

Executive Summary

This report assesses the capacity of Honduras' public sector, and in particular the centre of government (CoG), to define and steer strategic priorities across government in order to achieve more inclusive and sustainable development. It looks in particular at four areas of public governance: policy co-ordination at the CoG, results-based management, policy monitoring and evaluation, and open government. This review is based on an assessment carried out at the end-2021. While the structure of the CoG institutions has changed with the 2022-2026 administration, the review's recommendations on public governance functions, mechanisms and practices can nonetheless help strengthen efficient and inclusive public governance in the new institutional setting.

Despite recent improvements, Honduras faces critical development challenges and ranks behind its regional peers in several policy areas. Trust levels in public institutions are also low in Honduras. While high poverty and inequality rates erode human capital and diminish inclusive growth, high levels of violence also impede socio-economic development and drive many citizens to migrate. Honduras' national public spending is also lower than the average among Latin American and Caribbean (LAC) countries, but it has risen due to the health crisis. The COVID-19 and climate-related crises have only worsened structural weaknesses in the country. A more effective public sector can support Honduras in meeting these challenges by providing greater capacity to address stagnant human development and high levels of poverty, inequalities, and corruption.

The steering capacity of the CoG is central to addressing these challenges. Progress has been made in leading policy co-ordination from the CoG. The legal framework implemented has clarified the co-ordinating role of the CoG, previously through the Secretariat of General Co-ordination of the Government (SCGG), and now by the Secretariat of Strategic Planning. However, the SCGG's work frequently overlapped with other initiatives led by other CoG units and failed to contribute to the government's high-level prioritisation and decision-making process. Similarly, while the creation of sectoral cabinets was a promising initiative, the absence of clear political support means that they were disconnected from decision-making and co-ordination activities. The lack of information sharing across secretariats also hindered cross-government co-ordination. Moreover, a lack of clarity on institutional responsibilities and limited human resources hampered effective co-ordination with subnational governments. To improve policy co-ordination, the government could conduct functional reviews and progressively develop a performance framework outlining a set of joint goals. To improve vertical co-ordination, the government could clarify responsibilities in terms of strategic planning, to better align territorial plans with national ones. Finally, the existing information system could be linked to a performance framework, embedding a limited number of cross-ministerial priorities with a series of indicators, and enhancing data management capacity.

Despite several efforts, the CoG's ability to implement results-based management (RBM) in an integrated way has also proven challenging. Honduras has developed rules and regulations determining the core components of strategic planning, budgeting for results, organisational modernisation and monitoring and evaluation, and has clarified the responsibilities of different bodies for implementation. This framework developed clear procedures for strategic planning and mandates for the budgetary system, but several gaps still need to be filled to implement a coherent government performance framework focused on results.

On the one hand, the complexity of the RBM framework hinders its effective implementation and, on the other, the effective implementation of the components deviates significantly from the formal prescriptions set by the RBM framework. Consequently, the priority-setting and budgeting processes are frequently disconnected from the RMB instruments. The Honduran government could simplify the RBM framework, focusing on fewer cross-cutting policy priorities, continuing to better align planning and budgeting, strengthening co-ordination between the Ministry of Finance (SEFIN) and the Secretariat of Strategic Planning, and improving the quality of planning.

Monitoring and evaluation (M&E) are not sufficiently embedded in a whole-of-government framework. Several actors located at the level of the CoG play an important role in co-ordinating and promoting monitoring and evaluation. However, the lack of mechanisms to ensure the use of performance monitoring results, and the lack of a general long-term framework, prevent Honduras from building an M&E culture across government. Efforts should be directed toward developing a robust legal framework to guide and undertake monitoring and evaluation activities across the government. Concerning the overall quality of the M&E system, Honduras could improve the indicators of the national and institutional plans as well as the availability and quality of data for M&E. The government could also define a specific methodology to communicate the recommendations arising from the evaluations conducted by the CoG and develop detailed guidance on evaluation practices.

Finally, Honduras has made important progress in establishing rules and governance frameworks for expanding open government. Notably, the country has been implementing Open Government Partnership (OGP) action plans for many years and it has adopted an Open State Declaration. However, Honduras faces several challenges in delivering on its promise of a more transparent, accountable and participatory government. Honduras could strengthen its transparency agenda, expand its participatory elements and translate the objectives of the Open State Declaration into action. Moreover, Honduras could address the health of its civic space to ensure citizens and civil society can build a relationship with public authorities based on trust. Adopting a National Open Government Strategy with clear co-ordination, monitoring and evaluation mechanisms would support the implementation of the country's open government agenda.



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