



USAID
FROM THE AMERICAN PEOPLE

QUARTERLY REPORT #01 (MARCH – JUNE 2011) **USAID ACCESO**



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1. EXECUTIVE SUMMARY

USAID-ACCESO is a four-year effort funded by the United States Agency for International Development (USAID), Office of Economic Growth in Honduras, to move rural Honduras households out of extreme poverty and under-nutrition by improving their income. The program is working through six key components to enable economic development at the household level: 1) technical assistance and training to enhance the capacity of Honduras' poorest households in production, management, and marketing skills; 2) market access focusing linking farmers to market opportunities; 3) rural financial services through existing rural financial intermediaries, village banks, commercial banks, and other services and input providers; 4) assistance in eliminating policy barriers that impede rural household access to market opportunities; 5) malnutrition prevention to enhance the capacity of rural households to improve utilization and consumption of food; and 6) sound environmental and natural resource management. USAID-ACCESO represents the core investment by USAID/Honduras in the U.S. Government's (USG) Global Hunger and Food Security Initiative known as the Feed the Future Initiative (FTF).

ACCESO is implemented by the US agribusiness firm Fintrac Inc., in association with Fundación Hondureña de Investigación Agrícola (FHIA), Escuela Agrícola Panamericana (EAP-ZAMORANO), Fundación para el Desarrollo Empresarial Rural (FUNDER), CARE International, and the Global Village Project.

This is the first quarterly report for USAID-ACCESO, which began in March 2011. It summarizes the principal activities carried out from March to June 2011. The period was primarily characterized by project startup, subcontract development and approval, workplan and project management plan development, the identification and recruitment of the majority of project staff, the identification of clients and collection of baseline socioeconomic data, and rapid start-up of technical assistance and training activities.

Other highlights include:

- Enrolled 1,730 client households with 8,181 beneficiaries into the program.
- Initiated technical assistance visits and trainings targeting basic grain producers. Technicians assisted producers to change traditional production practices by introducing soil preparation practices, increase planting densities, implementing weed control and improved fertilization use. These basic practices will increase productivity, reduce the risks of climate-related losses, and serve as a starting point for diversification to more profitable crops. Initial beneficiaries will serve as demonstration farms for other producers.
- Established the La Lima and Tegucigalpa project offices, sourced office equipment and computers, and identified three field offices. Vehicles and necessary equipment were procured.
- On-going development of the work, performance monitoring and gender mainstreaming plans, as well as the PERSUAP.
- Submitted the Branding Implementation and Marking Plans, and the Subgrant and Partner Alliances Award Manual.
- Presented the USAID-ACCESO program to the Ministry of Agriculture (SAG), Ministry of Health, local (municipal) governments, local NGOs, and dozens of private sector companies and financial institutions.
- Provided assistance to SAG in support of the "Honduras is Open for Business" initiative, and the development of Honduras Country Investment Plan for the agricultural sector.

2. PROJECT BACKGROUND

Honduras is ranked among the least developed countries in the Western Hemisphere, according to social and economic indicators, with 65.5 percent of its population living in poverty, primarily in rural areas.

The agriculture sector in Honduras employs 35 percent of the workforce, accounts for an estimated 75 percent of exports, and remains the most important source of income for the poor and extremely poor, over 80 percent of whom are involved in agriculture. ACCESO targets six departments that are amongst the poorest in the country. The majority of farm households cultivate traditional crops on small plots, often on hillsides. Their market access is hindered by poor roads and long distances. The use of traditional cultural practices produces poor yields, depletes soil of nutrients, and leads to forest encroachment. Malnutrition is also a major problem, with nearly half of the children of extremely poor households exhibiting stunted growth.

USAID-ACCESO represents an important component of USAID/Honduras' new multi-year strategy for Feed the Future (FTF). Objectives of FTF include increasing agriculture productivity, preserving natural resources, improving agricultural marketing, increasing the purchasing power of vulnerable households, and maximizing food security. This strategy is in line with the economic growth (Agriculture / Micro, Small, and Medium Enterprise) and natural resource management related aspects of the "Promoting Economic Growth and Prosperity" goal of the U.S. Government's Honduras Country Assistance Strategy (CAS) covering fiscal years 2009-2013.

ACCESO focuses on six departments: Intibucá, La Paz, Ocotepeque, Lempira, Copán, and Santa Bárbara, with the following high level targets:

- Bring 18,000 rural households living in extreme poverty above the poverty threshold;
- Generate \$73.95 million in net profits for the clients assisted by the project; and
- Create 10,425 permanent jobs in the assisted communities.

ACCESO will assist 31,800 clients in the six target departments, distributed as follows: 18,000 households in extreme poverty, 12,000 households in poverty (including 5,000 small-scale coffee producers), 1,000 commercial scale producers of horticultural crops, and 800 off-farm rural businesses.

The proposed USAID-ACCESO Workplan for Year 1 (covering the period March-September 2011) includes:

- Developing demonstration plot for basic grains, horticulture, and tree crops in all six Departments;
- Training over 5,000 individuals in agricultural sector productivity or food security, of which over 1,800 will be women;
- Executing over 34,000 technical assistance visits to project-assisted households;
- Providing 200 MSMEs with new market opportunities through brokers;
- Working with 25 brokers to develop new market linkages for MSMEs;
- Providing technical assistance to more than 160 off-farm and processing MSMEs;
- Producing 50 technical manuals and bulletins for use and distribution by ACCESO staff and counterparts;

- Assisting 215 MSMEs to gain access to market-based financing;
- Developing ten (10) public-private partnerships and two (2) private sector alliances; and
- Full staffing and operational start-up of all Community Assistance Teams (CAT's).

3. HIGHLIGHTS OF ACTIVITIES AND RESULTS

The period was primarily characterized by project startup, subcontract development and approval, workplan and project management plan development, identification and recruitment of the majority of project staff, and identification of clients and collection of socioeconomic data, as well as the rapid initiation of technical assistance and training activities.

Project offices were established in La Lima and Tegucigalpa, office equipment and computers were sourced, and three field offices were identified. Project vehicles and other equipment were procured.

The USAID-ACCESO team met with USAID to develop and agree upon the PMP and PIRS. The draft PMP is provided in Annex II. The final PMP, PIRS and workplan will be submitted in the next quarter. The ACCESO Branding Implementation and Marking Plans, and the Subgrant and Partner Alliances Award Manual, were prepared and approved by USAID. The preparation of the gender mainstreaming plan and the PERSUAP were also initiated.

3.1 TECHNICAL STARTUP

Fintrac and USAID officially launched the USAID-ACCESO project before an audience of more than 200 on May 26th in Santa Ana, La Paz. USAID/Honduras Director William Brands, representatives from USAID's Economic Growth and Nutrition and Health offices, Minister of Agriculture (SAG) Jacobo Regalado, USAID-ACCESO Director Andrew Medlicott, Honduran Congressman Manuel Ivan Fiallos, UTSAN Director Mariano Jiménez, and numerous mayors from La Paz attended the opening event. The event was hosted by Santa Ana Mayor German Mendoza. Representatives from Global Village, CARE, FHIA, FUNDER and Zamorano, the main local partners for USAID-ACCESO implementation, also attended.

USAID-ACCESO also held three events to present the project to local NGOs in Lempira, Copán, and Ocotepeque. Local NGOs will play an essential role in the project as partners, trainees, and in information collection. Thirteen NGOs participated at the Gracias, Lempira event; sixteen NGOs from Copán and Ocotepeque participated in the Santa Rosa de Copán event. The project was also formally introduced to the Ministers of SAG and PRONADERS and to three directors from the Ministry of Public Health who will be coordinating with ACCESO nutrition and health activities in the program's six departments.

Given the size and complexity of the ACCESO program the different technical components will be phased in to ensure effective coordination between project units, to have a uniform induction and technical training of project staff, and to minimize costs due to delays with vehicle delivery. The core senior technical and management team was hired by Fintrac in April to begin administrative and technical start-up, to begin to develop alliances, to identify initial project beneficiaries, and to launch technical assistance activities. Given the focus on subsistence level farmers, it was crucial to initiate field activities in the first months of the project in order to work with growers on the last plantings for the current corn and bean season. During the quarter, Fintrac senior technical staff members were also hired in the business skills, postharvest, marketing and processing areas.

