



USAID
FROM THE AMERICAN PEOPLE

**ANNUAL REPORT #02
(OCTOBER 2011 – SEPTEMBER 2012)
USAID-ACCESO**



September 2012

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The author's views expressed in this publication do not necessarily reflect the views of the United States Agency for International Development or the United States Government.

TABLE OF CONTENTS

1. EXECUTIVE SUMMARY	1
2. PROJECT BACKGROUND	5
3. PROJECT IMPLEMENTATION	6
3.1. PROJECT CLIENTS.....	6
3.2. TECHNICAL ASSISTANCE DELIVERY	6
3.3. INCOME GENERATION COMPONENT	8
3.4. PRODUCTION ACTIVITIES.....	8
3.5. NUTRITION AND HEALTH COMPONENT	9
3.6. INTEGRATION OF THE TECHNICAL COMPONENTS.....	10
3.7. MONITORING AND EVALUATION.....	11
4. HIGH LEVEL TARGETS	14
4.1. NUMBER OF HOUSEHOLDS MOVED OUT OF POVERTY	14
4.2. VALUE OF INCREMENTAL SALES/NEW NET INCOME	15
4.3. NUMBER OF JOBS ATTRIBUTED TO FTF IMPLEMENTATION.....	15
4.4. FACTORS AFFECTING ACHIEVEMENT OF HIGH-LEVEL RESULTS	16
5. HIGHLIGHTS OF ACTIVITIES AND RESULTS	17
5.1. PROJECT CLIENTS.....	17
5.2. RURAL MICRO, SMALL AND MEDIUM ENTERPRISE GROWTH INCREASED (IR 2.1)	19
5.2.1. Rural MSMEs Access to Inputs, Practices, and Technology for Market Participation Improved (SUB-IR 2.1.1)	19
5.2.2. Rural MSMEs Access to New Market Opportunities Increased (SUB-IR 2.1.2)	30
5.2.3. Barriers to Competitiveness of Rural MSMEs Reduced (SUB-IR 2.1.3)	34
5.3. HONDURAN BIODIVERSITY & NATURAL RESOURCES CONSERVED (IR 2.2)	38
5.4. CAPACITY TO MITIGATE AND ADAPT TO CLIMATE CHANGE STRENGTHENED (IR 2.3)	40
5.4.1. Disaster Vulnerability Reduced (SUB-IR 2.3.3).....	41
5.5. USE OF QUALITY MATERNAL AND CHILD HEALTH AND FAMILY PLANNING SERVICES INCREASED (IR 4.1).....	43
6. SUPPORTING ACTIVITIES	48
6.1. ADMINISTRATIVE ACTIVITIES	48
6.2. MONITORING AND EVALUATION ACTIVITIES.....	48
6.3. SMALL GRANTS, SUBCONTRACTS AND ALLIANCES PROGRAM	49
6.4. GENDER MAINSTREAMING.....	50
6.5. IFPRI	51
6.6. OTHER.....	51
7. ADMINISTRATIVE CONSTRAINTS	55
8. PLANNED ACTIVITIES FOR NEXT REPORTING PERIOD	56
ANNEX I: PERFORMANCE MONITORING PLAN	59
ANNEX II: SNAPSHOTS & MONTHLY SUMMARIES	66

ANNEX III. UPDATE ON ACTIVITIES ON THE POLICY COMPONENT 79

I. EXECUTIVE SUMMARY

USAID-ACCESO is a 46-month project, funded by the United States Agency for International Development (USAID) Office of Economic Growth in Honduras, to move rural Honduran households out of extreme poverty and under-nutrition by improving their incomes. USAID-ACCESO represents the core investment by USAID/Honduras in the US government's global hunger and food security initiative known as Feed the Future. The project 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 focused on linking farmers to market opportunities.
3. Rural financial services through existing rural financial intermediaries, village banks, commercial banks, and other service and input providers.
4. Assistance in eliminating policy barriers that impede rural household access to market opportunities.
5. Malnutrition prevention activities to enhance the capacity of rural households to improve utilization and consumption of healthy food.
6. Sound environmental and natural resource management.

USAID-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. Seven additional local organizations are also under sub-contracts; these are Hermandad de Honduras, Save the Children, Cooperativa Regional Agroforestal Erandique Limitada (COPRAFEL), Organismo Cristiano de Desarrollo Integral de Honduras (OCDIH), Proyectos e Iniciativas Locales para el Autodesarrollo Regional de Honduras (PILARH), Comisión Acción Social Menonita (CASM), and Instituto Hondureño del Café (IHCAFE).

The ACCESO project began start-up activities in April 2011, fielded senior technical staff in May 2011 and the majority of the field team by the end of 2011. This is the second annual report for USAID-ACCESO, summarizing the principal activities carried out from October 2011 to September 2012; selected information is also included for the quarter from July to September 2012 and from project start-up to date. The report provides results for high level targets, indicators and details of selected activities.

The Global "High Level" targets for September 2012 and the results achieved are as follows:

	Achieved	Target	Percent of Target
PIRS# 1: Number of households living in poverty moved above the poverty line	1,183	6,000	20%
PIRS# 2: Number of rural households living in extreme poverty moved above the poverty line	834	4,500	19%
PIRS# 3: Value of new net income of participant rural farmers and MSMEs	\$7.11 million	\$14.79 million	48%
PIRS# 4: Number of jobs attributed to FTF implementation	2,332	2,085	111%
PIRS# 5: Value of incremental sales (collected at farm/firm level) attributed to FTF implementation	\$12.41 million	\$26.73 million	46%

The number of households moved above the poverty line in this first year was below the target. This translated into lower than targeted net new incomes and value of incremental sales, as all are related. The number of jobs created was above target.

There are several reasons for not achieving selected high level targets at this point. ACCESO clients are principally subsistence farmers with corn and bean production for self- consumption with small areas of coffee production. Some may have vegetable production. All are characterized by no or very limited production technologies, low yields, variable quality, inconsistent supplies, etc. This is compounded by the lack of access to credit and poor transport infrastructure, particularly during the rainy season. Many have passed through NGO assistance programs with donations, but with little or no technical assistance. This has required that ACCESO gain the confidence in the households to make the changes in traditional practices and in some cases, changes in culture. Most growers that enter the program “test” the updated technologies with corn and bean in small areas of land, then see the 2- or 3-fold increases in productivity, and expand the basic technologies to the rest of the production area. Area freed up as a result of increased basic grain yields can then be used to plant higher value crops. In reality, this process is taking longer than anticipated as the rate of expansion and diversification is lower than expected as growers revert to traditional systems as they require less work, do not have access to water or credit or are simply not willing to take the required risks. Many growers are now diversifying, but the areas under production and the volumes produced are not yet always sufficient to generate the income required to move above the poverty line. In order to reduce risks, the project is promoting mixed income sources which include corn, beans, coffee and higher value crops, all with basic technologies to enable acceptable yields and reduced climate, pest and market risks. Where possible, other business opportunities are being promoted which, on their own, will not generate the required income, but should do so in association with the other main production activities. These include household milk, chicken, egg and fish production, which traditionally produce low yields and negligible income, but which are also being increased with basic changes in production technologies.

