |
| Activity: | Procurement Activity | |
| Sub-Activity: | | |
| June 2018 | Change Description: | New Indicator |
| | Justification: | Existing indicators do not sufficiently meet adequacy criteria |
| | Justification Description: | |

| Procurement officials certified by ONCAE in GOH institutions | | |
|--|-------------------------------------|--|
| Project: | Public Financial Management Project | |
| Activity: | Procurement Activity | |
| Sub-Activity: | | |
| June 2018 | Change Description: | New Indicator |
| | Justification: | Existing indicators do not sufficiently meet adequacy criteria |
| | Justification Description: | |

| | | |
|---------------------------------|-------------------------------------|--|
| Honducompras 2.0 (new) launched | | |
| Project: | Public Financial Management Project | |
| Activity: | Procurement Activity | |
| Sub-Activity: | | |
| | | |
| June 2018 | Change Description: | New Indicator |
| | Justification: | Existing indicators do not sufficiently meet adequacy criteria |
| | Justification Description: | |
| | | |

| | | |
|---|-------------------------------------|--|
| Transparency of infrastructure procurements | | |
| Project: | Public Financial Management Project | |
| Activity: | Procurement Activity | |
| Sub-Activity: | | |
| | | |
| June 2018 | Change Description: | New Indicator |
| | Justification: | Existing indicators do not sufficiently meet adequacy criteria |
| | Justification Description: | |
| | | |

| | | |
|--|-------------------------------------|--|
| Road Maintenance Fund (Fondo Vial) dissolved | | |
| Project: | Public Financial Management Project | |
| Activity: | Procurement Activity | |
| Sub-Activity: | | |
| | | |
| June 2018 | Change Description: | New Indicator |
| | Justification: | Existing indicators do not sufficiently meet adequacy criteria |
| | Justification Description: | |
| | | |

| Value of purchases through bulk purchase agreements | | | |
|---|-----------------------------------|---|---------------|
| Project: | Public Financial Management | | |
| Activity: | Procurement Activity | | |
| Sub-Activity: | | | |
| June 2018 | Change Description: | Baseline Modification | |
| | Change: | Previous | Revised |
| | | TBD | 18,873,858.56 |
| | Justification: | Baseline change | |
| | Justification Description: | Baseline updated with current financial information from Honducompras | |
| June 2018 | Change Description: | Definition Change from “Value of total products purchased through bulk purchase agreements through e-catalogues” to “Value of total products purchased through bulk purchase agreements (including joint purchasing and purchasing through e-catalogue” | |
| | Justification: | Definition change more accurately conveys program logic | |
| | Justification Description: | | |
| | | | |

| Quantity of sole source procurements | | | |
|--------------------------------------|-----------------------------------|--|---------|
| Project: | Public Financial Management | | |
| Activity: | Procurement Activity | | |
| Sub-Activity: | | | |
| June 2018 | Change Description: | Baseline Modification | |
| | Change: | Previous | Revised |
| | | TBD | 15 |
| | Justification: | Baseline change | |
| | Justification Description: | Baseline updated with current procurement information reported in Honducompras | |

| Value of sole source procurements | | | |
|-----------------------------------|-----------------------------------|--|-----------|
| Project: | Public Financial Management | | |
| Activity: | Procurement Activity | | |
| Sub-Activity: | | | |
| | | | |
| | Change Description: | Definition Change from “Value of contract modifications that exceed 25% of the original contract value” to “Value of contract modifications larger than 10% of contract value as reported in Honducompras” | |
| | Justification: | Definition change more accurately conveys program logic | |
| | Justification Description: | Definition includes more specific accurate information about how the indicator will be reported in Honducompras | |
| | | | |
| June 2018 | Change Description: | Definition change | |
| | Change: | Previous | Revised |
| | | TBD | 142,312.5 |
| | Justification: | Baseline change | |
| | Justification Description: | Baseline updated with current information | |
| | | | |

| Value of large contract modifications | | | |
|---------------------------------------|-----------------------------|--|---------|
| Project: | Public Financial Management | | |
| Activity: | Procurement Activity | | |
| Sub-Activity: | | | |
| | | | |
| | Change Description: | Baseline Modification | |
| | Change: | Previous | Revised |
| | | TBD | 0 |
| | Justification: | Baseline change | |
| | Justification Description: | This indicator cannot be reported using Honducompras 1.0, thus the baseline value is 0 lempiras. The indicator is expected to be reported in Honducompras 2.0 once it is operational and included in the postprogram M&E Plan. | |

