



Honduras Threshold Program M&E Plan

April 14, 2015

1 OVERVIEW

The M&E Plan is a tool to manage the process of monitoring, evaluating and reporting progress toward Threshold Country Program (TCP) 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 MCC and MCA 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 TCP 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 TCP interventions. The M&E plan outlines:

- Strategies to monitor and evaluate the TCP 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 TCP 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 TCP and any relevant Supplemental Agreement between the Parties and have been approved by MCC.

2 TCP PROJECTS & ACTIVITIES

2.1 Overview

MCC's new threshold program is designed to assist countries to become compact eligible by challenging them to implement a set of key policy and institutional reforms that would contribute to reducing the constraints to faster economic growth, and would provide MCC information about the country's political will and capacity to undertake the types of reforms and investments that would have the greatest impacts in compacts.

The development of the TCP 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 TCP focuses on the second constraint—specifically, public financial management and public private partnerships (PPPs). In fact, firms in Honduras rank corruption and inefficient government bureaucracy as the 2nd and 3rd most problematic factors for doing business.² It is expected that the TCP activities will result in cost savings to the Government of Honduras (GoH) in its provision of public services, improved public service delivery, and fewer opportunities for corruption. The TCP performance will also allow MCC to observe if the GoH has the political will and capacity to carry

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

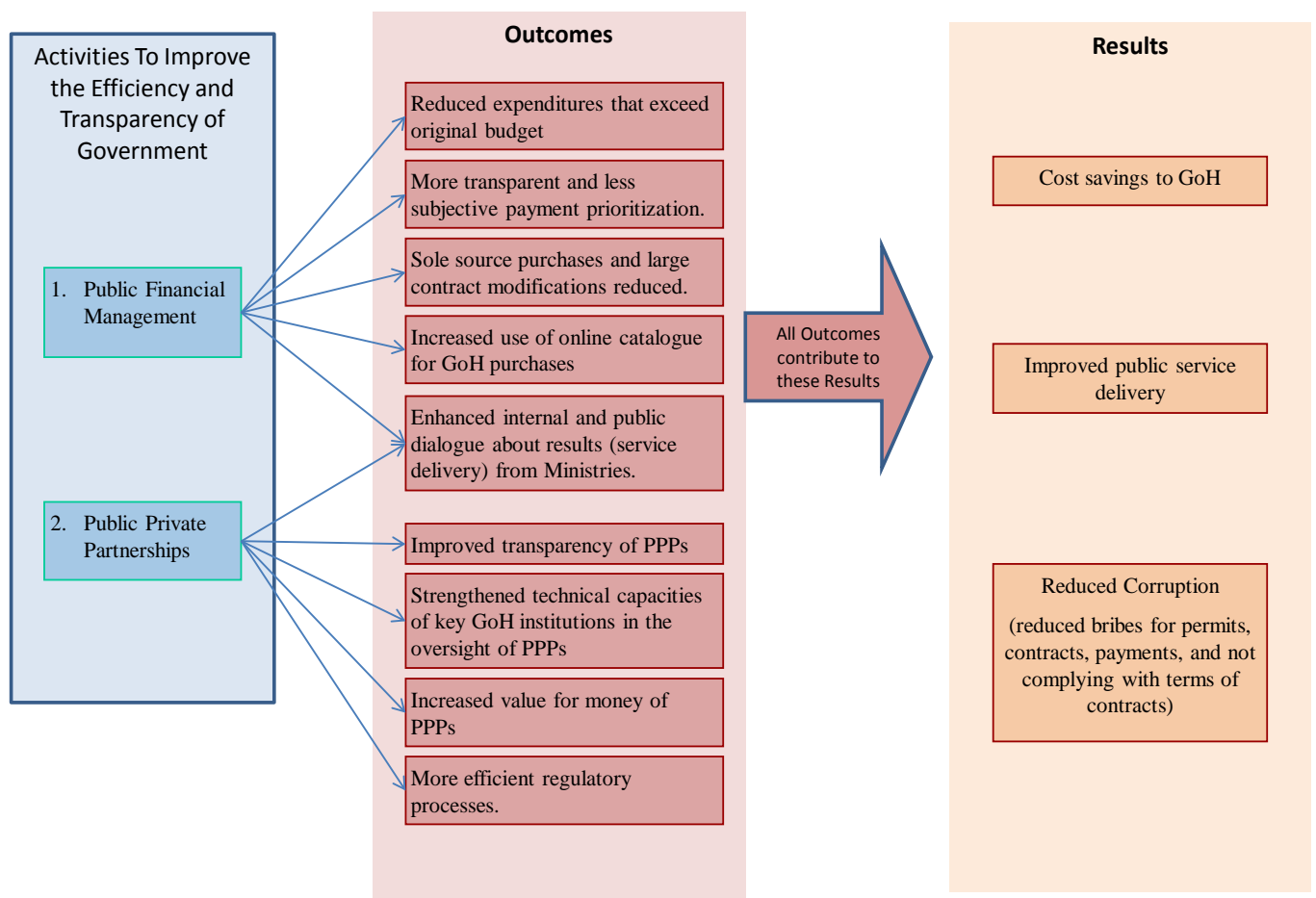
² MCC-GoH, "Honduras Constraints to Growth Analysis," January 2013.