Calculations for the number of households moved above the poverty line were made using the ACCESO PIRS definition, where net incomes have to be above \$2.42/day/person. When the standard FTF indicator is used, a total of 1,945 households starting with less than \$1.25/day/person were moved above this income level. In addition, the majority of the jobs attributed to FTF implementation came from the off-farm enterprises (61 percent) and non-poor farm enterprises (9 percent). It is estimated that around 90 percent of these jobs created are filled by persons who are not ACCESO client households. The other 30 percent of the total jobs created were at the farm level with poor and extreme poor client households; of these, an estimated 50 percent was filled by ACCESO client households. In summary, of the 2,332 jobs created an estimated 1,800 jobs were taken by persons who are not ACCESO client households and who have not been counted and included in the number of household moved above the poverty line.

Key activities carried out during the year include fielding of half of the technical team and several specialists, the integration of all of the technical components, development and delivery of the technical assistance and training programs, continuous identification of new project clients, expansion of market-based production programs, implementation of basic production packages, development and implementation of nutrition and health assistance program, technical support to small off-farm businesses, programs to open up finance options to ACCESO clients, formalization of organized groups, establishment of renewable energy and water conservation projects, forming and organizing disaster mitigation groups, baseline data and results sampling, amongst many others. Efforts have been made to ensure integration of the numerous technical components.

Overall, 17 of 30 lower level indicators in the PMP / Workplan have been met or exceeded. Other highlights include:

- Rural MSMEs access to inputs, practices and technologies to improve market participation:
- Just under 17,000 poor and extreme poor clients are registered with the project and receiving technical assistance and training, in 2,500 communities in 129 municipalities in the six departments. 18 percent of the project clients are female. To date, more than 14,700 training events have been carried out, with almost 24,000 individuals receiving training, including just over 7,900 women. Project clients have also received over 145,000 technical assistance visits.
- Technical assistance visits and training were provided to basic grain and small-scale coffee producers on soil preparation practices, the use of lime applications, seed selection, increasing planting densities, implementing weed control, and improving fertilization use. Harvested corn and bean plots show two or threefold increases in productivity, and in many cases have reduced the risk of climate-related losses. These activities are the starting point for diversification to more profitable high-value cash crops. Initial beneficiaries are also serving as demonstration farms for other producers and potential clients. Other technical areas are fully integrated into the economic development activities (on- and off-farm), including health and nutrition, business skill development, policy, natural resource management, renewable energy, and disaster mitigation.
- Private sector investment stands at \$3.10 million, with just over 5,400 farmers, small agribusinesses, off-farm MSMEs and others who have applied new technologies or management practices. The total production area receiving project assistance is 17,400 hectares of which 9,230 hectares are new plantings. Overall, coffee accounts for 9,211 hectares, basic grains with 6,548 hectares and fruits and vegetables with 1,641 hectares.
- Fourteen private sector alliances have been developed, 12 public-private sector alliances and 78 companies/organizations providing business development / extension services to ACCESO clients. 190 producer organizations, water users associations, trade and business associations, and community-based organizations (CBOs) have received ACCESO technical assistance and training.
- In order to ensure increased market opportunities to rural MSMEs, 1,438 MSMEs have now accessed new market opportunities through a broker, 29 brokers are providing market linkages to MSMEs, 550 MSMEs have entered formal preferred supplier or contract agreements with brokers, and 917 MSMEs have been verified to meet market standards for their products.
- Under activities to reduce barriers to rural MSME competitiveness, 1,892 MSMEs have accessed market-based financing, \$1.754 million in agricultural and rural loans have been made to MSMEs, and 695 MSMEs are implementing sound business management practices. One value chain / sector constraint has been identified and resolved and 3 policy reforms, regulations, administrative procedures have been passed.
- In the natural resource management component, 8,321 additional hectares are now under improved technologies or management practices, 356 companies (including farms) have made conservation-friendly changes in their business practices, 7 local Municipal Governments are effectively implementing natural resource management policies, 11 communities in high vulnerability municipalities now have adequate disaster prevention and mitigation capacity, and 728 rural micro-generation clean/renewable energy projects have been established.
- In communities where ACCESO is working, changes in nutrition and health indicators are already apparent. On the three indicators that ACCESO has to report on at this time, the prevalence of underweight children under 2 years old has decreased from baseline by 23.9 percent, the prevalence of breastfeeding has increased by 4.5 percent from baseline and modern contraceptive prevalence rate increased by 11.2 percent from baseline. Positive results are already being shown with the introduction of improved feeding practices for children under 2

(diversified food groups, nutrient balance, quality, quantity, etc.), improved hygiene procedures, and the introduction of the healthy household program.

Many of the lower level indicators have been or are close to being reached, while the higher level targets have not yet been met. The implementation strategies are functioning, but not at the speed originally projected. Change at the technical level on the farms or micro-businesses is occurring as expected – but at the household level, not on the proportion required to generate net incomes to move out of poverty. Incomes are increasing, but over this first phase, not fast enough to meet timeline for the first set of poverty targets. Longer timelines for technical change will be required due to annual coffee cycles, extended corn cycles at high altitude, lack of finance options, limited infrastructure (water, roads, services, etc.) and risk adverse households (for obvious reasons) requiring change through small steps rather than leaps.

The report is submitted in association with the ACCESO PMP Excel file, September 2012, which provides additional details.

2. PROJECT BACKGROUND

Honduras' social and economic indicators rank it among the least developed countries in the Western Hemisphere, with 65.5 percent of its population living in poverty, the largest portions of which are found 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. USAID-ACCESO targets six departments that are among the poorest in the country. The majority of farm households cultivate traditional crops on small plots, often on hillsides, for which market access is hindered by poor roads and distance. The use of traditional cultural practices has produced poor yields, depleted soil of nutrients, and led to forest encroachment. Malnutrition is also a major problem, with nearly half of all children in extremely poor households exhibiting stunted growth.

USAID-ACCESO represents an important component of USAID/Honduras's new multi-year strategy for Feed the Future. Objectives of Feed the Future include increasing agricultural 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" goals of the US government's Honduras Country Assistance Strategy covering fiscal years 2009 to 2013.

USAID-ACCESO works in six departments: Intibucá, La Paz, Ocotepeque, Lempira, Copán, and Santa Bárbara, with the following high-level targets:

- Bring 30,000 rural households living below the poverty line above the poverty threshold, of which a minimum of 18,000 will be from households living in extreme poverty.
- Generate \$73.95 million in net profits for client households assisted by the project.
- Create 10,425 permanent jobs in the assisted communities.