| Performance audits completed | | | |
|------------------------------|---|-----------------------|---------|
| Project: | Public Financial Management | | |
| Activity: | Tribunal Superior de Cuentas (TSC) Activity | | |
| Sub-Activity: | | | |
| | | | |
| June 2018 | Change Description: | Baseline Modification | |
| | Change: | Previous | Revised |
| | | TBD | 0 |
| | Justification: | Baseline change | |
| | Justification Description: | | |

| Number of illicit enrichment investigative cases initiated | | |
|--|---|--|
| Project: | Public Financial Management | |
| Activity: | Tribunal Superior de Cuentas (TSC) Activity | |
| Sub-Activity: | | |
| June 2018 | Change Description: | New Indicator |
| | Justification: | Existing indicators do not sufficiently meet adequacy criteria |
| | Justification Description: | |

| Productivity of Auditors within the TSC Illicit Enrichment Unit | | |
|---|---|--|
| Project: | Public Financial Management | |
| Activity: | Tribunal Superior de Cuentas (TSC) Activity | |
| Sub-Activity: | | |
| June 2018 | Change Description: | New Indicator |
| | Justification: | Existing indicators do not sufficiently meet adequacy criteria |
| | Justification Description: | |

| Percentage of active cases at risk of being dismissed | | |
|---|---|--|
| Project: | Public Financial Management | |
| Activity: | Tribunal Superior de Cuentas (TSC) Activity | |
| Sub-Activity: | | |
| June 2018 | Change Description: | New Indicator |
| | Justification: | Existing indicators do not sufficiently meet adequacy criteria |
| | Justification Description: | |

| | | |
|-------------------------|---|--|
| Auditors trained at TSC | | |
| Project: | Public Financial Management | |
| Activity: | Tribunal Superior de Cuentas (TSC) Activity | |
| Sub-Activity: | | |
| | | |
| June 2018 | Change Description: | New Indicator |
| | Justification: | Existing indicators do not sufficiently meet adequacy criteria |
| | Justification Description: | |
| | | |

| | | |
|------------------------------|---|--|
| Performance audits completed | | |
| Project: | Public Financial Management | |
| Activity: | Tribunal Superior de Cuentas (TSC) Activity | |
| Sub-Activity: | | |
| | | |
| June 2018 | Change Description: | New Indicator |
| | Justification: | Existing indicators do not sufficiently meet adequacy criteria |
| | Justification Description: | |
| | | |

| | | |
|---|---|--|
| Number of Illicit enrichment cases filed in court | | |
| Project: | Public Financial Management | |
| Activity: | Tribunal Superior de Cuentas (TSC) Activity | |
| Sub-Activity: | | |
| | | |
| June 2018 | Change Description: | New Indicator |
| | Justification: | Existing indicators do not sufficiently meet adequacy criteria |
| | Justification Description: | |
| | | |

| Percentage of satisfied patients at Hospital General del Sur | | |
|--|---|--|
| Project: | Public Financial Management | |
| Activity: | Grant Facility for Social Accountability Activity | |
| Sub-Activity: | | |
| June 2018 | Change Description: | New Indicator |
| | Justification: | Existing indicators do not sufficiently meet adequacy criteria |
| | Justification Description: | |

| Percentage of recommended actions implemented (6 municipalities, 14 clinics) | | |
|--|---|--|
| Project: | Public Financial Management | |
| Activity: | Grant Facility for Social Accountability Activity | |
| Sub-Activity: | | |
| June 2018 | Change Description: | New Indicator |
| | Justification: | Existing indicators do not sufficiently meet adequacy criteria |
| | Justification Description: | |

| Number of projects disseminated to relevant public institutions | | |
|---|---|--|
| Project: | Public Financial Management | |
| Activity: | Grant Facility for Social Accountability Activity | |
| Sub-Activity: | | |
| June 2018 | Change Description: | New Indicator |
| | Justification: | Existing indicators do not sufficiently meet adequacy criteria |
| | Justification Description: | |

| Percentage of recommended actions implemented in procurement/ contracts in SEDUC | | |
|--|---|--|
| Project: | Public Financial Management | |
| Activity: | Grant Facility for Social Accountability Activity | |
| Sub-Activity: | | |
| June 2018 | Change Description: | New Indicator |
| | Justification: | Existing indicators do not sufficiently meet adequacy criteria |
| | Justification Description: | |

| Percentage of recommended actions implemented in procurement/ contracts in SESAL | | |
|--|---|--|
| Project: | Public Financial Management | |
| Activity: | Grant Facility for Social Accountability Activity | |
| Sub-Activity: | | |
| June 2018 | Change Description: | New Indicator |
| | Justification: | Existing indicators do not sufficiently meet adequacy criteria |
| | Justification Description: | |