out important but difficult reforms that are critical for faster growth, which in turn will provide important information for any future consideration of Honduras’s compact eligibility.

2.2 Summary of Program Logic

The overall Threshold Program in Honduras will focus on increasing the effectiveness, efficiency, and transparency of the GoH. The Honduras TCP 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.

Figure 1: Honduras Threshold Program Logic



2.3 Project 1: Improving Public Financial Management

2.3.1 Problem Definition

Although the GoH has made important improvements in public financial management in the last few years, the 2012 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 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, 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.

2.3.2 Interventions

The Public Financial Management Project will address key weaknesses in planning, budgeting, procurement, payment, and audit in order to reduce inefficiency and corruption in public financial management. The TCP will provide technical assistance to SEFIN, the Congressional Budget Commission, ONCAE, and the Tribunal Superior de Cuentas (TSC) in the following areas:

1. *Budget and Treasury Management Activity*: The Program will build capacity to improve budget analysis, budget execution, and treasury management, and will help build congressional capacity for oversight of budget, improve congressional budget discipline by recommending safeguards to ensure the planned deficit targets are not breached, and provide better analysis and transparency of the cost implications of congressional mandates and government policies.
2. *Procurement Capacity, Planning & Controls Activity*: The Program will improve procurement transparency and controls (in particular on sole source contracting and contract modification). It will first support this objective by assessing ONCAE's organizational structure and capacity, and recommending changes in structure, staffing, and job descriptions as appropriate. Training shall then 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 TCP will also help to expand the online supply catalogue to include more products, so that more ministries benefit from bulk pricing. In addition, this support aims to reduce the administrative burden and fiduciary risks of thousands of small procurements.
3. *Tribunal Superior de Cuentas (TSC) Activity*: The program will support the TSC to strengthen their capacity in performance and forensic auditing, and will support audits of select new controls being introduced in other Threshold Program activities.

In addition, the TCP will provide resources to support Honduran civil society in their efforts to promote social accountability around government performance:

4. *Grant Facility for Social Accountability Activity*: The program will provide funding to Honduran civil society organizations (CSOs) to undertake social accountability projects that have the ultimate objective of improving government efficiency and/or effectiveness. Social accountability refers to citizens directly demanding greater accountability and responsiveness from public officials and service providers by gathering stakeholders to monitor and evaluate government performance. It is expected that this social pressure can reduce corruption, increase efficiency, and focus attention on service quality/results.

2.3.3 Expected Outcomes

- *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*. Public service delivery can be improved by finding cost savings and reducing opportunities for corruption.

2.4 Project 2: Improving the Efficiency and Transparency of PPPs

2.4.1 Problem

Given tight public finances, there is currently limited scope for public investments to improve the provision of the public infrastructure. Consequently, the GoH plans 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.

2.4.2 Interventions

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

1. *Develop Core PPP Capacity Activity*: 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 includes support to:
 - a. PPP Framework: Develop regulations, procedures and guidance needed to properly identify, develop, and manage PPP projects.
 - b. PPP Pipeline Development: Strengthen the capacity of relevant government institutions (e.g., Coalianza, Ministry of Finance, INSEP and perhaps other line ministries) to properly screen, prioritize, and select potential PPP projects based on: whether they meet a well-defined public need (with clear and measurable outputs); have a clear and definable revenue stream and are otherwise financially, economically and institutionally sustainable; are affordable by the government and/or users; are consistent with government development plans and policies; are attractive to private developers; are structured to cover their life cycle costs; can properly identify, analyze, and allocate risks to the party best positioned to manage them; can be developed and tendered within a reasonable timeframe; and have the capacity to supervise the implementation of them.
 - c. PPP Development: Specialized PPP expertise to strengthen the capacity of relevant government institutions (e.g., Coalianza, Ministry of Finance, 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.
2. *Implementation of PPPs Activity*: In order to institutionalize good practices, the Program will support specific current and potential PPPs, including:
 - a. PPP Management. Specialized PPP expertise to strengthen the capacity of relevant government institutions (e.g., INSEP and perhaps other line ministries, SAPP, Ministry of Finance), each from its own unique perspective, to properly manage and regulate specific PPP transactions, including the Logistical Corridor and Tourist Corridor concessions. This work 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).
 - b. A study to analyze options for structuring a new PPP to improve the efficiency and reduce the fiscal burden of the electricity sector. The TCP may also assist the GoH in the design of a PPP in this sector.
 - c. Assistance in implementing more effectively a 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.