USAID-ACCESO will assist at least 31,800 client households in these six departments, distributed as follows: 30,000 households living in poverty (of which a minimum of 18,000 households are living in extreme poverty), 1,000 commercial scale producers of horticultural crops, and 800 off-farm rural MSMEs.

The project is increasing sales and incomes by introducing basic production practices and market-driven programs for high-value cash crops, as well as by expanding off-farm microenterprise and employment opportunities. The six key components explained above enable economic development and nutrition improvements at the household level.

The details on implementation methodology, strategies, and activities are provided in other documents prepared for USAID, including those on the work plan, gender, and environment. Additional information and details are provided in the September 2012 PMP Excel file presented in association with this report.

3. PROJECT IMPLEMENTATION

USAID-ACCESO aims to lift 30,000 families in six departments in Western Honduras above the poverty line, from which a minimum of 18,000 have to come from extreme poverty, while at the same time, achieving improvements in the nutrition and health indicators of both women and children. The poverty reduction targets are being achieved through income generation at the household level via on and off-farm economic development activities and employment. They apply to 30,000 families, or approximately 10 per cent of the total population in the six departments. The nutrition targets on the other hand, apply to the total population of the six departments. The implementation strategies used have been designed with these differences in mind. The project also provides technical assistance at the household and community level on disaster mitigation, natural resource management, finance, renewable energy and policy. Implementation strategies have been developed to ensure full coordination and integration of all technical components to meet the principal poverty reduction and nutrition targets. The following section provides a summary of strategies, systems and selected activities under the principal technical components.

3.1. PROJECT CLIENTS

The principal project clients under USAID-ACCESO are households in poverty and extreme poverty. These families normally live on subsistence farming of corn and beans and/or small scale coffee farms. In addition to low incomes, they are characterized by low yields, zero technology, poor or non-existent infrastructure, no access to technology, finance nor markets, a high dependence on government or NGO support, poor living conditions and high levels of nutrition and health problems. To lift the families out of poverty, they need to generate income, which small scale corn and bean production will not provide.

In order to enter into higher value crop production, households first need to ensure their basic grain supply, while the project needs to obtain the families' confidence to make changes. The project shows farmers the basic technologies to double or triple corn and bean yields with no additional cost of production. The grains for self-consumption are then guaranteed while freeing up area for production of other crops with higher farm gate value. The increase yields demonstrate the technologies, their ability and provide the confidence to enter in new crops. At the same time, the nutrition and health component works with selected families to change and improve the household living conditions, food preparation, eating habits, hygiene and child care. For those families with (or interested in) small scale livestock such as cattle or chickens, support is also provided to increase milk and egg production for self-consumption, again with no or minimal additional costs. Family plots are also being established to supplement the dietary requirements. This integrated approach and technical support at the household level provides multiple solutions and options to a complicated problem, for which solving only one area will not produce the required results. It should be noted that the majority of project clients have to be recruited prior to the basic grain planting seasons, rather than on a continuous basis throughout the year.

3.2. TECHNICAL ASSISTANCE DELIVERY

The USAID-ACCESO team is made up of 193 full time positions (September 2012), which is broken down as follows:

Management:	3	Production:	113
Value added:	9	Marketing:	4
Business Skills & Finance:	10	Nutrition & Health:	15
Disaster mitigation/NRM:	2	M&E:	16
Administration/Accounts/IT:	16	Donations:	2
Renewable energy:	1	Policy:	1
Communications:	1		

The team is technical based. 136 technicians are directly related to income generating activities. All field activities are coordinated through 24 zone managers (agronomists) and 6 department managers. To reach the target of 30,000 families lifted out of poverty each agronomy position will eventually provide on-going technical assistance to an average of 300 families. As a result, technical assistance and training activities in production and animal husbandry are given in a group format, where the technician rotates the farm visits between growers in the same group. These are not formal groups but grouping of growers normally around buyer and market production programs and various crops.

Training and technical assistance in the related areas for economic development follow a similar system, including under marketing, postharvest, business skills, finance and renewable energy. Nutrition technicians also work under similar systems with training in group format and household visits playing a major role in fomenting change. Technical support to off-farm business is normally directed to the individual MSMEs with specific training being given both direct and in group format.

To speed up the implementation and expand outreach, ACCESO has made many alliances with municipalities, private sector buyers, input and equipment suppliers, NGOs, donors, government and others. Most have funds and donations to support the poor and extreme poor, but most do not provide integrated solutions nor quality technical assistance and training. For example, some municipalities donate fruit trees and some NGOs donate irrigation equipment, but on their own, neither will help families move out of poverty. ACCESO is able to bring together the different players to provide the integrated solutions.

The ACCESO team with zone managers, roving technical specialists and 12 community technical teams is actually structured with 11 sub-contractors under Fintrac's management. However, unlike many other projects, Fintrac provides overall management and direction of all zones, activities and technical areas. The structure ensures that all project technicians report to Fintrac managers, who set targets, provide oversight, training, support and direction. In this way, the project operates under one umbrella, moves in one direction, speaks the same language, is fully integrated and is focussed on the households and the targets. While some ACCESO sub-contractors would prefer more independence, multiple sub-contractors operating independently, either geographically or by technical area, would not be able to achieve integration.

3.3. INCOME GENERATION COMPONENT

The poverty line in Honduras has been established by the government as a minimum of \$2.42/day/person, while families with incomes below \$1.81/person/day are considered as extreme poverty. To take individuals above the poverty line requires an annual income of \$883/year – a six person family requires a minimum of \$5,298/year to move above the poverty line. With basic technologies maize generates a net income of around \$500 a hectare while beans can generate around \$700/hectare (assuming everything is sold). While the yields and incomes increase with technology adoption, farmers would still require 5 hectare plots to generate the required income levels. High value horticulture production with the basic production technologies generates around \$4,000/hectare. Growers would need to have access to at least 0.5 hectares of land, with year round water supply to produce two crops a year and at least \$5,000 annually to cover production costs. Poor and extreme poor growers when starting with ACCESO do not have these resources. Most have less than 0.5 hectares of land, grow coffee, corn and beans with zero technology and do not have access to water, finance or markets.

As a result, ACCESO is working with progressive strategies to generate income from multiple sources, and over time, introduce basic technologies to increase yields of basic grains and coffee, enter into production programs for higher value crops, diversify crops and markets and generate off-farm income where possible. Small scale household production plots and chicken, egg and milk production provide additional nutrient sources which do not need to be purchased and in some cases, can be developed into a small business to generate additional income. While it is projected that 75 to 85 per cent of income will come from high value crop production, other income sources have been factored in and generated.