The staffing structure, requirements, allocation of geographic zones, location and staffing of the Community Assistance Teams (CATs) were also finalized. ACCESO will have twelve CATs working in six departments; each will receive technical and project methodology training prior to beginning activities with project beneficiaries. These personnel will work directly with smallholders, supported and supervised by ACCESO senior agronomists. They will also work with model farmers to develop demonstration farms. Each CAT will include three zone managers and up to nine multi-disciplinary technicians, and each will be responsible for 2,500 households. Six CATs were staffed by USAID-ACCESO's main subcontractors (Global Village, CARE, FUNDER and FHIA) and fielded in the last week of the quarter. Technical area specialists hired in first quarter include processing specialists, tree crops experts, business skills/finance specialists, and nutrition specialists. Staff positions for natural resource management, renewable energy and agroforestry will be filled at the beginning of the next quarter. The Project is expected to be fully staffed with technical activities in full implementation for all components by the end of the second quarter.

The ACCESO team worked with more than sixty (60) municipalities to identify communities with potential for development, and with government institutions to identify areas for potential collaboration. In selected zones, USAID-ACCESO's production technical assistance (to assure higher yields) will complement SAG's Production Solidarity Bonus initiative.

Program beneficiary recruitment and technical work began in the first quarter of implementation. As of June 30th, a total of 1,857 clients have enrolled in the program, of which 1,337 have been categorized based on income as being below the poverty line (of which 1,230 are categorized being in extreme poverty). The remainder includes clients that are above the poverty line, MSMEs and others. Beneficiaries of client households total 9,286 (4,732 males, 4,554 females), of which 1,083 (11.7%) are less than 5 years old, and 315 (3.4%) are less than 2 years old. Additional information on households and beneficiaries is provided in Annex IV. Client recruitment will be a continual process during the first two years of implementation.

Alliances and agreements were established with several institutions during the first quarter, including:

- **Programa Nacional de Desarrollo Rural Sostenible (PRONADERS).** ACCESO will provide training to PRONADERS' personnel and members of rural banks (cajas rurales) in business plans, production costings, administration, and production systems. PRONADERS will develop financing options for ACCESO clients and provide information on potential clients.
- **Instituto Hondureño de Mercadeo Agrícola (IHMA).** The alliance will provide USAID-ACCESO clients with access to bean seeds as well as an annual market for 4,500 MTs of corn and 2,700 MTs of beans.
- **VECO MA (Belgium).** ACCESO will provide training to VECO MA personnel in Intibucá in production systems, marketing, business planning, administration and certifications. VECO MA will provide financing options and technical assistance to growers, and coordinate production programs.

Other alliances are under negotiation with the Programa Mundial de Alimentos (PMA), the Programa de Competitividad Rural (COMRURAL – World Bank), IHCAFE, Supermercados La Colonia, COHEP, and the Secretaria de Salud.

In order to properly track technical activities, the monitoring and evaluation unit developed required data collection templates and initiated the collection of client profile data.

Three monthly project updates were also prepared and disseminated (see Annex III).

3.2 TECHNICAL ASSISTANCE AND TRAINING

During the quarter, 2,167 technical assistance visits were made, with 14,013 participants in training activities (11,043 males, 2,970 females). A summary of the technical assistance and training by technical area and department is given in Annex IV.

During project start-up, ACCESO provided basic grains' producers with low-cost and no-cost technologies to increase yields and reduce production and postharvest losses. Currently, many traditional producers are earning a small or negative return on their production. Given the risk-averse nature of extremely poor farmers, the initial introduction of low/no-cost good agricultural practices will serve to build a crop surplus, enabling them to invest in agricultural technologies and increase their willingness to explore innovative production practices, as well as diversity into production of higher value crops. Improving basic grains productivity through the introduction of basic good agricultural practices is expected to triple yields at no additional cost. These practices include improving land preparation through plowing, bed preparation, increasing plant densities and standardizing planting systems, carrying out seed selection, and improving fertilizer use through diluted applications and fractioned applications. This will benefit a large number of rural households, helping them meet their subsistence needs, reducing outside expenditures, and providing some supplemental income through surplus sales. Corn and bean production alone, however, will not lift people out of poverty. Therefore, this is just the first stage to introduce the technologies, crops and income generating activities that will lead to increased income and improved health and nutrition.

Growers also received training on the safe and correct use of pesticides, record keeping, farm certification options and postharvest handling. In addition, USAID-ACCESO provided business skills training to members of rural banks that are part of the PRONADERS network.

During the next quarter, ACCESO agronomists will introduce short production cycle varieties of bean and maize developed by the Centro Internacional de Mejoramiento de Maíz y Trigo (CIMMYT) (e.g. 4-month cycle for CIMMYT maize compared to 10-month cycle for current Honduran production at high altitudes). They will also introduce crop rotation for bean and maize producers to improve soil productivity and reduce pest problems, and introduce specialty bean varieties for MSME bean processors.

After this first planting, corn and bean farmers with the interest and ability to diversify crop production will be assisted to "move up the ladder" alongside growers already producing higher value fruits and vegetables for the local markets. Community Assistance Teams will assist farmers to implement integrated crop management systems, along with basic production practices, to ensure productivity, quality, market access, and profitability. ACCESO plans to integrate these growers with diversified buyers and markets, both formal and informal, under market-driven production programs. The transition of smallholder farmers into commercialized farming will increase household income and create permanent full-time and part-time employment opportunities for others in the community.

3.3. MARKET ACCESS

USAID ACCESO has already begun identifying potential public and private sector buyer linkages to increase incomes for client farmers. ACCESO identified three initial basic grain buyers: the World Food Programme (WFP), the UN Food and Agriculture Organization (FAO), and the Honduran government, with whom the project has begun working to establish purchasing agreements. In the past, it has been difficult for smallholder farmers to meet the high quantity and high quality production demands of large buyers. For such programs to buy product from smallholders, they would normally have to enter into hundreds of separate contracts and organize separate delivery of purchases. ACCESO will work to group client farmers within preexisting community structures to combine surplus crops. This will enable large organizations to enter into a single contract and organize a single delivery, greatly increasing the appeal of purchasing from smallholders.

Working through farmer organizations provides a way for smallholders to meet buyers' volume requirements. It also offers clear advantages when negotiating with input suppliers, transport carriers, and financial institutions. ACCESO is already assisting existing grower groups by providing them training in improved basic business practices, locating new buyers and markets, obtaining required group-level certifications, and developing logistical supply programs with buyers – in addition to the necessary agronomic training.

ACCESO market specialists have begun monitoring new product and market opportunities and recommending crops, varieties, and value-added products for commercial trials. For regional and export markets, the ACCESO team approached existing Honduran exporters with proven track records to determine their interest in the establishment of outgrower programs for current export crops. ACCESO found that these exporters have considerable interest in establishing contract-based production programs with project-assisted clients. ACCESO has also assessed the latest trends and international interest in new supply sources for fresh and processed agricultural products. Market specialists have taken buyers from the UK and the US to visit Honduran exporters with potential for expansion. For domestic market information, FUNDER is providing detailed price reporting services, including farm-gate prices within target zones. ACCESO agronomists are using this information to provide market-based advice to farmers.

Upcoming short-term targeted buyer linkages under ACCESO's market access program include:

- Vegetables for local supermarket chains (Hortifruti/Wal-Mart, La Colonia, La Antorcha);
- Vegetables for local agriculture fairs in towns in western Honduras;
- Passion fruit, cardamom, Jalapeño peppers, plantain and cassava (yuca) for local processing companies (who then add value and export to the USA and Europe);
- Tomatoes and sweet peppers for intermediary buyers from El Salvador;
- Oriental vegetables for a local exporter shipping to a US importer; and
- Plantains for fresh export with Chiquita Brands (as well as other exporters and importers).