2.4.3 Expected Outcomes

- *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.

2.5 Beneficiaries and Project Participants

As this program seeks policy reforms that improve the efficiency and transparency of the Government of Honduras, the intended beneficiaries of this TCP can be defined as the citizenry of Honduras. The program does not have targeted beneficiaries, but entities that will be directly involved in TCP implementation are listed below as project participants.

2.5.1 Public Financial Management Project

Direct participants:

- SEFIN
 - Budget Office
 - Treasury
 - Unidad de Planeamiento y Evaluacion de Gestion (UPEG): macro forecasting, revenue forecasting, Medium-Term Expenditure Framework (MTEF)
 - Unidad de Modernizacion (UDEM)
- Congressional Budget Commission
- ONCAE
- TSC
- CSOs working on social accountability

2.5.2 PPP Project

Direct participants:

- Coalianza
- Superintendencia de Alianza Publico Privado (SAPP)
- SEFIN
- INSEP
- ENEE
- FIDE

3 MONITORING

3.1 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.

3.2 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 TCP are summarized in **the Annex**, including the definition, unit, and data source. **As many activities in the TCP have yet to be defined fully, this list of indicators is subject to revision.** 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 TCP 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 TCP, 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:*³ Periodically bring together various stakeholders involved in carrying out TCP 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.

3.3 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.

3.4 Stock Taking

This TCP 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 TCP 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.

³ This method is drawn from the reflective practice approach, which can follow various models and is commonly espoused to promote organizational learning.

3.5 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 TCP 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.

3.6 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 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*](#).

3.7 Additional Monitoring Activities

3.7.1 Data Quality Reviews

M&E data is the key source of information on progress towards the achievement of TCP 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.

3.7.2 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 TCP 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.

3.7.3 TCP Close-Out

Upon completion of the Honduras TCP 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 TCP 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 TCP implementation to evaluate these fundamental questions and other aspects of TCP program performance. The MCA will use information from the Honduras monitoring reports as well as evaluation results produced during the TCP 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 TCP to evaluate these same questions and other aspects of TCP program performance.

4 EVALUATION

4.1 Overview

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

A **Performance Evaluation** is a study that starts with descriptive questions, such as:

- What were the objectives of the project?;
- What did the project achieve?;
- How was the project implemented and why did it achieve the outcomes that it did?;
- How was it perceived and valued by various stakeholders and project participants?; and
- Other questions that are pertinent to program design, management, and operational decision making.

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.

An **Impact Evaluation** is a study that measures changes in key outcomes that are *attributable* to a defined intervention. Impact evaluations require a credible and rigorously defined counterfactual, which estimates what would have happened to the beneficiaries in the absence of the project. Estimated impacts, when weighed with total related costs, provide an assessment of the intervention's cost-effectiveness.

MCA and MCC balance the expected accountability and learning benefits with the evaluation costs to determine what type of evaluation approach is appropriate. Impact evaluations are performed when their costs are warranted by the expected accountability and learning. MCA will follow any MCC specific guidelines and standards for the selection, preparation, review, and dissemination of performance and impact evaluations.

4.2 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 TCP contributed to meeting this objective. This table below shows activity-specific evaluation questions; however, these are subject to change based on further discussions with MCC, MCA, other stakeholders, and the Independent Evaluator.