Off-farm activities with small scale operations (MSMEs) are frequently groups or persons. In most cases, these small businesses alone do not generate sufficient income to lift families out of poverty, but they can contribute to the overall family income. Pickled vegetables, plantain chips, tortillas, crafts are good examples, but even with improvements in quality, reduced costs, legalization, bar codes, etc. the income generation is limited when split between numerous members or owners. Bakery and honey products are normally exceptions, where the margins are sufficient to generate higher levels of income. Efforts have been made to try to match project support to MSMEs with support to the same family members on on-farm production activities.

3.4. PRODUCTION ACTIVITIES

Subsistence level growers of basic grains and coffee are introduced to some basic production practices which double or triple traditional yields. For corn and beans, four of five basic practices are introduced with no or minimal addition input costs, but which do require more work:

Corn and beans:

- Basic land preparation and contouring where necessary
- Seed selection (with existing types)
- Specific planting distance with one seed per hole (high density)
- Fertilizer applications are applied in solution with more frequent applications (where fertilizers are used; the total volume of fertilizer used is equal to or less than that used traditionally)
- Weed control

Initially, most growers do not move completely to these practices, but instead “test” a small area in their production and then make comparisons. As mentioned previously, with increased yields the grower gains confidence in the basic technologies and, in subsequent plantings, can reduce the land area needed to obtain sufficient grains for self-consumption. The freed up area can then be used for higher value crops. Given that technologies are introduced gradually, the crops selected are usually those that can still perform without full technology, are not expensive to produce and can withstand rural roads in (normally) poor conditions. These usually include carrots, broccoli, cauliflower, squash, potato, plantain and others. Market driven production programs have been established with both formal and informal buyers; growers are introduced to these and normally start production with 1 or 2 tareas (1 tarea is equivalent to 1/23 of a hectare or 435 square meters). This again requires significant efforts in planting coordination between growers to ensure sufficient volumes are available at harvest to be able to fill pick-ups or trucks to minimize unit freight cost.

Coffee (existing plantations)

Basic production practices introduced for coffee production include:

- Liming of soils
- Diluted and more frequent fertilizer applications (where fertilizers are used)
- Plant pruning (after harvest)
- Control of soil-borne insects

With the implementation of three or four of these practices, productivity can be doubled on existing plantings. Practices are also being implemented to dry more coffee on farm with the aim of increasing incomes through increased productivity and increased value. However, most ACCESO coffee farmers will not generate sufficient income from coffee alone and these cases the project is promoting improved corn production systems and crop diversification.

3.5. NUTRITION AND HEALTH COMPONENT

As mentioned previously, the nutrition targets relate to the entire population in the six departments. ACCESO does not have the resources to work in all zones. A selection was made of priority communities based on the nutrition statistics (from the Ministry of Health) and the possibility of economic development activities (principally on-farm activities). In the majority of cases, communities with the highest nutrition problems were selected, under the basic premise that if these statistics can be improved the overall averages will also improve. This component is actually working in 215 communities, and while most are also involved in economic development activities with the project, it is not the case in all of them.

When the ACCESO project started, the Ministry of Health was implementing the AIN-C program (Atención Integral a la Niñez en la Comunidad) through service providers or directly. Through a system of health volunteers, the AIN-C carried out monthly weighing of children under two years old, provided basic advice and messages and tabulated the statistics for the Ministry of Health. In most cases the detailed data was not being utilized to determine the cause of problems nor was assistance provided at the household to prevent problems. Initial data analysis showed that at least half of the underweight children were due to preventable illnesses, with the remainder being due to lack of balanced diet, calories, nutrients and vitamins. Since January 2012 the AIN-C program has not been implemented by

the government. ACCESO has continued with the AIN-C meeting and the volunteers in the communities where ACCESO is working and has expanded it to provide additional training to the volunteers, include them in the economic development activities, and expand the activities to the household level.

Solutions to the basic problems cannot be achieved with messages and basic training as changes are needed in culture, diet and habits. The nutrition component implementation systems are similar to those used in economic development. A wide range of training activities are carried out in groups, from the preparation of fortified foods and meals, to ensuring a balanced diet, basic hygiene and using locally available food items. Training activities are reinforced with household visits to implement recommendations and procedures. In order to be successful, repeated training and visits are needed until the improvements form part of day to day activities.

The sources of preventable illnesses are determined and where possible, eliminated. The project has an integral “healthy household” activity to eliminate smoke from cooking fires, cover dirt floors and walls with a cement mix, ensure clean water inside the house, use waste disposal methods, and keep animals outside (particularly chickens and pigs). Once solutions are implemented to these problems they are usually permanent and do not require constant re-enforcement.

Activities also include the planting of home plots, with crops that are needed to supplement the nutritional needs. These are crops which do not require the purchase of expensive hybrids seeds nor pesticide applications to ensure production and from which planting materials can be taken from the plants themselves. They include both short and long term crops such as sweet potato, malanga (taro), banana, plantain, passion fruit, avocado, orange, mandarin, and locally available “weeds” high in iron (amaranthus, chipilin, juniapa, etc.). These plots range from 100 to 400 m² and are not commercial plots. They involve land preparation, beds, plantings distances, weeding and several of the basic practices used under commercial production systems, but this is to ensure production volumes not commercial viability. They are normally managed by the women of the household but the men are also becoming involved. Some of these plots have also been planted in schools and centres where the AIN-C meetings are held, for use by the volunteers and mothers with the training activities.

3.6. INTEGRATION OF THE TECHNICAL COMPONENTS

The integration of technical components is key to ensure targets are achieved. Examples include:

- Production / Nutrition – household plots
- Nutrition / Renewable energy – installation of eco-justa stoves, bio-digesters
- Nutrition / NRM – community potable water & “clean community” programs
- Nutrition / Processing / value added – recipe development for short term processing and storage
- Nutrition / Animal husbandry – milk and chicken egg/meat production
- Production / Disaster Mitigation – Improving market access by preventing floods, landslides, road damage, etc.
- Production / Finance – Access to credit for market based production
- Production and Processing / Business skills – record keeping, cost controls for income generating activities
- Renewable Energy / Processing – Solar Dryers

ACCESO production technicians are also involved in giving basic nutrition messages during production trainings. Nutrition technicians are learning the basics for household production plots. Men are being included in the nutrition and health activities – not just the women.

3.7. MONITORING AND EVALUATION

3.7.1. M&E Unit

The USAID-ACCESO M&E team consists of one M&E Manager, four regional M&E Specialists, nine field-based M&E Technicians, and two Data Entry Specialists. In addition to the designated M&E team, each project field technician is required to report on their own activities (and results in certain cases), which accounts for around 5 percent of their time.