Short-term local market targets include larger municipalities of the six priority departments. These cities and towns have permanent retail and wholesale markets or agriculture fairs which trade in significant volumes of fresh and processed product. Currently, the overwhelming majority of the fresh produce being sold in these markets is sourced from Guatemalan truckers, with the exception of markets in La Esperanza, La Paz, and Marcala (where most of the produce is supplied from

neighboring villages). Targeting local markets initially will also have advantages by reducing the transportation rates (shorter distances from farm to market) and lowering quality requirements.

3.4 RURAL FINANCIAL SERVICES

During the quarter, ACCESO managers and business skills specialists in each of the target departments began identifying community banks (cajas rurales) that have the potential to improve access to finance for local farmers. The primary need for credit among farmers is for the purchase of inputs prior to planting and during production.

In addition to minimal cash flow, farmers often demand input quantities that are significantly smaller than the quantity in which they are sold. ACCESO has begun facilitating cooperation between input suppliers and community banks to address this constraint. When finalized, the unique financial instrument will allow farmers to obtain small quantities of seeds or fertilizers directly from their local community bank, who will buy these inputs directly from the supplier. Farmers using inputs from the local community bank will then be able to pay the community bank upon harvest. The trade credit system relies on confidence between distributors and retailers, and between retailers and producers.

ACCESO is developing a similar financial product to link supermarkets to the farmer lending process. The scheme assumes that, in the interest of obtaining a higher quality final product, supermarkets will provide inputs to farmers through community banks, for repayment in the form of an appropriate quantity of crop products. This type of agreement will be contingent on technical assistance for improved use of inputs, which will be provided by ACCESO extension agronomists.

The ACCESO team has been working to apply this model to expand availability of longer-term equipment lending for irrigation, production equipment, and grain storage, as well as to promote ‘whole farm financing’ over one year, as opposed to individual crop loans. The team will provide financial institutions with information on all target crops and products, including crop-specific financial projections covering costs of production, sales, and net income averages for typical yields so that institutions may better assess risk for the proposed lending models.

Fintrac Home Office finance specialists have begun developing training course materials for lending staff in agricultural loan analysis and assessments, product development, and risk management (e.g. courses in *Financing Agriculture with Minimum Risk*, *Credit Management Post-Disbursement*, and *Managing Credit after Natural Disasters*). This training will be in conjunction with expanded reach and use of other more traditional products such as warehouse receipts, community banking, and Carnet de Crédito, which have potential to provide loans to large numbers of small farmers and other rural MSMEs.

3.5 ELIMINATING POLICY BARRIERS

While formal policy analysis and advocacy activities will begin in July, during this quarter ACCESO began working with client households to identify major constraints to improved productivity, market access, and increased incomes. ACCESO has initiated discussions with the Consejo Hondureño de la Empresa Privada (COHEP) with the aim of identifying and prioritizing key policy constraints that limit economic growth in the rural sector. Discussions have also been initiated to incorporate a small-scale AgCLIR assessment as part of this activity.

Primary policy issues of focus are likely to include trade limitations between Honduras and Guatemala and El Salvador, as well as phytosanitary requirements in the region, in addition to:

- Expanding access to finance (including providing more collateral options for lending to rural businesses);
- Streamlining business registration requirements;
- Accessing technologies and markets;
- Improving research and development (R&D);
- Removing cross border trade bottlenecks for agricultural products;
- Prioritizing rural road improvements;
- Expanding cold chain and value added infrastructure (through tax, financing or other incentives);
- Reforming the government extension service (looking at various models that would increase outreach and quality);
- Establishing and enforcing local food safety standards (including monitoring of pesticide residues on local market produce);
- Expanding coverage and dissemination of market information;
- Improving the collection and analysis of production and other statistics needed for effective policy analysis and impact assessment; and
- Promoting Honduran products in international markets on a unified basis.

Immediately after project startup, the Ministry of Agriculture and Livestock (SAG) requested support from ACCESO in the development of the Country Investment Plan for the Agricultural Sector (CIP). The ACCESO team revised existing SAG and GOH documents and developed a draft CIP following long-term government objectives and targets. After revision by the GOH and USAID, the final CIP was produced and presented by SAG to the G-16 Donor Coordination Group's Sector-Level Agroforestry Working Group and to civil society representatives (including representatives from farmer organizations, local and international NGOs, municipal governments, various GOH agencies, regional agricultural research and development organizations, and bilateral and multilateral donors). The CIP is expected to be formalized at the Presidential level in the next quarter. The plan is designed to provide an overview of activities to be carried out by the Ministry of Agriculture to contribute to and be aligned with the overall unified targets set by the Government under the long-term Country Vision Plan. It provides estimated costs for carrying out these activities, information on the current funds available, and an analysis of investment gaps. The available funding is based on GOH budgeting and does not include donor funding that is not in the central budget.

3.6 HEALTH AND NUTRITION

This quarter, the ACCESO team began meetings with the Honduras Ministry of Health to obtain official data for the target departments on stunting, wasting, maternal anemia, and anemia in children under five. Additionally, ACCESO has been coordinating with community health centers for the purposes of data collection and training of trainers. The ACCESO grants team is developing a cost-shared grant system to support 20 health clinics and health NGOs in access to basic equipment, supplies, training materials, and in-home health extension services. The ACCESO health team developed the nutrition workplan in coordination with the National ICE strategy. The workplan integrates cross-cutting project activities that promote health and nutrition goals.

ACCESO emphasizes crop diversification as an integrative activity to improve dietary diversity at both the household and community levels. This activity includes introduction and support to production of high-nutrient fruits and vegetables produced both commercially (surplus for sale) and within kitchen gardens (mainly fruits for household consumption with small surpluses possible for sale). The ACCESO nutrition team has developed plans to introduce kitchen gardens in the coming quarter to increase the diversity and nutrient quality of foods consumed by families and to introduce a potential income source for farm household women and youth. Crops will be high in important vitamins and minerals and relatively easy to grow, including green leafy vegetables, carrots, sweet potatoes, and tree fruits such as avocado, passion fruit, and cooking bananas. Nutrition staff members were fielded during the last week of the quarter to begin this activity.

Given the high prevalence of diarrheal disease in target communities, ACCESO health staff will also work to ensure that the benefits of increased nutritional intake will not be lost. Priority program investments in health to prevent nutrient-sapping include: the promotion of latrines to improve sanitation and reduce contamination of water sources; the introduction of fuel-efficient wood burning stoves which will decrease level of indoor pollution (a major cause of pneumonia and death for children under five); development of community water infrastructure; and water source protection. ACCESO extension programs have also incorporated farm chemical safety (FCS) and integrated pest management (IPM) training to ensure proper selection, application and storage, use of alternatives, and safe methods for disposal of containers, in order to prevent illness caused by ingestion of chemicals.

Health and nutrition messages have also been promoted at farmer field days and extension interventions, community-level NRM events, and business skills training sessions this quarter. Workplace health education programs for employees of medium and larger-scale partners are in design.

3.7 NATURAL RESOURCE MANAGEMENT

Work on the ACCESO PERSUAP was initiated and will be presented to USAID at the beginning of the next quarter. Field activities in natural resource management will begin in July and will be coordinated with disaster mitigation activities.

Extension activities this quarter incorporated on-farm NRM activities to maintain healthy soils and conserve water, as part of the Good Agricultural Practices (GAPs) promoted by ACCESO. This quarter emphasized the following NRM-integrated GAPs:

- **Land preparation** – use of contoured beds, raised beds, drainage systems, low tillage techniques and wind/erosion barriers; introduction of appropriate tools and machinery.
- **Crops** – crop rotation (including use of leguminous cover crops that fix nitrogen in a more economical way than chemical fertilizers), elimination of crop residues, use of border weed control (alternative hosts), use of hybrid seeds and improved planting materials with greater disease tolerance.
- **Water** – protection of water sources from contamination for better water management, better water quality, less soil erosion and less pesticide and fertilizer use. This also increases yields for farmers, reduces input costs, and increases gross and net incomes.