4.2.1 Activity-Level Questions

Budget and Treasury Management Activity		
Question	Indicators	Methods
1. Did the GoH reduce payment arrears? If so, how was this reduction achieved?	TBD	TBD
2. Did the GoH develop, publish, and follow transparent and objective rules for payment prioritization?	TBD	TBD

3. Did the GoH put in place a Medium Term Expenditure Framework (MTEF)? How has it affected the GoH's budgeting process?	TBD	TBD
4. Did the GoH put in place measures to increase timeliness of tax payments from banks to the Central Bank and to improve Treasury's cash management?	TBD	TBD
5. Did Congress reduce intra-year budget modifications? To what extent?	TBD	TBD
6. What impact did the technical assistance to the Congressional Budget Committee have on the functioning of the committee?	TBD	TBD

Procurement Activity		
Question	Indicators	Methods
1. To what extent do the key reform elements being undertaken by the GOH and implemented by MCC-supported ministries contribute to public sector cost savings, without resulting in deterioration in the quality or value of this public expenditure, and/or in quality/value enhancement for similar costs?	TBD	TBD
2. Do the new procurement processes result in greater participation in and improved perceptions (e.g. fairness, legitimacy) of the procurement process? Why or why not?	TBD	TBD
3. How have vendors' perceptions of corruption changed?	TBD	TBD
4. To what extent has the GoH implemented systems that could reasonably be expected to reduce opportunities for corruption?	TBD	TBD

TSC Activity		
Question	Indicators	Methods
1. Did the program increase the capacity of TSC to undertake Performance Audits?	TBD	TBD

2. Did the pilot performance audits have findings that, if addressed, would improve the effectiveness and efficiency of the GOH?	TBD	TBD
3. How likely is TSC to continue Performance Audits?	TBD	TBD
4. Is the Forensic Audit support likely to increase convictions?	TBD	TBD

Social Accountability Activity		
Question	Indicators	Methods
1. Did the projects funded by the grants increase public knowledge of the Government's execution of its functions?	TBD	TBD
2. Did the projects increase citizens' ability to hold public officials, service providers, and the government to account for their obligations?	TBD	TBD

PPP Capacity Activity		
Question	Indicators	Methods
1. Is the GoH selecting, prioritizing, structuring and awarding PPP projects effectively? What does this process look like after implementation of the TCP, as compared to before implementation?	TBD	TBD
2. How did the TCP contribute to the performance of Coalianza, Ministry of Finance, and INSEP in the aforementioned areas?	TBD	TBD
3. Did the Program improve the ability of the GoH to assess and manage contingent liabilities arising from PPPs?	TBD	TBD

Implementation of PPPs Activity		
Question	Indicators	Methods
1. Did the TCP improve the GoH's management of road concessions, in terms of oversight and	TBD	TBD

concessionaire adherence to performance standards?		
2. Did the GoH put in place a PPP in electricity distribution that is likely to reduce financial losses in ENEE? What role did the TCP play in achieving this outcome?	TBD	TBD
3. What are the impacts of FIDE's activities on compliance costs for businesses related to the targeted administrative procedures?	TBD	TBD

4.3 Evaluation Methodologies and Data Collection

Activity	Evaluation Type	Evaluator	Evaluation Report Dates		
			Design	Baseline	Final
Budget and Treasury Management	Performance Evaluation	Social Impact	2015	TBD	TBD
Procurement	Performance Evaluation	Social Impact	2015	TBD	TBD
TSC	Performance Evaluation	Social Impact	2015	TBD	TBD
Social Accountability	Performance Evaluation	Social Impact	2015	TBD	TBD
PPP Capacity	Performance Evaluation	Social Impact	2015	TBD	TBD
Implementation of PPPs	Performance Evaluation	Social Impact	2015	TBD	TBD

Based on the nature of the TCP's interventions, performance evaluation is the appropriate means through which MCC will evaluate the Program. The overarching learning goal is to understand not only what the TCP is able to accomplish, but also how and why it does so and how it influences the GoH's broader reform efforts. As a result, the evaluation will likely rely on a mixed methods approach, using quantitative methods/information to illustrate the TCP's progress toward outcomes and qualitative methods/information to detail the trajectories of implementation and to unpack political and contextual factors that may explain the aforementioned progress. Once the Independent Evaluator begins their evaluation planning work, these methods will be spelled out in more detail.

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 TCP. 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 TCP 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 TCP implementation. This type of information can be collected, for example, by examining business process flow and/or through participant observation.

5 INSTITUTIONAL ARRANGEMENTS

Implementation of TCP 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 TCP 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 TCP, 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 TCP 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; recording, analyzing, and reporting on activity implementation; and ensuring the quality and proper storage and verification of data as per MCC's M&E Policy.