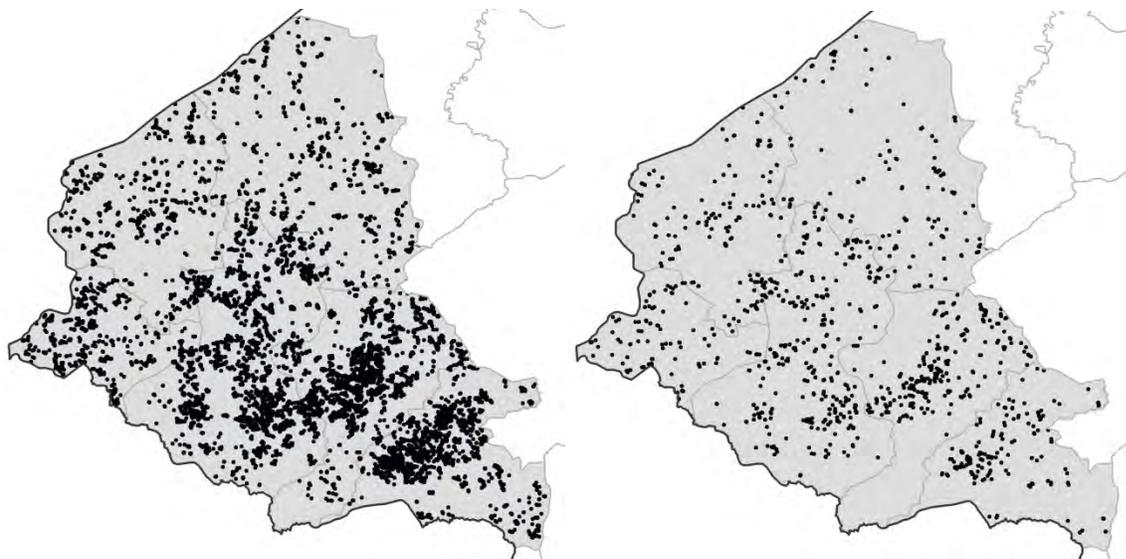
3.7.2. CIRIS

The Client Impact and Results Information System (CIRIS) is Fintrac's proprietary database software used to monitor all project activities and results. Activities such as technical assistance, plantings, training events, technologies in use and meetings are entered directly into the system by field staff, while more complex surveys covering outcome and impact indicators are collected and entered by designated M&E staff. Nearly all figures in this report are derived from primary information entered into CIRIS.

3.7.3. Sampling

Due to the high number of targeted households, USAID-ACCESO has implemented a system of random sampling to collect baseline and subsequent results information from a representative sample of project-assisted households. As the entire population of targeted households was not known from the outset of the project, USAID-ACCESO designed the sample to grow over time, incorporating new households as they entered the project. The first sample was established in December 2011 for all households entering the project until that time; a second round was established in May 2012. Samples were conducted as simple random samples making each household eligible for selection. To date, 1,515 households have been selected into the sample, representing a 95% confidence level and 5% margin of error while also accounting for potential attrition due to a variety of factors.

The following maps depict the total client population as compared to the random sample. The random sample achieves representative distribution geographically, as well as within primary demographic subgroups.



3.7.4. Data Collection Process

USAID-ACCESO employs a variety of data collection tools (examples attached in Annex V) to report on the required indicators outlined in the PMP. Upon entry into the program, a Household Profile Form is collected to capture basic demographic information pertaining to the household (i.e. location, household structure, gendered household type) as well as a brief survey on income over the year prior to technical assistance. The income survey is used to categorize the household as extreme poor, poor or non-poor. Once the profile form has been collected, field technicians (production, postharvest, business skills, value-added, health & nutrition) begin providing technical assistance and training to the household which is reported directly into CIRIS and/or reported through training forms.

For households which are selected into the sample, a baseline form is collected to capture crop-specific information (i.e. area, production, sales, costs, net income), technologies and management practices, maternal and child health and nutrition (dietary diversity) and off-farm income. The results of this baseline form are entered into CIRIS. Once a household has been selected into the sample, the M&E team begins a process of on-going monitoring of the activities of the household. Training forms are completed and submitted regularly to the central office for entry of trainee names and national identification numbers. Additionally, new planting information for crops is reported into CIRIS directly by field technicians as they occur. Based on estimated harvest dates, the M&E team collects crop productivity/end-of-harvest forms following the close of each crop cycle. These forms are used to derive crop yields, sales, cost of production, net income and technology adoption.

Towards the end of the fiscal year, another data collection effort is organized to collect follow-up information on maternal and child health and nutrition indicators and off-farm income. Crop income and off-farm income are then combined to determine the income per person per day for each sampled household and determine if they have moved out of poverty.

3.7.5. Challenges

Classification of Poor/Extreme Poor/Non Poor: as a targeting mechanism, USAID-ACCESO has completed more than 15,200 profile forms (described above) over the past year to identify each

individual household as extreme poor, poor, or non-poor. However, accurately determining the poverty level of a household requires a significant amount of time and resources and has been difficult to manage on a census basis.

Number of Indicators: the current USAID ACCESO-PMP consists of 33 indicators, 13 of which are custom indicators (not in the FTF handbook), and 8 of which will also be collected through the Population Based Survey (PBS) undertaken by IFPRI. During the FTF Workshop held in October 2012 (during the preparation of this report), there was also discussion of adding another indicator on gross margin. While it is recognized that each of the indicators in the PMP is relevant to the project, each of them requires a unique method of collection and calculation. And combined they require a significant amount of time and resources to collect and report. While every effort is made to reduce this effect, at times the quantity of data comes at the expense of the quality of data.

Levels of Disaggregation:

Stringent Indicator Definitions: over the past year, the official list of Feed the Future indicators has undergone a process of revision and standardization, which was not complete during the finalization of the USAID-ACCESO PMP. Therefore, many indicator definitions that were adopted in the USAID-ACCESO PMP are more stringent than the actual standard FTF definitions. For example, the indicators related to the adoption of technologies and management practices require adoption of at least 5 technologies under the USAID-ACCESO PMP, while the FTF guidelines require adoption of just one technology.

3.7.6. Possible Modifications

Classification of Poor/Extreme Poor/Non Poor: discussion will be held with USAID to enable ACCESO to perform the remainder of the poverty level classifications on a sample basis, which would determine the proportion of extreme poor, poor, and non-poor to the total population. Each household would still have a profile form, but without the income survey.

Number of Indicators: ACCESO will propose to USAID a revisit to the list of indicators with the purpose of focusing primarily on the core indicators and ensure that they are collected as accurately as possible.

Stringent Indicator Definitions: ACCESO will propose to USAID a revision of the indicator definitions of its PMP to coincide with the language contained in the FTF indicator handbook.

Simple Random Sampling: the initial rounds of sampling were conducted as simple random samples, meaning that all households were eligible for selection into the sample. While this method is more statistically rigorous, the resulting sample included many households that were located in remote regions far away from other sampled households. For logistical reasons, future samples will be conducted using a clustered approach, whereby sampled households will be located in close proximity to one another, to allow for more surveys to be collected in a more resource and time efficient manner.