Natural Resource Management is a major component of the ACCESO Small Grants Fund, which will be used to provide water harvesting services and storage structures, tree seedling nurseries, reforestation, eco-tourism infrastructure, and other NRM services to ACCESO clients. The ACCESO team has also begun identifying community organizations responsible for implementing NRM plans, in order to help them develop revenue streams (e.g. water user fees; fines) to ensure sustainability of their activities.

3.8 GENDER MAINSTREAMING

During the quarter, Fintrac's home office Gender Mainstreaming Specialist developed an initial Gender Mainstreaming Strategy for the ACCESO project. The initial strategy includes detail on gender disaggregated indicators and data analysis, as well as important tactics for including women in technical training in the specific cultural context of Honduras. Additionally, the strategy discusses which types of technical assistance, technologies, and crops will best address the constraints faced by women. Key recommendations include focusing crop selection on production of flowers traditionally grown by women, herbs that are easy to grow and require smaller areas of land for cultivation, garden-grown vegetables to generate food for the family, and fruit. Targeted technologies will include drip-irrigation and the introduction of low-cost greenhouses. A presentation of the strategy was made to USAID. The fully-developed plan will be presented to USAID early in the next quarter.

3.9 SUBGRANTS AND PARTNER ALLIANCES

After receiving approval for the ACCESO Subgrant and Partner Alliances Award Manual, the ACCESO management and technical teams began working with Organismo Cristiano de Desarrollo Integral de Honduras (OCDIH), PILARH, Hermandad de Honduras, Save the Children, FAO PESA, Comisión Acción Social Menonita (CASM), and World Vision to evaluate their organizational capacity and develop appropriate subgrants for work in Copan, Santa Barbara, Ocotepeque, and Lempira. In the first year, ACCESO expects to formalize around 10 partnerships for provision of subcontracts and small grants. In the next quarter, another 5 to 10 local NGOs will be identified that will be integrated into ACCESO technical assistance and trained in Fintrac methodology in order to implement technical assistance and training programs in selected zones.

4. PLANNED ACTIVITIES FOR NEXT REPORTING PERIOD

The main activities for the next reporting period include:

Project Management

- Finalize the PMP and PIRS, and subsequently the ACCESO workplan;
- Complete the ACCESO PERSUAP and Gender Plan;
- Finalize the subcontracts with NGOs to establish the remaining six Community Assistance Teams;
- Develop formal alliances with COHEP, COMRURAL, IHCAFE and the Ministry of Health;
- Project induction and intensive technical training of the production, health, processing, M&E and business skills field technicians;
- Obtain M&E profiles for new clients entering the Project;
- Design and implement M&E field tools for baseline data collection; and
- Present final PMP and PIRS to ACCESO departmental teams.

Technical Assistance and Training

- Transfer existing ACCESO clients to junior-level technicians to continue training and technical assistance; and
- Recruit new ACCESO clients.

Market Access

- Develop outgrower programs for exporters and processors;
- Establish calendarized production programs for local market buyers; and
- Support growers with certification programs.

Rural Financial Services

- Expand training activities and ACCESO client access to Village Banks (Cajas Rurales);
- Develop financial products for ACCESO clients with Del Campo Soluciones Agrícolas;
- Develop a comprehensive strategy for project priorities within the finance area;
- Develop leasing and other financial products for interested equipment suppliers; and
- Determine the feasibility of new or expanded crop insurance programs.

Eliminating Policy Barriers

- Determine priorities with COHEP; and
- Develop a needs assessment and implementation plan.

Health and Nutrition

- Establish coordination mechanisms with Ministry of Health;
- Train all ACCESO staff, government promoters and community health volunteers in basic practices in hygiene, disease identification and prevention, dietary diversification and water quality;
- Identify health centers to receive ACCESO assistance; and
- Establish information (data) provision mechanisms with Ministry of Health and community health clinics.

Natural Resource Management

- Coordinate with COPECO for project interventions;
- Identify municipalities with high vulnerabilities to receive Project support;
- Develop work programs with initial municipalities and communities; and
- Identify protected area/watersheds to receive Project support.

Gender Mainstreaming

- Train ACCESO staff on the ACCESO Gender Mainstreaming Strategy.

Small Grants Mechanism

- Develop subcontracts with NGOs for the implementation of six Community Assistance Teams;
- Identify renewable energy project opportunities;
- Purchase fruit tree planting materials for family gardens; and
- Develop initial production technology grants program.

ANNEX II: PMP

The PMP has been developed in association with the PIRS for each indicator. These are currently being discussed with USAID and a final version is expected early in the next quarter. Once finalized, the workplan will be developed. The PMP as developed so far is provided below.

		RFTOP	FTF	Targets						Units	SEX**	Data Sources/
				Year 1 4/11 - 9/11	Year 2 10/11-9/12	Year 3 10/12-9/13	Year 4 10/13-9/14	Year 5* 10/14-2/15	LOP			Collection Methodologies
GOAL: Increased Rural Household Incomes												
1	Number of households living in poverty moved above the poverty line	x		-	6,000	18,150	27,550	30,000	30,000	Households	x	Cumulative. Random stratified surveys of beneficiary households
2	Number of rural households living in extreme poverty moved above the poverty line ¹	x	x	-	4,500	12,150	17,550	18,000	18,000	Households	x	Cumulative. Random stratified surveys of beneficiary households
3	Value of new net income of participant rural farmers and MSMEs	x	x	-	14.79	36.98	66.55	73.95	73.95	US\$ Million	x	Cumulative. Change measured annually on all income generating activities, net income for targeted project beneficiaries
4	Number of jobs attributed to FTF implementation	x	x	-	2,085	5,213	9,383	10,425	10,425	FTEs	x	Cumulative. Change in employment positions (expressed in full-time equivalent (FTE) over baseline) generated through project interventions (of targeted project beneficiaries)
Increased Agricultural Productivity												
5	Value of incremental sales (collected at farm/firm level) attributed to FTF implementation	x	x	-	26.73	66.83	120.28	133.65	133.65	\$US Million	x	Cumulative. Change in sales over base line data, separating local from export
6	Value of new private sector investment in the agriculture sector or food chain leveraged by FTF implementation	x	x	-	4.32	10.8	18.36	21.6	21.6	US\$ Million		Cumulative. Sum of new investments as a result of program interventions, collected from MSMEs
Increased Adoption of NRM & GAPS												
7	Number of farmers and others who have applied new technologies or management practices as a result of USG assistance	x	x	-	4,410	11,025	18,743	22,050	22,050	MSMEs	x	Cumulative. Sum of assisted MSMEs implementing one or more recommended inputs, technologies and/or practices
8	Number of additional hectares under improved technologies or management practices as a result of USG assistance		x	-	2,981	7,452	12,668	14,904	14,904	Hectares	x	Cumulative. Sum of hectares under improved technologies or management practices
9	Number of Local Municipal Governments effectively implementing natural resource management policies	x		-	7	14	20	20	20	Municipalities		Cumulative. Sum of municipalities implementing/engaged in NRM policies
10	Number of companies (including farms) that have made conservation-friendly changes in their business practices	x		-	4,410	11,025	18,743	22,050	22,050	Companies/ Farms		Cumulative. Sum of companies implementing/ engaged in conservation friendly practices