6 M&E BUDGET

The table below details the M&E budget for the TCP. It focuses on data collection activities and highlights how the costs for these activities are divided between the TCP 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	Y1 2015	Y2 2016	Y3 2017	Post TCP	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
TCP 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
TOTAL	\$810,000	\$260,000	\$785,000		\$2,105,000



ANNEX

Table 1. Threshold Program Objectives

Result	Indicator	Definition	Unit	Baseline	Year 3 Target	Frequency	Source
Outcome Indicators							
Improved government effectiveness, transparency, and efficiency	PEFA scores ⁴	Continued improvement on sub-scores of the Public Expenditure and Financial Assessment	Letter Grade	TBD	Sustained improvement over baseline	Annual (or less frequently, depending on schedule for PEFA assessment)	MCC-financed PEFA assessment
	Prompt Payment	Value of delinquent payments, disaggregated by duration of delinquency (1 day, 30 days, 90 days, 180 days, 365 days, more than 365 days)	US\$	TBD	Sustained reduction over baseline	Quarterly	SIIFI
	Perceptions of government effectiveness	Percentage of stakeholders sampled (including government employees) who cite greater focus on improved public financial management and results within targeted government agencies.	%	TBD	Sustained improvement over baseline	TBD	MCC Survey
Reduced perceptions of corruption	Perceptions of corruption	Percentage of stakeholders sampled (including vendors to government) who cite corruption as a significant problem within the targeted government agencies.	%	TBD	Sustained improvement over baseline	Annual	MCC Survey

⁴The specific PEFA indicators that will be tracked are included in the subsequent tables.



Table 2: Public Financial Management Project

Result	Indicator	Definition	Unit	Baseline	Year 3 Target	Frequency	Source
Budget & Treasury Management Activity							
Reduced expenditures that exceed the original budget	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	TBD	TBD	Annual (or less frequently, depending on schedule for PEFA assessment)	PEFA
	Extent of variance in expenditure composition during last three years, excluding contingency items—Dimension (i) of PEFA Indicator 2	<u>Requirement for “A”</u> : Variance in expenditure composition exceeded 5% in no more than one of the last three years.	Letter Grade	TBD	TBD	Annual (or less frequently, depending on schedule for PEFA assessment)	PEFA
	The average amount of expenditure actually charged to the contingency vote over the last three years—Dimension (ii) of PEFA Indicator 2	<u>Requirement for “A”</u> : Actual expenditure charged to the contingency vote was on average less than 3% of the original budget.	Letter Grade	TBD	TBD	Annual (or less frequently, depending on schedule for PEFA assessment)	PEFA
	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	TBD	TBD	Annual (or less frequently, depending on schedule for PEFA assessment)	PEFA
Reduced payment arrears	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	<u>Requirement for “A”</u> : The stock of arrears is low (i.e. is below 2% of total expenditure).	Letter Grade	TBD	TBD	Annual (or less frequently, depending on schedule for PEFA assessment)	PEFA



Table 2: Public Financial Management Project

Result	Indicator	Definition	Unit	Baseline	Year 3 Target	Frequency	Source
Increased transparency in budget process	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	TBD	TBD	Annual (or less frequently, depending on schedule for PEFA assessment)	PEFA
	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	<u>Requirement for “A”</u> : The level of unreported extra-budgetary expenditure (other than donor funded projects) is insignificant (below 1% of total expenditure).	Letter Grade	TBD	TBD	Annual (or less frequently, depending on schedule for PEFA assessment)	PEFA
	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	TBD	TBD	Annual (or less frequently, depending on schedule for PEFA assessment)	PEFA
	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	<u>Requirement for “A”</u> : 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 MDAs.	Letter Grade	TBD	TBD	Annual (or less frequently, depending on schedule for PEFA assessment)	PEFA
	Timely budget approval by the legislature or similarly mandated body (within the last three years)—Dimension (iii) of PEFA Indicator 11	<u>Requirement for “A”</u> : The legislature has, during the last three years, approved the budget before the start of the fiscal year.	Letter Grade	TBD	TBD	Annual (or less frequently, depending on schedule for PEFA assessment)	PEFA