4. HIGH LEVEL TARGETS

ACCESO has high level targets for September 2012 which include 6,000 families lifted above the poverty line, \$14.79 million in new net income across the project, and 2,085 new employment positions generated. Results against these targets are summarized in Table 1.

	Achieved	Target	Percent of Target
PIRS# 1: Number of households living in poverty moved above the poverty line	1,183	6,000	20%
PIRS# 2: Number of rural households living in extreme poverty moved above the poverty line	834	4,500	19%
PIRS# 3: Value of new net income of participant rural farmers and MSMEs	\$7.11 million	\$14.79 million	48%
PIRS# 4: Number of jobs attributed to FTF implementation	2,332	2,085	111%
PIRS# 5: Value of incremental sales (collected at farm/firm level) attributed to FTF implementation	\$12.41 million	\$26.73 million	46%

4.1. NUMBER OF HOUSEHOLDS MOVED OUT OF POVERTY

This indicator is calculated by taking the total net income of a family, dividing by the number of members of that family and then dividing by the number of days in the reporting period to derive a net income per person per day. This figure is then compared against the national poverty line of Honduras, equivalent to \$2.42/person/day to determine if that family has moved out of poverty. The extreme poverty line is \$1.81/person/day. The income consists of farm income, collected through end-of-harvest forms for crops harvested and sold during the reporting period, and other sources of family and off-farm income, derived through a results follow-up survey.

This target is for those households that have received at least six months of assistance from the project; it therefore applies only those who were registered prior to March 31, 2012. At that point there were 11,716 households registered with baseline incomes below the poverty line. Of these, 1,183 have achieved household incomes to move above the poverty line, of which 834 moved from extreme poverty. These changes are below the targets set and are discussed later in this section.

Calculations for the number of households moved above the poverty line were made using the ACCESO PIRS definition, where net incomes have to be above \$2.42/day/person. When the standard FtT indicator is used, a total of 1,945 households starting with less than \$1.25/day/person were moved above this income level. In addition, the majority of the jobs attributed to FTF implementation came from the off-farm enterprises (61 percent) and non-poor farm enterprises (9 percent). It is estimated that around 90 percent of these jobs created are filled by persons who are not ACCESO client households. The other 30 percent of the total jobs created were at the farm level with poor and extreme poor client households; of these, we estimated that 50 percent was filled by ACCESO client households. In summary, of the 2,332 jobs an estimated 1,800 jobs were taken by persons who are not ACCESO client households and who have not been counted in the number of household moved above the poverty line.

4.2. VALUE OF INCREMENTAL SALES/NEW NET INCOME

The value of incremental sales is calculated as the difference in total farm and firm sales of products and services sold in reporting year, relative to a base year. New net income is calculated as the total value of sales of both on- and off-farm products or services provided minus cost of producing or providing them, relative to a base year.

Data for these two indicators are provided in Tables 2 and 3. The value of incremental sales increased by \$12.41 million against a target of \$26.73 million, while the value of new net income increased by \$7.10 million against a target of \$17.79 million.

Income Group	Number	Baseline	Results	Increment
Extreme Poverty	10,677	18,025,804	26,135,488	8,109,684
Poverty	1,039	4,022,925	4,360,619	337,694
Non Poor	1,462	17,546,539	19,243,586	1,697,047
MSME	322	7,239,098	9,500,839	2,261,741
Total	13,500	46,934,366	59,240,532	12,406,166

Income Group	Number	Baseline	Results	Increment
Extreme Poverty	10,677	13,074,164	18,553,517	5,479,353
Poverty	1,039	3,055,874	3,166,604	110,729
Non Poor	1,462	12,817,953	12,807,964	-9,989
MSME	322	1,031,795	2,557,539	1,525,744
Total	13,500	29,979,787	37,085,624	7,105,837

As evident from the data presented, households living in extreme poverty represent the majority of the client household base and contribute the most to incremental sales and income at 65 percent and 77 percent respectively. Sales of crops proved to be the most significant, with 79 percent of incremental sales being derived from the increased production and sale of coffee and diversification into high-value horticultural crops such as potato, tomato, cabbage, cucumbers and carrots, among others. Interestingly, sales of basic grains (primarily maize and beans) showed a decline from the baseline. This is likely also due to the diversification into high-value horticulture as planted areas of basic grains decreased to incorporate other crops and/or low market prices of basic grains, but could also be a result of under-reporting.

4.3. NUMBER OF JOBS ATTRIBUTED TO FTF IMPLEMENTATION

The number of jobs attributed to FTF implementation is calculated by comparing the number of full-time-equivalent employment positions to a base year. While the indicator definition excludes employment lasting less than 30 continuous days, the nature of agriculture (and particularly horticulture) is seasonal and does not require continuous employment except on behalf of the grower. Therefore, employment positions lasting more than 30 days are rare, especially given the profile of households in poverty and extreme poverty. That having been said, the generation of both paid and unpaid labor is evident on a smaller scale.

Category	Baseline	Results	Increment
Extreme Poverty/Poverty/Non Poor	2,438	3,355	917
MSME	2,223	3,638	1,415
Total	4,661	6,993	2,332

A total of 2,332 FTE employment positions were created against a target of 2,085. MSMEs accounted for 61 percent of the total and client households accounted for the remainder. When counting unpaid labor on-farm, USAID-ACCESO generated more than 5,463 total FTE positions.

4.4. FACTORS AFFECTING ACHIEVEMENT OF HIGH-LEVEL RESULTS

ACCESO clients are principally subsistence farmers with corn and bean production for self-consumption with small areas of coffee production. Some may have vegetable production. All are characterized by no or very limited production technologies, low yields, variable quality, inconsistent supplies, etc. This is compounded by the lack of access to credit and poor transport infrastructure, particularly during the rainy season. Many have passed through NGO assistance programs with donations, but with little or no technical assistance. This has required that ACCESO gain the confidence in the households to make the changes in traditional practices and in some cases, changes in culture. Most growers that enter the program “test” the updated technologies with corn and bean in small areas of land, then see the 2- or 3-fold increases in productivity, and expand the basic technologies to the rest of the production area. Area freed up as a result of increased basic grain yields can then be used to plant higher value crops. In reality, this process is taking longer than anticipated as the rate of expansion and diversification is lower than expected as growers revert to traditional systems as they require less work, do not have access to water or credit or are simply not willing to take the required risks. Many growers are now diversifying, but the areas under production and the volumes produced are not yet always sufficient to generate the income required to move above the poverty line. In order to reduce risks, the project is promoting mixed income sources which include corn, beans, coffee and higher value crops, all with basic technologies to enable acceptable yields and reduced climate, pest and market risks. Where possible, other business opportunities are being promoted which, on their own, will not generate the required income, but should do so in association with the other main production activities. These include household milk, chicken, egg and fish production, which traditionally produce low yields and negligible income, but which are also being increased with basic changes in production technologies.