		RFTOP	FTF	Targets						Units	SEX**	Data Sources/
				Year 1 4/11 - 9/11	Year 2 10/11-9/12	Year 3 10/12-9/13	Year 4 10/13-9/14	Year 5* 10/14-2/15	LOP			Collection Methodologies
Improved Business Practices												
11	Number of MSMEs implementing sound business management practices	x		-	1,696	4,241	8,058	8,482	8,482	MSMEs	x	Cumulative. Sum of MSMEs implementing sound business management practices
Expanded Market Access												
12	Number of brokers providing market linkages to MSMEs	x		25	150	350	485	500	500	Brokers		Cumulative. Diversified buyer networks developed for main crops and products measured through broker lists distributed to producers
13	Number of MSMEs that have been verified to meet market standards for their products	x		-	300	1,000	1,900	2,000	2,000	Smallholders		Cumulative.
Expanded Access to Credit												
14	Number of MSMEs accessing market-based financing as the result of USG assistance	x	x	215	1,078	2,372	4,098	4,314	4,314	MSMEs	x	Cumulative. Sum of MSMEs benefiting from financial products, collected from MSMEs
15	Value of Agricultural and Rural Loans made to MSMEs		x	0.32	1.58	3.48	6.01	6.33	6.33	US\$ Million	x	Cumulative. Sum of loans granted to MSMEs, collected from assisted financial institutions
Policy Barriers Eliminated												
16	Number of value chain / sector constraints identified and resolved	x		-	15	30	40	40	40	Constraints		Cumulative. Sum of constraints resolved
17	Number of policy reforms, regulations, administrative procedures passed for which implementation has begun with USG assistance	x	x	1	2	3	4	4	4	Policies Passed		Sum of policy passed
Improved Household Nutrition												
18	Change in average score on Household Hunger Index		x	-		-10%			-20%	% reduction from baseline		Cumulative. surveys of health centers in targeted communities
19	Prevalence of underweight children under 5	x	x	-	-5%	-10%	-15%	-20%	-20%	% reduction from baseline	x	Cumulative. surveys of health centers in targeted communities
20	Prevalence of stunted children under 5	x	x	-	%	-10%			-20%	% reduction from baseline	x	Cumulative. surveys of health centers in targeted communities
21	Percent of children 6-23 months that received a Minimum Acceptable Diet		x	-		20%			30%	% increase over baseline	x	Cumulative. surveys of health centers in targeted communities
22	Prevalence of exclusive breast feeding of children under 6 months		x	-	5%	10%	15%	20%	20%	% increase over baseline		Cumulative. surveys of health centers in targeted communities
23	Prevalence of Maternal Anemia		x	-		0			0	% Increase over Baseline		
24	Prevalence of anemia in children 5 - 59 months		x			-10%			-20%	% reduction from baseline		Cumulative. surveys of health centers in targeted communities

		RFTOP	FTF	Targets						Units	SEX**	Data Sources/
				Year 1 4/11 - 9/11	Year 2 10/11-9/12	Year 3 10/12-9/13	Year 4 10/13-9/14	Year 5* 10/14-2/15	LOP			Collection Methodologies
25	Targeted households with improved diet diversity	x		-	25%	50%	75%	75%	75%	% Change in HDDS		Cumulative. surveys of health centers in targeted communities
Expanded Access to Health Services												
26	Number of health facilities with established capacity to manage acute under-nutrition		x	5	5	5	5	-	20	Health facilities		Sum of health facilities with established capacity
Improved Family Planning												
27	Modern contraceptive prevalence rate	x		-	2.50%	5.00%	7.50%	10%	10%	% Increase over baseline	x	Cumulative. surveys of health centers in targeted communities
Cross Cutting Themes												
28	Number of communities in high vulnerability municipalities with adequate disaster prevention and mitigation capacity	x		-	15	30	40	40	40	Communities		Cumulative. Sum of communities with disaster capacity
29	Number of rural micro-generation clean/renewable energy projects established	x		52	361	671	890	890	890	Projects		Cumulative. Sum of projects established
30	Number of organizations / companies providing business development / extension services to MSMEs	x		23	93	233	442	465	465	Organizations/ Companies		Cumulative. Sum of organizations/ companies providing service
31	Number of producers organizations, water users associations, trade and business associations, and community-based organizations (CBOs) receiving USG assistance		x	20	90	160	210	210	210	Groups		Cumulative. Sum of groups receiving assistance
32	Number of public-private partnerships formed	x		10	35	50	50	50	50	Partner funds		Cumulative. Sum of PPP formed
33	Number of private sector alliances developed	x		2	10	15	-	-	15	Alliances developed		Cumulative. Sum of alliances developed
*Partial Year												
1. This indicator is a subgroup of indicator #1. It specifically reports rural households that were moved from extreme poverty .												

ANNEX III MONTHLY PROJECT UPDATES



USAID
DEL PUEBLO DE LOS ESTADOS
UNIDOS DE AMÉRICA

ACCESO

MONTHLY UPDATE – APRIL 2011

INTRODUCTION

This is the first edition of the USAID ACCESO monthly update, with information on current and future project activities. USAID ACCESO is a four-year initiative funded by the people and government of the United States of America through the United States Agency for International Development (USAID). This project is part of the global “Feed the Future” initiative of the United States government.

PROJECT FOCUS

The goal of the project is to improve the conditions of 18,000 rural families that are currently living in extreme poverty. ACCESO will improve economic access and nutrition through financial development and increased incomes. ACCESO has six main components to achieve this goal:

1. Technical assistance and training to enhance the poorest households' capacity in production, management, and marketing skills ;
2. Improving access to markets for farmers and develop links with producers and other MSMEs to determine which crops to produce, when to produce them, and production volumes according to market opportunities;
3. Expanding financial services in rural areas through existing financial intermediaries, rural loan associations, commercial banks, and service and input providers;
4. Preventing malnutrition through training to improve the use and consumption of food;
5. Sensible management of the environment and natural resources;
6. Assistance to eliminate administrative barriers that hinder access to business opportunities for rural homes.

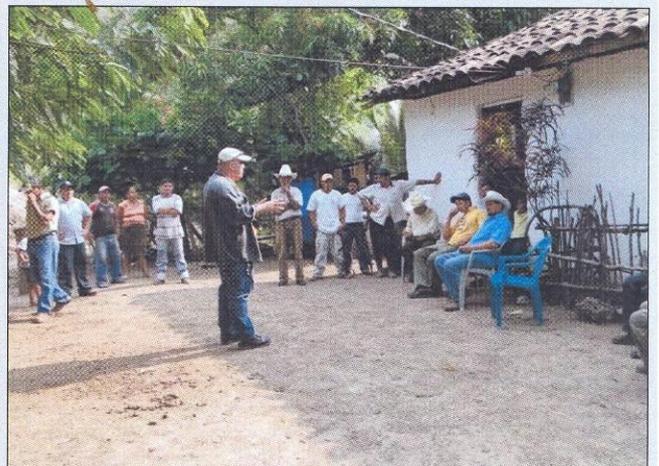
The main beneficiaries of project assistance are poor or extremely poor households in poverty stricken rural departments, municipalities, and communities. Priority is assigned to households in extreme poverty and those with women as head of households.

ACCESO focuses on the western regions of Honduras, specifically on the municipalities of the Intibucá, Lempira, La Paz, Copán, Ocotepeque, and Santa Bárbara departments. The selection of municipalities in these departments is based on both average levels of poverty and potential to transition to small-scale commercial agriculture (determined by access to land, adequate soils, water and moderate topography, as well as the operation of MSMEs outside the farms).

ACCESO's secondary beneficiaries include business owners and employees (mostly MSMEs) operating in agricultural value chains. Although their households may be above the poverty line, their participation is critical to the creation of jobs and income opportunities for those living below this line.



Introduction of USAID ACCESO services to families in the community of La Unión, Copán.



Introduction of USAID ACCESO services to groups of producers in Las Vegas, Santa Bárbara.

USAID-ACCESO

This monthly update was made possible by the generous support of the American people through the United States Agency for International Development (USAID). The content is Fintrac's responsibility, the main implementing partner of USAID-ACCESO, and does not necessarily reflect the opinions of USAID or the United States government.



ACCESO establishes market led production programs that link small producers with local, regional and international buyers. The program also focuses on high-value and added-value crops including horticulture crops, roots and tubers, fruit, and coffee. As part of a “whole farm” system, ACCESO also works to increase productivity and adding value to traditional crops (corn and beans) on beneficiary farms.

This “whole farm” system emphasizes improving nutrition, maximizing income sources for all productive family members, reducing risks through crop and income diversification, reaching a balance in the use of natural resources, increasing access to better health services, and promoting renewable energy technologies.