| Percentage of recommended actions implemented in procurement/ contracts in Secretaria de Seguridad | | |
|--|---|--|
| Project: | Public Financial Management | |
| Activity: | Grant Facility for Social Accountability Activity | |
| Sub-Activity: | | |
| June 2018 | Change Description: | New Indicator |
| | Justification: | Existing indicators do not sufficiently meet adequacy criteria |
| | Justification Description: | |

| | | |
|--|---|--|
| Percentage of recommended actions implemented in procurement/ contracts in INSEP | | |
| Project: | Public Financial Management | |
| Activity: | Grant Facility for Social Accountability Activity | |
| Sub-Activity: | | |
| | | |
| June 2018 | Change Description: | New Indicator |
| | Justification: | Existing indicators do not sufficiently meet adequacy criteria |
| | Justification Description: | |
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|--|-----------------------------|--|
| Fiscal Contingencies Unit established in SEFIN | | |
| Project: | Public Private Partnerships | |
| Activity: | PPP Capacity Activity | |
| Sub-Activity: | | |
| | | |
| June 2018 | Change Description: | New Indicator |
| | Justification: | Existing indicators do not sufficiently meet adequacy criteria |
| | Justification Description: | |
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|---|-----------------------------|--|
| Operations Manual for Fiscal Contingencies Unit adopted | | |
| Project: | Public Private Partnerships | |
| Activity: | PPP Capacity Activity | |
| Sub-Activity: | | |
| | | |
| June 2018 | Change Description: | New Indicator |
| | Justification: | Existing indicators do not sufficiently meet adequacy criteria |
| | Justification Description: | |
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|-----------------------|-----------------------------|--|
| PPP training received | | |
| Project: | Public Private Partnerships | |
| Activity: | PPP Capacity Activity | |
| Sub-Activity: | | |
| | | |
| June 2018 | Change Description: | New Indicator |
| | Justification: | Existing indicators do not sufficiently meet adequacy criteria |
| | Justification Description: | |
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|--|---------------------------------|--|
| Operations manual for INVEST-H submitted | | |
| Project: | Public Private Partnerships | |
| Activity: | Implementation of PPPs Activity | |
| Sub-Activity: | | |
| | | |
| June 2018 | Change Description: | New Indicator |
| | Justification: | Existing indicators do not sufficiently meet adequacy criteria |
| | Justification Description: | |
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|--------------------------------------|---------------------------------|--|
| PPP Unit established within INVEST-H | | |
| Project: | Public Private Partnerships | |
| Activity: | Implementation of PPPs Activity | |
| Sub-Activity: | | |
| | | |
| June 2018 | Change Description: | New Indicator |
| | Justification: | Existing indicators do not sufficiently meet adequacy criteria |
| | Justification Description: | |
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|--|---------------------------------|--|
| Management of risk of PPP non-compliance | | |
| Project: | Public Private Partnerships | |
| Activity: | Implementation of PPPs Activity | |
| Sub-Activity: | | |
| | | |
| June 2018 | Change Description: | New Indicator |
| | Justification: | Existing indicators do not sufficiently meet adequacy criteria |
| | Justification Description: | |
| | | |

| | | |
|--|---------------------------------|--|
| Creation of new businesses facilitated by improved access to information | | |
| Project: | Public Private Partnerships | |
| Activity: | Implementation of PPPs Activity | |
| Sub-Activity: | | |
| | | |
| June 2018 | Change Description: | New Indicator |
| | Justification: | Existing indicators do not sufficiently meet adequacy criteria |
| | Justification Description: | |
| | | |