Proportion of households in extreme poverty: initial targets for moving households above the poverty line were set based on an estimated 40 percent poor households and 60 percent extremely poor households as a proportion of the total client household base. Of the households which are below the poverty line receiving USAID-ACCESO support to date, 92 percent are classified as extreme poor while just 8 percent are considered poor. Extremely poor households not only are further from the poverty line (requiring additional sales and net income to reach the expected targets), but they are also more limited in resources and the capacity to invest in inputs and therefore more risk adverse. Therefore, moving extremely poor households out of poverty is a process that will take more time than originally envisioned, but still achievable in the out years of the project.

Coffee: coffee is planted by more than 45 percent of USAID-ACCESO client households and represents more than 50 percent of total area with nearly 7,000 hectares currently under production. Therefore, coffee represents a major source of income for the average ACCESO household and has the potential to earn \$3,000 to \$4,000 in net income per hectare with proper crop management and value-added techniques. The technologies and management practices being transferred are primarily the application of lime (to regulate the pH of the soil), dissolved fertilization, and pruning in terms of production, and de-pulping and drying in terms of value-added. However, due to the nature of the crop, corresponding increases in production can take 12-18 months to respond significantly to the improved practices. Therefore, the results of work in coffee will be reflected over the next two harvest cycles. Also, increased prices resulting from improved value-added technologies require investment on behalf of the farmers.

Market Prices: Over the past year, market prices for maize and beans (which represent two of USAID-ACCESOs most significant crops in terms of area planted) reduced by an average of 15% and 35% respectively from the baseline. Price reduction had also a negative impact on some high valued crops promoted by ACCESO including cabbage, lettuce and plantain with reductions of up to 54%, even when taking into account increases in yields and reductions in unit costs of production.

Input Costs: agricultural inputs such as fertilizers and pesticides have increased between 8% to 12% during the last year, along the lines of the increases in international oil prices. This, coupled with increased transport costs, has lowered the income potential.

5. HIGHLIGHTS OF ACTIVITIES AND RESULTS

This section highlights some of the activities and results achieved by the project across the areas of intervention during the reporting period. It details the actions taken by ACCESO to meet the intermediate (IR) and sub-intermediate results (sub-IR) established in the contract, and presents the project's progress in achieving milestones and output indicators. The IRs are as follows:

- Rural MSME growth increased (*IR 2.1*).
- Honduran biodiversity and natural resources conserved (*IR 2.2*).
- Capacity to mitigate and adapt to climate change strengthened (*IR 2.3*).
- Use of quality maternal and child health and family planning services increased (*IR 4.1*).

5.1. PROJECT CLIENTS

As of September 2012, a total of 19,373 clients were registered with the project and receiving technical assistance. Details on the number of clients recruited by quarter are provided in Table 5.

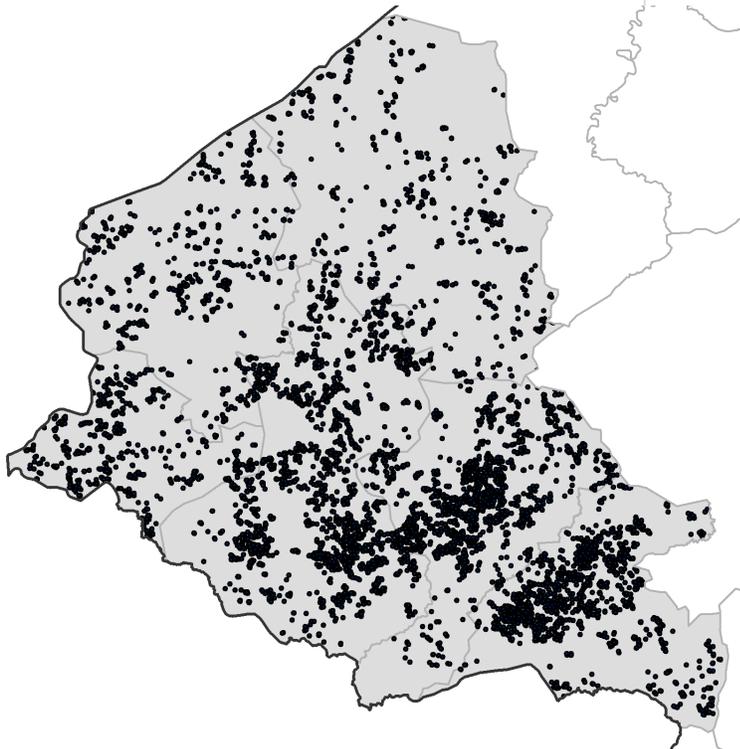
Table 5. Project Client Breakdown
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Client Type	Sep. 2011	Dec. 2011	Mar. 2012	Jun. 2012	Sep. 2012	Total	%
Household: Extreme Poor	3,600	3,283	2,683	1,523	1,021	12,110	82%
Household: Poor	362	321	241	116	70	1,110	8%
Household Non-Poor	712	342	243	120	84	1,501	10%
Household: tbd	128	350	691	986	1,781	3,936	
Household MSMEs: Extreme Poor	16	39	50	6	21	132	69%
Household MSMEs: Poor	5	4	6	1	4	20	10%
Household MSMEs: Non- Poor	15	7	13	3	1	39	20%
Household MSMEs: tbd	7	11	49	26	13	106	
MSMEs: Microenterprise	69	42	90	40	28	269	92%
MSMEs: Small Enterprise	7	8	5	2	0	22	8%
MSMEs: tbd	32	29	40	14	13	128	
TOTAL	4,953	4,436	4,111	2,837	3,036	19,373	
% of Female registered clients							19%

As of September 2012, 13,372 households have been categorized as being poor or extremely poor prior to receiving technical assistance and training from the project. This however does not include households for which income profiles remain to be collected (to date, the profile information is to be collected from all households). Assuming the percentage distribution remains the same in the “tbd” groups, the total number of households below the poverty line is 17,000 (15,543 extremely poor, 1,457 poor). In addition the project is working with 1,954 non-poor and 419 small and microenterprises.

The project is working in just over 2,500 communities in 129 municipalities in the six departments (Table 6).

Department	# Municipalities	# Communities
Copán	23	380
Intibucá	15	390
La Paz	19	395
Lempira	28	550
Ocatepeque	16	355
Santa Barbara	28	440
Total	129	2,510

Figure 1: Geographical coverage

A GPS map of client households is provided in Figure 1.

5.2. RURAL MICRO, SMALL AND MEDIUM ENTERPRISE GROWTH INCREASED (IR 2.1)

USAID-ACCESO's main activities and interventions are targeted towards achieving increased household incomes through MSME growth. Not only will increased incomes and increased productivities at the household level have a positive effect on the communities' overall economic growth, it will also increase client purchasing power to reduce the food insecurity situation in western Honduras and the related health problems.