ACCESS – TECHNICAL SERVICES MENU

Production Technologies and Good Agricultural Practices (GAPs)

- Crop selection
- Soil preparation
- Production of plantlets
- Adequate fertilization (including fertigation)
- Integrated Pest Management (IPM)
- Conservation of water and soil
- Hybrid seeds
- Low-cost drip irrigation
- Low-cost greenhouses
- Investigation and development

Postharvest Handling and Processing

- Design and operation of packing plants, cold rooms and processing plants
- Food safety protocols
- Feasibility studies for new added value investments

Development of Markets

- Market analysis and information
- Introduction to new crops and products
- Links with buyers from local, regional and export markets
- Food safety, GLOBALGAP and other certifications
- Raw material supply logistics

Business and Credit Operations

- Farm management and control of records
- Business plans and loan applications
- Development of producer associations
- Development of new credit and other financial products
- Training of small producers and credit providers
- Development of non-agricultural MSMEs

Health and Nutrition

- Family plots
- Health, nutrition and hygiene education
- Mother and infant nutrition
- Micronutrient supplement

Management of Natural Resources and the Environment

- Eco-friendly stoves
- Small scale solar energy, wind, hydroelectric and biomass
- Improved environmental practices on farms (IPM/ICM) and businesses
- Management of natural resources at the community level
- Mitigation of natural disasters at the community level

ACCESO will coordinate its activities with the Honduran government, the private sector, NGOs, and other counterparts to guarantee that the project’s goals are accomplished through a unified effort from all the partners, maximizing impact on Honduran homes.

ACCESO is also partnering with organizations working at the community level that have technical knowledge to provide coordinated assistance to small producers and rural MSMEs.

ACCESO is a program that provides comprehensive technical assistance with multidisciplinary strengths, including agricultural extension, access to technology, market contacts, development of value chains, business skills, postharvest, creation of group organizations, investigation and development, rural credit, management of natural resources, prevention and mitigation of natural disasters, renewable energy, nutrition education and coordination of health services.

ACCESO is being implemented by the US agribusiness firm Fintrac, Inc., in association with Fundación Hondureña de Investigación Agrícola (FHIA), Escuela Agrícola Panamericana (EAP-ZAMORANO), Fundación para el Desarrollo Empresarial Rural (FUNDER), CARE International, and the Global Village Project.

Fintrac has successfully implemented technical assistance programs in the agriculture sector in Honduras over the past 11 years, financed by USAID and MCC. Fintrac has established guidelines for other projects based on the results and impact achieved in the field and sector. ACCESO will also partner with private businesses, associations, local NGO, and public entities to increase the program’s reach, impact and sustainability.

MAIN GOALS OF ACCESO

- Bring 18,000 rural households living in extreme poverty above the poverty threshold;
- Generate \$73.95 million in net profits for the clients assisted by the project; and
- Create 10,425 permanent jobs in the assisted communities.

The USAID ACCESO Program will assist 31,800 clients in the six previously described departments, distributed as follows: 18,000 households in extreme poverty, 7,000 households in poverty, 5,000 coffee producers, 1,000 commercial scale producers of horticultural crops, and 800 rural businesses not related to agriculture.



ACTIVITIES

Fintrac began implementing the project on April 1st, hiring and deploying management and technical teams including field technicians in production, marketing, postharvest, and business skills, to the targeted zones of assistance. During the first month of operation, sub-contracts were signed to create the consortium tasked with implementing the program. Fintrac provided the induction to the initial team, defining clear goals, and identifying responsibilities, structure, work zones, tools, and logistics. The technicians began work in their respective departments to identify communities, producers, and other beneficiaries interested in receiving technical assistance from the program.

Other April activities included:

- Purchases of vehicles and necessary equipment for efficient and professional implementation;
- Development of work, performance, monitoring and evaluation, marketing, and gender mainstreaming plans.
- Presentation of the program to the Ministry of Agriculture (SAG) and discussion of areas for collaboration.
- Assistance to SAG with activities related to *Honduras is Open for Business*.

During the month of May, interviews will be held for the technical personnel that will be hired by the consortium in June. In addition, stakeholder consultations will be held with local NGOs interested in being part of ACCESO.

The first technical assistance visits and trainings will begin in May, targeting mostly basic grain producers. Technicians will assist producers to change traditional production practices by training them to improve soil preparation, increase planting densities, and better control weeds. These basic practices increase productivity, reduce the risks of climate-related losses, and serve as the starting point for diversification to more profitable crops. Initial beneficiaries will also serve as demonstration farms for other producers.



Training of producers on population densities and planting distances, Santa Bárbara.



On-farm technical assistance for onion crop to determine options for improvement, Copán.

USAID ACCESO CONTACTS

For more information or if you are interested in being assisted by the program please contact:

Tegucigalpa		La Lima		Department Managers	
USAID ACCESO	USAID ACCESO	La Paz	Cristóbal Montalván	9978-7117	
Oficina 1804, Piso 18,	Instalaciones FHIA	Intibucá	Denis Ramírez	9996-8903	
Edificio Torre Alianza	Contiguo Instituto Patria	Lempira	Ali Valdivia	9996-9360	
Lomas del Guijarro Sur	La Lima, Cortés	Ocatepeque	Eddy Flores	9949-6747	
Tegucigalpa MDC		Copán	Hugo Ávila	9923-6826	
Tel: (504) 2668-1190	e-mail: acceso@fintrac.com	Santa Bárbara	Leopoldo Aguilar	9997-0130	

Regional offices will open in Santa Bárbara, Copán and Intibucá during the month of June.



MONTHLY UPDATE – MAY 2011

BACKGROUND

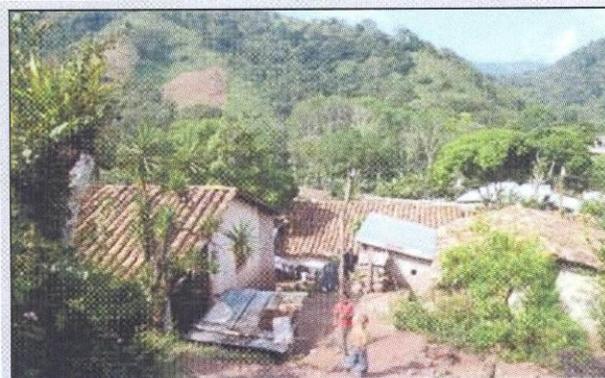
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USAID-ACCESO will assist more than 30,000 client families in Copán, Intibucá, La Paz, Lempira, Ocotepeque and Santa Bárbara. The project is working to raise a minimum of 18,000 rural households out of extreme poverty and malnutrition conditions through economic development and increased incomes.

LET’S GET TO WORK

- USAID-ACCESO’s technical team began work on planting activities to significantly improve basic grain yields. Activities focused on soil preparation and seed selection, planting with proper plant densities, and fertilization programs to guarantee higher yields.
- By the end of May, 684 client households, with 2,351 beneficiaries had joined the program. Seventy-six percent of participating households are living in extreme poverty, and seven percent are living in poverty. This group is already participating in individual and group training to implement improved production systems.
- Fifty-five organizations have joined the project, including 31 municipal corporations, and organizations such as AHIBA, IHCAFE, PMA, ChildFund, COHEP, COMRURAL, COPRAL, DICTA, FAO, FIDA, Hermandad de Honduras, and SAG. Joint activities are already being coordinated.
- USAID-ACCESO made 975 technical assistance visits including 745 on production, 65 on postharvest handling, and 57 on business skills, marketing, and finance. A total of 6,425 people participated in 448 training events held by ACCESO.

May 2011 Trainings		
Technical Area	Participants	Events
Farm Certifications	134	9
Business Skills	64	5
Postharvest	24	3
Production	6,090	429
Project	113	2
TOTAL	6,425	448
<i>1,352 women (21%) and 5,073 men participated.</i>		



Photos by Fintrac

USAID ACCESO assists people in rural areas to increase incomes and improve quality of life.



