



Honduras Threshold Program

MCC Learning from the Program Interim Evaluation

Social Impact, 2019

The Honduras Threshold Program was comprised entirely of policy and institutional reform (PIR) projects. MCC has developed the following programmatic and M&E learning from the Honduras Threshold Program at the Interim Report stage, which apply broadly to PIR programs.

PROGRAMMATIC LESSONS

Continuous adaptive problem definition is required for policy and institutional reform projects. Problem definition in policy and institutional reform projects is not a linear process and will continue to evolve throughout project implementation. The intervention should adapt accordingly to achieve stated high-level objectives. An example of such adaptation within the Public Financial Management Project was toward the effort to realize a “more transparent and less subjective payment prioritization” process for vendors to the government. The problem of vendor payment was believed to be concentrated in the Treasury Department, where poor cash management and an unclear system for determining who gets paid when, was producing a large backlog. Well into project implementation, MCA-Honduras consultants conducted an audit and identified that the problem had more to do with government agencies issuing contracts without obligated funds than with the payment process itself. This understanding would continue to evolve and eventually, project consultants determined that the problem was at its core a budgeting and planning problem and a failure to link budgeting and procurement planning. Through a series of iterations, the Project actions evolved as understanding of the problem evolved towards the ultimate goal of cost-savings for the government. MCC should anticipate the need for continuous problem definition through program implementation.

Effectively adaptive PIR programs require a higher level of effort from MCC dollar-for-dollar than an infrastructure project due to the complexity of institutional change. MCC should be mindful to resource adaptive PIR projects accordingly for implementation because investigative complexity introduces a fixed cost. Therefore, PIR projects undergoing investigative adaptation require high quality human capital, consultants, and persistence to affect change in the partner institutions. This complexity requires an extra layer of resources to obtain outcomes of interest. MCC should resource adaptive PIR projects appropriately in terms of both dollars and time to ensure success.

MCC should have a willingness to walk away from activities where the political environment or displacement of champions threatens sustainability. PIR projects are critically dependent on champions, and it is prudent to tilt on the project design pathway when things are not working. Within the Public-Private Partnerships (PPP) Project, the main government entity responsible for PPPs and the main concessionary agency for PPPs, never fully embraced the Project and its consultancies. The project adapted by stepping away from that entity, and instead working more closely with the Ministry of Finance to ensure that future PPPs did not create fiscal risks for the government, carrying out a course on PPPs for staff throughout relevant agencies, and pushing the government of Honduras to transfer some PPP responsibilities to another agency.

MONITORING & EVALUATION (M&E) LESSONS

MCC must identify an adaptive monitoring framework that keeps pace with program adaptation to achieve both accountability and learning goals. MCC's standard M&E framework uses a blueprint, results-based approach, whereby activities and outcomes are clearly laid out according to program design in theories of change and associated indicators. The strength of MCC's standard approach is that stakeholders can be held accountable to original design and performance indicators. This approach works well when there is a fixed design phase that can feed into the M&E framework. However, in case of PIR programs that need adaptation to changing circumstances to accomplish goals, this is a sub-optimal approach. The Honduras Threshold program identified high level goals and skeletal project logics in the early years. As the program adapted, the project logics and indicators failed to fulfill accountability and learning goals because of misalignment between the project reality and original M&E framework. In the penultimate year of the Program, MCC developed detailed and well-aligned project logics, defined fit-for-purpose indicators, and improved coordination with program consultants to document the adaptive learning of the program. An M&E approach that anticipated the adaptation and was designed for adaptive learning without sacrificing accountability would have been better. In light of these experiences, MCC requested that the independent evaluator propose an adaptive M&E approach for future PIR programs in a short memo that is now being deliberated.

Use multiple rounds of data collection by the independent evaluator to ensure that the Program's adaptation process is documented clearly, and to narrow the evaluation's focus if needed. Through diverse data collection activities that required the evaluation team to be in-country multiple times over the course of the Program, the evaluation report(s) provided a critical narrative of the Program's adaptation. While this was not originally an explicit expectation of the independent evaluator, MCC found that their long-term in-country presence very helpfully allowed the adaptation and political context to be captured. While the overall design of the performance evaluation has not changed dramatically since the first year, there has been an increasingly clearer focus over time informed by the documentation of the Program's adaptation. The evaluation was initially tasked with answering twenty-two research questions to cover the range of possible outcomes that might occur. Now, the evaluation questions have been grouped into a smaller number of outcome-focused topics. MCC should consider the positive role of the independent evaluator as a de-facto observer of Program adaptation for future PIR projects.