Table 2: Public Financial Management Project

Result	Indicator	Definition	Unit	Baseline	Year 3 Target	Frequency	Source
Improved oversight of aggregate fiscal risk from other public sector entities	Extent of central government monitoring of autonomous government agencies (AGAs) and public enterprises (PEs)—Dimension (i) of PEFA Indicator 9	<u>Requirement for “A”</u> : All major AGAs/PEs submit fiscal reports to central government at least six-monthly, as well as annual audited accounts, and central government consolidates fiscal risk issues into a report at least annually.	Letter Grade	TBD	TBD	Annual (or less frequently, depending on schedule for PEFA assessment)	PEFA
Improved budget forecasting and fiscal analysis to fulfill multi-year budget requirement	Preparation of multi -year fiscal forecasts and functional allocations—Dimension (i) of PEFA Indicator 12	<u>Requirement for “A”</u> : 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	TBD	TBD	Annual (or less frequently, depending on schedule for PEFA assessment)	PEFA
	Linkages between investment budgets and forward expenditure estimates—Dimension (iv) of PEFA Indicator 12	<u>Requirement for “A”</u> : 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	TBD	TBD	Annual (or less frequently, depending on schedule for PEFA assessment)	PEFA
More transparent and less subjective payment prioritization and	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	TBD	TBD	TBD	TBD



Table 2: Public Financial Management Project

Result	Indicator	Definition	Unit	Baseline	Year 3 Target	Frequency	Source
improved cash management	Percentage of payments processed as an exception to the prioritization rules	Percentage of payments (in dollar value terms) processed earlier than specified by the prioritization rules	%	TBD	TBD	TBD	TBD
		Percentage of payments (in dollar value terms) processed later than specified by the prioritization rules	%	TBD	TBD	TBD	TBD
	Effectiveness of transfer of tax collections to the Treasury by the revenue administration—Dimension (ii) of PEFA Indicator 15	<u>Requirement for “A”</u> : All tax revenue is paid directly into accounts controlled by the Treasury or transfers to the Treasury are made daily.	Letter Grade	TBD	TBD	Annual (or less frequently, depending on schedule for PEFA assessment)	PEFA
	Extent to which cash flows are forecast and monitored—Dimension (i) of PEFA Indicator 16	<u>Requirement for “A”</u> : A cash flow forecast is prepared for the fiscal year, and are updated monthly on the basis of actual cash inflows and outflows.	Letter Grade	TBD	TBD	Annual (or less frequently, depending on schedule for PEFA assessment)	PEFA
	Reliability and horizon of periodic in-year information to MDAs on ceilings for expenditure commitment—Dimension (ii) of PEFA Indicator 16	<u>Requirement for “A”</u> : MDAs are able to plan and commit expenditure for at least six months in advance in accordance with the budgeted appropriations.	Letter Grade	TBD	TBD	Annual (or less frequently, depending on schedule for PEFA assessment)	PEFA
	Frequency and transparency of adjustments to budget allocations, which are decided above the level of management of MDAs—Dimension (iii) of PEFA Indicator 16	<u>Requirement for “A”</u> : Significant in-year adjustments to budget allocations take place only once or twice in a year and are done in a transparent and predictable way.	Letter Grade	TBD	TBD	Annual (or less frequently, depending on schedule for PEFA assessment)	PEFA



Table 2: Public Financial Management Project

Result	Indicator	Definition	Unit	Baseline	Year 3 Target	Frequency	Source
	Extent of consolidation of the government’s cash balances—Dimension (ii) of PEFA Indicator 17	<u>Requirement for “A”</u> : All cash balances are calculated daily and consolidated.	Letter Grade	TBD	TBD	Annual (or less frequently, depending on schedule for PEFA assessment)	PEFA
Improved budget oversight and discipline by Congress	Timeliness of submission of audit reports to legislature—Dimension (ii) of PEFA Indicator 26	<u>Requirement for “A”</u> : Audit reports are submitted to the legislature within 4 months of the end of the period covered and in the case of financial statements from their receipt by the audit office.	Letter Grade	TBD	TBD	Annual (or less frequently, depending on schedule for PEFA assessment)	PEFA
	Scope of the legislature’s scrutiny—Dimension (i) of PEFA Indicator 27	<u>Requirement for “A”</u> : 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	TBD	TBD	Annual (or less frequently, depending on schedule for PEFA assessment)	PEFA
	Extent to which the legislature’s procedures are well-established and respected—Dimension (ii) of PEFA Indicator 27	<u>Requirement for “A”</u> : The legislature’s procedures for budget review are firmly established and respected. They include internal organizational arrangements, such as specialized review committees, and negotiation procedures.	Letter Grade	TBD	TBD	Annual (or less frequently, depending on schedule for PEFA assessment)	PEFA