USAID-ACCESO Client Households and Beneficiaries May 2011

Department	Client Households	Beneficiaries
Copán	129	344
Intibucá	128	379
La Paz	42	107
Lempira	99	566
Ocotepeque	61	259
Santa Bárbara	199	696
Other	26	0
TOTAL	684	2,351

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USAID-ACCESO LAUNCHED IN LA PAZ

Fintrac and USAID officially launched the USAID ACCESO project before an audience of more than 200 attendees on May 26 in Santa Ana, La Paz. USAID/Honduras Director William Brands, representatives from USAID's Economic Growth and Nutrition and Health offices, Minister of Agriculture (SAG) Jacobo Regalado, USAID ACCESO Director Andrew Medicott, Honduran Congressman Manuel Ivan Fiallos and numerous mayors from La Paz attended the opening event, which was hosted by Santa Ana Mayor, German Mendoza. Representatives from Global Village, CARE, FHIA, FUNDER and Zamorano, the main partners for USAID ACCESO implementation, also attended.

Authorities from USAID and the Ministry of Agriculture confirmed their support for the project. Medicott outlined program components including training to improve production, business skill development for the poorest households, development of market access, expansion of rural financial services, and malnutrition prevention for rural households. The project also includes natural resource and environmental management activities and assistance to eliminate the structural barriers that hinder access to economic opportunities.

Producers from La Paz also participated in the event, sharing their biggest challenges and best opportunities. They emphasized that success can be attained by adopting good agricultural practices and implementing new production technologies. Ricardo Gómez, Manager of Supermercados del Corral, discussed market opportunities for horticultural products and cattle. He described his experience working with previous USG-funded projects that helped him establish commercial relationships with producers from the zone. José Jaar, Manager of Del Campo Soluciones Agrícolas, who has worked closely with previous technical assistance projects, informed participants on a new financing mechanism that will support the agriculture sector.

MAIN GOALS OF USAID ACCESO

- Bring 18,000 rural homes living in extreme poverty above the poverty threshold;
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USAID-ACCESO launch: German Mendoza, Santa Ana Mayor, Jacobo Regalado, Minister of Agriculture, William Brands, USAID/Honduras Director, and Tom Hamner, USAID.



Jacobo Regalado, Minister of Agriculture, at the public launch of USAID ACCESO.



USAID-ACCESO team, May 2011.



MAY ACTIVITIES

- USAID ACCESO held three events to present the project to local NGOs in Lempira, Copán, and Ocotepeque. Thirteen NGOs participated at the event that took place in Gracias, Lempira. Sixteen NGOs from Copán and Ocotepeque participated at the event held in Santa Rosa de Copán.
- USAID-ACCESO continues to recruit and hire personnel for Community Technical Units (CTU) in six departments, as well as specialists for all technical areas. ACCESO has identified seventy-four candidates who will join the project in June.
- The project worked with more than sixty municipal corporations to identify communities with potential for development. In selected zones, USAID ACCESO's technical assistance to assure higher yields through new production techniques will complement the SAG's Production Solidarity Bonus initiative.
- Alliances and agreements were established with several institutions including Programa Mundial de Alimentos (PMA), Programa Nacional de Desarrollo Rural Sostenible (PRONADERS), Programa de Competitividad Rural (COMRURAL) and Instituto Hondureño de Mercadeo Agrícola (IHMA). Negotiation of the alliance agreement with IHMA is in the final phase and is expected to be completed in June. The alliance will provide USAID ACCESO clients with access to bean seeds as well as a market for 4,500 MT of corn and 2,700 MT of beans.
- The project was formally introduced to three directors from the Ministry of Public Health who will be coordinating with the nutrition and health activities in the program's six departments.
- The monitoring and evaluation unit finalized all data collection templates and began to collect baseline information and client profiles.



Field day on corn production, Lempira.



Training on corn planting, Ocotepeque.



Traditional tilapia production, Copán.

USAID-ACCESO CONTACTS

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Tel: (504) 2668-1190 e-mail: acceso@fintrac.com		Santa Bárbara	Leopoldo Aguilar 9997-0130

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USAID
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UNIDOS DE AMÉRICA

ACCESO

Monthly Report – June 2011

BACKGROUND

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This is the third edition of the USAID-ACCESO Monthly Report, featuring project activities from the month of June 2011.

PARTNERSHIPS / AGREEMENTS AND OUTREACH TO OTHER INSTITUTIONS

In the first months of operation, the ACCESO team reached out to companies and institutions with a presence in Western Honduras to introduce planned activities and discuss opportunities for collaboration. This month, agreements for planned activities were signed between the USAID-ACCESO project and the following organizations:

PRONADERS: PRONADERS is an institution created by the government of Honduras to improve the quality of life in rural communities through self-management and community participation. Under the new agreement, USAID-ACCESO will provide regular training in business skills to the staff and users of the rural banks that are part of PRONADERS network.

VECO-MA: VECO Mesoamerica (VECO-MA) is a regional program focused on improving the standard of living for Honduran farm families by supporting activities in sustainable and organic agriculture, market access, gender equity, and citizen participation. USAID-ACCESO will train and provide ongoing support to VECO-MA staff on marketing, as well as develop a phased planting program to support a collection center in Intibucá.

IHMA: Through a new agreement with the Honduran Institute of Agricultural Marketing (IHMA), USAID ACCESO producers will have access to bean seed, as well as a market for more than 100,000 bushels of corn and 60,000 bushels of beans. Upon signing the agreement, IHMA bean seed was distributed to ACCESO producers in Lempira, Intibucá, and Copán departments.

In addition, the USAID-ACCESO team is finalizing agreements with:

- The National Bank for Agricultural Development (Banadesa) to improve access to credit
- Programa de Asignación Familiar (PRAF) Women's Program to strengthen women's enterprises
- The Honduran National Business Council (COHEP) to support agricultural enterprises
- The Ministry of Public Health to coordinate health and nutrition activities in Western departments
- Child Fund, World Vision, and the FAO to coordinate support for the AIN-C, a volunteer-led, community-based program aimed at preventing under-nutrition in children under two years of age.



The majority of producers who work with ACCESO use traditional storage and planting methods.



Clients and Beneficiaries of USAID ACCESO June 2011

Department	Client Households	Beneficiaries
Copán	220	1,147
Intibucá	463	2,368
La Paz	256	968
Lempira	308	1,822
Ocotepeque	116	528
Santa Bárbara	298	1,348
Otros	69	0
TOTALS	1,730	8,181

This monthly report was prepared with support from the people of the United States of America through the agency of the United States for International Development. The content is the responsibility of Fintrac Inc., the contract implementer of USAID ACCESO, and do not necessarily reflect the views of USAID or the United States of America.



JUNE ACTIVITIES

Production

- By the end of June, 1,730 client households with 8,181 beneficiaries entered the ACCESO program; 1,046 of these new clients entered in June. Seventy-two percent of participating households are living in extreme poverty; six percent are living in poverty. These clients have already started to receive individual and group training on improved production systems.
- USAID-ACCESO made 1,095 technical assistance visits during the month, focused on practices to improve production, including tillage, contouring, raised beds and drainage to prevent flooding, planting densities, seed selection, implementation of fertilization programs for specific crops, and weed control.
- The USAID-ACCESO team began delivering technical assistance to support artisanal tilapia production for consumption and sale. Topics include methods for sexing, estimating stocking rates, and optimum harvest weight and timing.
- In June, 459 production trainings were held, attended by 5,278 participants. The training topics included implementation of basic practices, planting and transplanting, soil nutrition and fertilization, soil preparation, and soil conservation using contour lines.
- The project worked with several exporters to identify potential export crops that could be produced by USAID-ACCESO client farmers in the target areas. These include: chayote, plantain, oriental vegetables, radicchio, and eggplant.
- USAID-ACCESO production personnel were trained on coffee farm management by project partner IHCAFE.
- USAID-ACCESO completed the recruitment of technical personnel to work in target communities. A total of 42 agronomists were hired and deployed to their work sites in June. These personnel will live and work in target communities, full-time, for the life of the project.



Training in bean planting distances, Copán.



Training in water pH measurement, Copán.



Diluted fertilizer application in maize, Santa Bárbara.