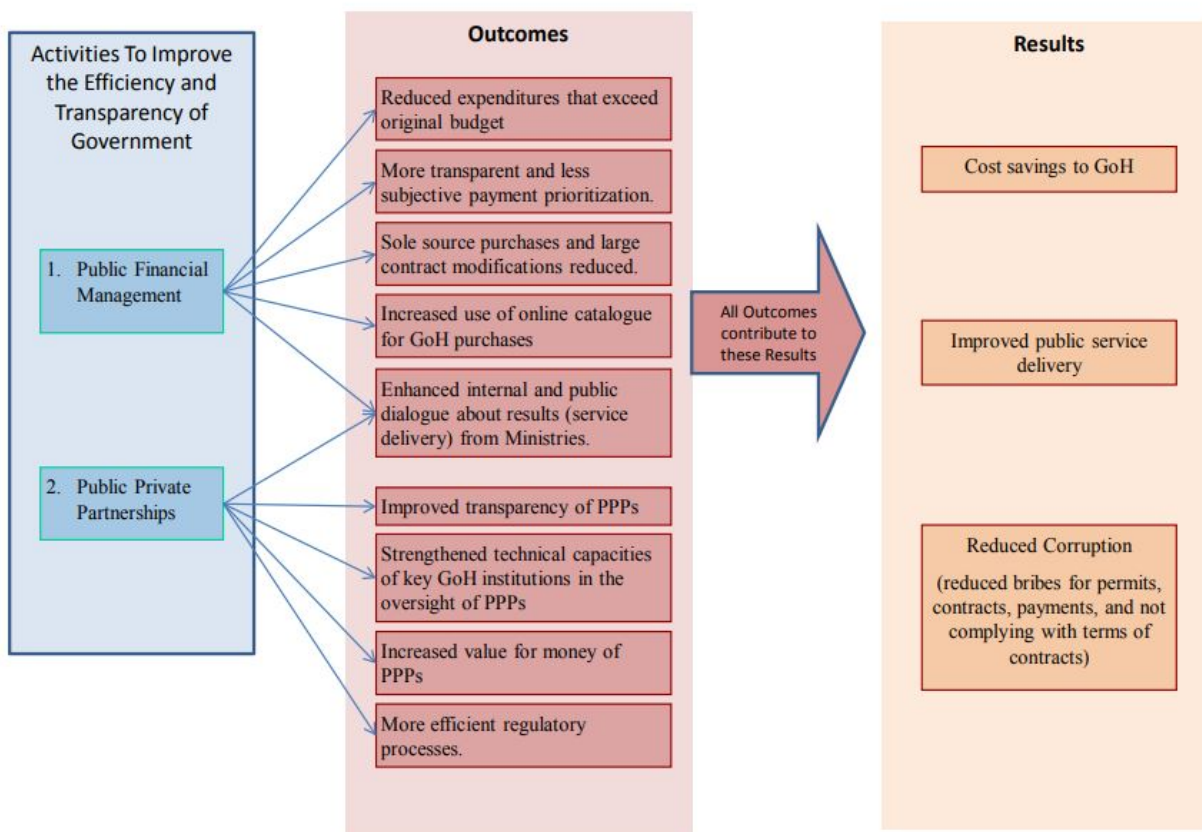
| | | |
|--|---------------------------------|--|
| Number of entrepreneurs and SMEs that enter the formal economy | | |
| Project: | Public Private Partnerships | |
| Activity: | Implementation of PPPs Activity | |
| Sub-Activity: | | |
| | | |
| June 2018 | Change Description: | Indicator Retired |
| | Justification: | Irrelevant due to change in Program, Project or Activity scope |
| | Justification Description: | Indicator no longer aligns with current Program logic |
| | | |

| | | |
|---|---------------------------------|--|
| Time to obtain permits to import/export | | |
| Project: | Public Private Partnerships | |
| Activity: | Implementation of PPPs Activity | |
| Sub-Activity: | | |
| | | |
| June 2018 | Change Description: | Indicator Retired |
| | Justification: | Irrelevant due to change in Program, Project or Activity scope |
| | Justification Description: | Indicator no longer aligns with current Program logic |
| | | |

ANNEX IV – PROJECT LOGIC AND TEXT CHANGES

The M&E Plan v.1 from 2015 had only one Program level logic (not broken down by the two projects). It is shown below.

Figure 1: Honduras Threshold Program Logic



The following are changes which have occurred to the M&E framework since the development of the M&E Plan v.1 in 2015.

- The Threshold and Project level program logics have been updated to reflect changes in the project descriptions and to align with current projects. The previous logics can be found in Annex IV of this ME Plan.
- The Project descriptions have been updated to reflect how the Threshold has advanced and developed since entering into force in 2013. The following project/activity descriptions were updated and/or expanded:
 - Public Financial Management (4.1.1)

- Budget and Treasury Management Activity (Activity 1.1)
 - Improving Procurement Capacity, Planning and Controls (Activity 1.2)
 - Improving Capacity of Tribunal Superior de Cuentas (Activity 1.3)
 - Grant Facility for Social Accountability (Activity 1.4)
 - PFM Project Evolution as of October 2017 (New section 4.1.3)
- Improving the Efficiency and Transparency of PPPs (4.2)
 - PPP Project Activities (4.2.1)
 - Develop Core PPP Capacity
 - Northern Triangle PPP Training Program
 - PPP Coaches
 - Implementation of PPPs
 - PPP Project Evolution as of October 2017 (New section 4.2.3)
- The Beneficiaries and Project Participants have been updated to reflect the institutions involved in the both the PFM and PPP Projects
- The Evaluation section has been updated to reflect changes to the evaluation questions and the scope of the evaluation.