Table 2: Public Financial Management Project

Result	Indicator	Definition	Unit	Baseline	Year 3 Target	Frequency	Source
	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	<u>Requirement for “A”</u> : The legislature has at least two months to review the budget proposals.	Letter Grade	TBD	TBD	Annual (or less frequently, depending on schedule for PEFA assessment)	PEFA
	Rules for in-year amendments to the budget without ex-ante approval by the legislature—Dimension (iv) of PEFA Indicator 27	<u>Requirement for “A”</u> : Clear rules exist for in-year budget amendments by the executive, set strict limits on extent and nature of amendments and are consistently respected.	Letter Grade	TBD	TBD	Annual (or less frequently, depending on schedule for PEFA assessment)	PEFA
	Timeliness of examination of audit reports by the legislature (for reports received within the last three years)—Dimension (i) of PEFA Indicator 28	<u>Requirement for “A”</u> : Scrutiny of audit reports is usually completed by the legislature within 3 months from receipt of the reports.	Letter Grade	TBD	TBD	Annual (or less frequently, depending on schedule for PEFA assessment)	PEFA



Table 2: Public Financial Management Project

Result	Indicator	Definition	Unit	Baseline	Year 3 Target	Frequency	Source
	Extent of hearings on key findings undertaken by the legislature—Dimension (ii) of PEFA Indicator 28	<u>Requirement for “A”</u> : 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	TBD	TBD	Annual (or less frequently, depending on schedule for PEFA assessment)	PEFA
	Issuance of recommended actions by the legislature and implementation by the executive—Dimension (iii) of PEFA Indicator 28	<u>Requirement for “A”</u> : The legislature usually issues recommendations on action to be implemented by the executive, and evidence exists that they are generally implemented.	Letter Grade	TBD	TBD	Annual (or less frequently, depending on schedule for PEFA assessment)	PEFA
Procurement Activity							
Improved competition, value for money, and controls in procurement	Transparency, comprehensiveness and competition in the legal and regulatory framework—Dimension (i) of PEFA Indicator 19	<u>Requirement for “A”</u> : The legal framework meets all six requirements listed in PEFA guidance.	Letter Grade	TBD	TBD	Annual (or less frequently, depending on schedule for PEFA assessment)	PEFA
	Use of competitive procurement methods—Dimension (ii) of PEFA Indicator 19	<u>Requirement for “A”</u> : When contracts are awarded by methods other than open competition, they are justified in accordance with the legal requirements in all cases.	Letter Grade	TBD	TBD	Annual (or less frequently, depending on schedule for PEFA assessment)	PEFA



Table 2: Public Financial Management Project

Result	Indicator	Definition	Unit	Baseline	Year 3 Target	Frequency	Source
	Public access to complete, reliable and timely procurement information—Dimension (iii) of PEFA Indicator 19	<u>Requirement for “A”</u> : 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	TBD	TBD	Annual (or less frequently, depending on schedule for PEFA assessment)	PEFA
	Existence of an independent administrative procurement complaints system—Dimension (iv) of PEFA Indicator 19	<u>Requirement for “A”</u> : The procurement complaints system meets all seven criteria listed in PEFA guidance.	Letter Grade	TBD	TBD	Annual (or less frequently, depending on schedule for PEFA assessment)	PEFA
Increased effectiveness of internal controls for non-salary expenditure	Effectiveness of expenditure commitment controls—Dimension (i) of PEFA Indicator 20	<u>Requirement for “A”</u> : Comprehensive expenditure commitment controls are in place and effectively limit commitments to actual cash availability and approved budget allocations (as revised).	Letter Grade	TBD	TBD	Annual (or less frequently, depending on schedule for PEFA assessment)	PEFA
	Comprehensiveness, relevance and understanding of other internal control rules/procedures—Dimension (ii) of PEFA Indicator 20	<u>Requirement for “A”</u> : 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	TBD	TBD	Annual (or less frequently, depending on schedule for PEFA assessment)	PEFA