Profile of Project Families to date

- 1,119 of 1,546 project families (72%) are in extreme poverty, and 96 families (6%) are in poverty.
- 940 of 8,181 beneficiaries (12%) are children under 5 years old. 2,151 (26%) are children between 6 and 14. 3,960 are between 15 and 49 (48%). 14 percent are older than 50 years old.
- 51 percent of beneficiaries are men (4,170) and 49 percent are women (4,011).



Market Access

- ACCESO worked with fresh produce exporters supplying markets in the U.S., Canada, and Europe to identify a range of crops with market potential. These crops will inform and direct ACCESO's market-driven production programs. The exporters see great market opportunities for ACCESO producers and are willing to work with the project to develop outgrower production programs.
- The ACCESO team met with the Northwest Agricultural Fairs Association, "El Esfuerzo," to explore a commercial alliance. The Association runs 22 fairs and has a collection center in San Pedro Sula, providing an attractive market opportunity for ACCESO clients.
- Presentations were made to and by resin industry representatives to determine the viability of resin collection as a potential income-generating activity for client families.
- Market contacts were provided to selected greenhouse growers.
- The ACCESO team initiated coordination activities with the Supermercados la Antorcha, La Colonia, and Walmart supermarket chains to determine planting programs with eligible client producers.
- ACCESO is working with SAG and SIMPAH to develop a mechanism to track market information and statistics on Honduran imports and exports.

Business and Finance Skills

- ACCESO participated in a meeting of the World Bank committee on risk assessment in the Honduran agricultural sector. ACCESO will be contributing to the development of a risk map.
- The ACCESO Finance Team reviewed a proposal for debt insurance with a Honduras insurance agency, which may assist rural farmers in access to credit.
- The ACCESO team carried out market analysis, business planning, and price structure analysis for selected products, including Lenca weavings, roses, passion fruit, cardamom, dairy products, coffee, pasta, bananas and sweet potatoes for export, among others.

Nutrition and Health

- The ACCESO team obtained census data from the Ministry of Health on health facilities in the six target departments.
- The World Bank and the Ministry of Health approved the use of the Nutrition and Welfare Division's information system by ACCESO personnel.
- The ACCESO Health team collected, evaluated, and selected health educational materials to be used by ACCESO staff in targeted communities.

ACCESO GOALS

- Lift 18,000 rural households living in extreme poverty above the poverty line
- Generate U.S. \$ 73.95 million in net income for clients assisted by the project;
- Creating 10,425 permanent jobs in communities served.



Training of artisanal producers of tilapia on the sampling of sex and weight, Copán.



Visit to a technically-operated producer of King Grass feedlot in order to share costs and milk productivity data, Comayagua.

Training June 2011

Area	Participants	Events
Certifications	145	10
Business Skills	162	11
Processing	141	11
Production	5,278	459
Project	149	8
Other	39	4
TOTALS	5,914	503



- Health and nutrition technicians for six departments were hired in June. Recruitment began for Santa Barbara, Intibucá, La Paz, and Ocotepeque.

Value Added and Microenterprises

- The ACCESO team began to research energy efficient technologies for panela production (unrefined cane sugar), including furnace design alternatives.
- In June, the project facilitated market linkages between Honduran jalapeño pepper, banana, and cassava processors and United Kingdom based buyers; and between a Honduran coffee distributor and a U.S. coffee roaster.
- ACCESO provided price information on polyethylene terephthalate (PET) containers to honey producers in Capucas.
- The ACCESO team began working with passion fruit producers and processors in Quimistan, Santa Barbara, analyzing the cost structure for frozen passion fruit juice exports to Europe, and researching the procurement and use of juice processing equipment.
- In June, the marketing team began to work with passion fruit and cardamom producers in Pinalejo, Santa Barbara. ACCESO will be working to help these producers take advantage of high market prices and demand through value-addition and post-harvest processing activities.
- ACCESO provided potato producers in Ecarai, La Esperanza information on options for potato drying and processing improvements. The project also put them in contact with a conveyor belt supplier, and presented them with options for value addition activities for third grade potato.

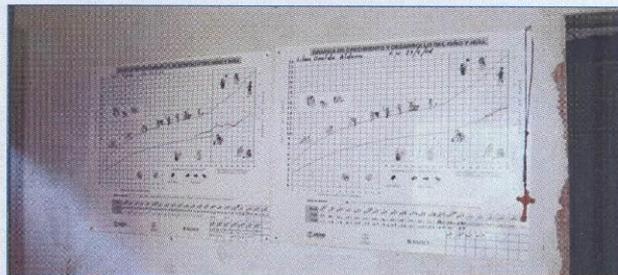
USAID ACCESO CONTACTS

For more information, or if you are interested in receiving Project assistance, please contact:

La Paz	Cristóbal Montalván	9978-7117
Intibucá	Denis Ramírez	9996-8903
Lempira	Ali Valdivia	9996-9360
Ocotepeque	Eddy Flores	9949-6747
Copán	Hugo Ávila	9923-6826
Santa Bárbara	Leopoldo Aguilar	9997-0130



Presentation of ACCESO comprehensive technical assistance services, Intibucá.



Review of Child Weight data sheets, Copán.



Training in nursery coffee production, Copán.



ACCESO technical training in coffee production, IHCAFE, Santa Bárbara.

ANNEX IV: STATISTICS

Table 2. Client Summary by Status Category (June 2011)

	Total	%
Extreme Poverty	1,230	66%
Poverty	107	6%
Non-Poverty	315	17
Off-Farm MSMEs	23	1%
Others	182	10%
Total	1,857	100%

Table 3. Program Client Distribution by Department & Gender (June 2011)

Department	# Males	# Females	NA	Total
Copán	174	38	3	215
Intibucá	387	107	14	508
La Paz	182	76	27	285
Lempira	341	27	3	371
Ocotepeque	95	7	8	110
Santa Bárbara	248	36	18	302
Other	0	0	66	66
Total	1,427	291	139	1,857

Table 4. Program Client Distribution by Client Type (June 2011)

	Total
Households	1,695
Counterpart Organizations	40
BDS Providers	38
Municipalities	36
Off-Farm MSMEs	15
Buyers	12
Others	21
Total	1,857

Table 5. Program Beneficiaries Family Member Age Distribution (June 2011)

Age Category	# Beneficiaries	Male	Female
0 – 5 Months Old	76	35	41
6 – 23 Months Old	239	134	105
2 – 5 Years Old	768	400	368
6 – 14 Years Old	2,440	1,273	1,167
15 – 49 Years Old	4,250	2,272	2,248
>=50 Years Old	1,120	588	532
Group Members	109	23	86
Not Specified	14	7	7
Total	9,286	4,732	4,554

**Table 6. Technical Assistance Visits by Activity Area
(April to June 2011)**

Activity Area	# TA Visits
Production	1,865
Postharvest	159
Project	54
Business Skills/Finance	23
Certifications	38
Marketing	9
Others	19
Total	2,167

**Table 7. Technical Assistance Visits by Department
(April to June 2011)**

	# TA Visits
Copán	362
Intibucá	463
La Paz	302
Lempira	392
Ocatepeque	202
Santa Bárbara	312
Other	134
Total	2,167

Table 8. Summary of Training Participants by Activity Area (April to June 2011)

Activity Area	# Males	# Females	Total	Events
Business Skills/Finance	220	166	386	24
Certification Systems	330	125	455	37
Health/Nutrition	8	2	10	1
Production	9,828	2,413	12,241	949
Project	517	161	678	28
Monitoring & Evaluation	2	3	5	2
Total	11,043	2,970	14,013	1,057

Table 9. Summary of Training Participants by Department (April to June 2011)

Department	# Males	# Females	Total	Events
Copán	1,311	236	1,547	159
Intibucá	1,524	744	2,268	157
La Paz	1,846	678	2,524	166
Lempira	3,274	524	3,798	266
Ocatepeque	812	155	967	118
Santa Bárbara	2,069	609	2,678	176
Other	207	24	231	15
Total	11,043	2,970	14,013	1,057



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