Table 2: Public Financial Management Project

Result	Indicator	Definition	Unit	Baseline	Year 3 Target	Frequency	Source
	Degree of compliance with rules for processing and recording transactions—Dimension (iii) of PEFA Indicator 20	<u>Requirement for “A”:</u> Compliance with rules is very high and any misuse of simplified and emergency procedures is insignificant.	Letter Grade	TBD	TBD	Annual (or less frequently, depending on schedule for PEFA assessment)	PEFA
Decreased opportunities for corruption in GoH Procurements	Transparency of procurements	Number of procurement processes evaluated by GoH	Number	TBD	TBD	TBD	ONCAE
		Percentage of contract value posted in machine-readable format	%	TBD	TBD	TBD	Honducompras and SIAFI
		Total contract value published in Honducompras as percentage of commitments for goods and services reported in SIAFI	%	TBD	TBD	TBD	Honducompras and SIAFI
		Vendors’ perceptions of equity of process	TBD	TBD	TBD	TBD	MCC survey
Increased use of bulk purchase agreement	Value of purchases through bulk purchase agreements	Value of total products purchased through bulk purchase agreements (including joint purchasing and purchasing through e-catalogue)	US\$	TBD	TBD	Annual	Honducompras
Sole source purchases and large contract modifications reduced	Quantity of sole source procurements	Number of sole source procurements as percentage of all procurements during the year for all GoH institutions	%	TBD	TBD	Annual	Honducompras
	Value of sole source procurements	Value of sole source procurements as percentage of total value of all procurements during the year for all GoH institutions	%	TBD	TBD	Annual	Honducompras



Table 2: Public Financial Management Project

Result	Indicator	Definition	Unit	Baseline	Year 3 Target	Frequency	Source
	Quantity of contract modifications	Percentage of contracts over 1,000,000 lempiras with modifications equal to or exceeding 5% (cumulatively) of the contract value, disaggregated by Public Bidding/Private Bidding	%	TBD	TBD	Annual	Honducompras
	Value of contract modifications	Total value of all contract modifications across all contracts	US\$	TBD	TBD	Annual	Honducompras
Tribunal Superior de Cuentas (TSC) Activity⁵							
Increased use of auditing in GoH	Number of performance audits	Number of staff trained on how to conduct performance audits	Number	TBD	TBD	TBD	TSC
		Number of performance audits completed by TSC staff	Number	TBD	TBD	TBD	TSC
Grant Facility for Social Accountability Activity⁶							
Enhanced internal and public dialogue about performance (service delivery) by line Ministries	TBD	TBD	TBD	TBD	TBD	TBD	TBD

⁵ Only a few indicators for this activity have been developed thus far because: the program logic (including final outcomes) has not been documented in detail; assumptions underlying this program logic have not been discussed and documented; and monitoring and evaluation strategies have not been developed in detail.

⁶ Indicators for this activity have not been developed yet because: the program logic has not been documented in detail; assumptions underlying this program logic have not been discussed and documented; and monitoring and evaluation strategies have not been developed in detail.



Table 3: PPP Project

Result	Indicator	Definition	Unit	Baseline	Year 3 Target	Frequency	Source	
PPP Capacity Activity⁷								
TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	
Implementation of PPPs Activity⁸								
Reduced costs of import/export through simplification, automation, and monitoring of rules for obtaining trade permits	Number of procedures required to start a business	Number of procedures that new businesses in Honduras must complete to start the business	Number	13	4	Annual (or less frequently, depending on schedule for Doing Business survey)	Doing Business	
	Time required to start a business	Amount of time that new businesses in Honduras take, on average, to start the business	Days	14	4	Annual (or less frequently, depending on schedule for Doing Business survey)	Doing Business	
	Number of entrepreneurs and SMEs that enter the formal economy	Number of companies registered through MiEmpresaEnLinea		Number	TBD	TBD	TBD	FIDE
		Percentage of Economically Active Population with Registro Tributario Nacional (RTN)		%	20%	TBD	TBD	TBD
	Time to obtain permits to import/export	Number of documents required to import		Number	7	5	Annual (or less frequently, depending on schedule for Doing Business survey)	Doing Business

⁷ Indicators for this activity have not been developed yet because: the program logic has not been documented in detail; assumptions underlying this program logic have not been discussed and documented; entities participating in the activity have not been finalized; and monitoring and evaluation strategies have not been developed in detail.

⁸ Only indicators related to the single window for exports have been developed for this activity because: program logics for the roads concession and electricity sector components have not been documented in detail; assumptions underlying these program logics have not been discussed and documented; and monitoring and evaluation strategies for these two components have not been developed in detail.



Table 3: PPP Project

Result	Indicator	Definition	Unit	Baseline	Year 3 Target	Frequency	Source
		Amount of time taken to import	Days	16	12	Annual (or less frequently, depending on schedule for Doing Business survey)	Doing Business
		Number of documents required to export	Number	5	3	Annual (or less frequently, depending on schedule for Doing Business survey)	Doing Business
		Amount of time taken to export	Days	12	8	Annual (or less frequently, depending on schedule for Doing Business survey)	Doing Business