In this section, USAID-ACCESO is reporting on activities that are directly contributing to three of USAID sub-intermediate results (Sub IRs). These are:

- Rural MSMEs access to inputs, practices, and technology for market participation improved (Sub IR 2.1.1).
- Rural MSMEs access to new market opportunities increased (Sub IR 2.1.2).
- Barriers to competitiveness of rural MSMEs improved (Sub IR 2.1.3).

5.2.1. RURAL MSMEs ACCESS TO INPUTS, PRACTICES, AND TECHNOLOGY FOR MARKET PARTICIPATION IMPROVED (SUB-IR 2.1.1)

The greatest impact on the livelihoods of USAID-ACCESO-assisted households occurs when market-driven production programs are implemented with the basic production practices to enable access to markets and buyers. Competitive, consistent, and coordinated production operations with defined markets are critical to ensuring increased incomes, the ability to continue generating incomes and resilience to climatic conditions, pest and diseases and price fluctuations. To achieve this goal, a range of

activities are being implemented by the project. This principally involves the provision of technical assistance and training to on- and off-farm MSMEs to implement technology and updated production practices; expand direct links with markets and buyers; work with groups of growers to introduce market-led production programs and the logistics requirements; develop private sector alliances; and increase the technology transfer capacity, knowledge and process of local NGOs, agricultural schools, and the private sector.

Implementation of updated production technologies (on- and off-farm)

The status of activities in the Project Monitoring Plan (PMP) under this component during the reporting period and the year to date is provided in Table 7.

Table 7. Rural MSME access to inputs, practices and technology for market participation					
Indicator	Year 1. May to Sept. 2011	Oct. 2011 to Jun. 2012	Jul. to Sept. 2012	Year 2. Oct. 2011 to Sept. 2012	Total to Date
WP # 1: Number of individuals who have received government-supported short-term agricultural sector productivity or food security training ¹					
	7,723	15,671	-	15,671	23,394
WP # 2: Number of extension visits to program beneficiaries:					
	13,571	92,465	42,375	134,840	148,411
WP # 12: Number of technical materials produced (bulletins, manuals, presentations and tools):					
	63	80	62	142	205
WP # 10: Number of MSMEs (off-farm and processing) assisted by project					
	285	353	64	417	702
PIRS # 6: Value of new private sector investment in the agriculture sector or food chain leveraged by FTF implementation (\$ millions)					
	0.079	1.877	1.141	3.018	3.097
WP # 11: Number of female individuals in training activities ¹					
	2,203	5,728	-	5,728	7,931
PIRS # 7: Number of farmers and others who have applied new technologies or management practices as a result of government assistance					
	-	35	4,557	4,557	4,592
¹ , data entry for individuals trained for July to September 2012 has not yet been carried out as priority was given to data entry for high level targets.					

The status of activities in the Project Monitoring Plan (PMP) for years 1 and 2, against target is provided in Table 8.

Table 8. Rural MSME access to inputs, practices and technology for market participation							
PIRS/WP #	Year 1 (Apr. to Sep. 2011)		Year 2 (Oct. 2011 to Sep. 2012)		Total To Date		LOP Target
	Target	Achieved	Target	Achieved	Target	Achieved	
WP # 1: Number of individuals who have received government-supported short-term agricultural sector productivity or food security training							
	-	7,723	15,136	15,671	22,859	23,394	55,000
WP # 2: Number of extension visits to program beneficiaries:							
	-	13,571	103,200	134,840	116,771	148,411	378,400
WP # 12: Number of technical materials produced (bulletins, manuals, presentations and tools):							
	-	63	75	142	138	205	225
WP # 10: Number of MSMEs (off-farm and processing) assisted by project							
	-	285	322	417	607	702	805

PIRS/WP #	Year 1 (Apr. to Sep. 2011)		Year 2 (Oct. 2011 to Sep. 2012)		Total To Date		LOP Target
	Target	Achieved	Target	Achieved	Target	Achieved	
PIRS # 6: Value of new private sector investment in the agriculture sector or food chain leveraged by FTF implementation (\$ millions)							
	-	0.079	4.320	3.018	4.399	3.097	21.60
WP # 11: Number of female individuals in training activities							
	-	2,203	2,100	5,728	4,302	7,931	8,300
PIRS # 7: Number of farmers and others who have applied new technologies or management practices as a result of government assistance							
	-	-	4,410	4,557	4,410	4,592	22,050

WP # 1: Number of individuals who have received government-supported short-term agricultural sector productivity or food security training / WP # 11: Number of female individuals in training activities

A total of 23,394 individuals have been registered under agricultural or food safety training activities (Table 9). This is above the target of 22,859 for September 2012. As would be expected, production accounts for the highest percentage (69 percent), followed by business skills (6 percent) and nutrition and health (6 percent). Names and identification numbers for each participant are taken from training logs and entered one by one in the CIRIS M&E program; identification numbers are then used to determine the number of individuals. Individuals may have participated in one or multiple training events.

AREA	Female	Male	Total
Farm certification	34	94	128
GlobalGAP certification	24	89	113
Renewable Energy	209	49	258
Finance / Credit	19	36	55
Forestry		5	5
Business Skills	772	723	1,495
Market Information	12	35	47
Research	23	25	48
Natural Resource Management	158	552	710
Disaster Management	66	180	246
Health and Nutrition	1,196	251	1,447
Postharvest	107	348	455
Disaster Mitigation / Prevention	27	62	89
Processing	706	95	801
Production	4,118	12,087	16,205
Animal Production	164	271	435
Project Implementation/Results	296	561	857
Total	7,931	15,463	23,394

Note: data entry by participant ID has been carried out up to June 2012.

For reference purposes, a total of 19,694 training events have been carried out up to September 2012 with 199,627 participants (67,636 female and 131,991 male) (Table 10). Production training accounts for the highest percentage of participants (66 percent), followed by nutrition and health (12 percent) and

business skills (8 percent). Participant numbers and sex are recorded directly in the CIRIS M&E program; names and identification numbers are not recorded.

AREA	Events	Total
Farm certification	61	887
GlobalGAP certification	46	630
Renewable Energy	88	1,219
Finance / Credit	73	985
Forestry	27	313
Business Skills	1,550	16,268
Market Information	60	1,035
Research	4	67
Natural Resource Management	221	3,368
Disaster Management	2	1,090
Health and Nutrition	1,421	23,124
Postharvest	232	2,967
Disaster Mitigation / Prevention	31	826
Processing	809	7,447
Production	14,400	131,544
Animal Production	449	4,591
Project Implementation/Results	220	3,266
Total	19,694	199,627

WP # 2: Number of extension visits to program beneficiaries:

A total of 148,411 technical assistance visits have been made against a target of 116,771. The majority of these are under the production component (82 percent) and nutrition and health (6 percent).

Component	# Visits
Certifications	477
Renewable energy	590
Finance / Credit	551
Forestry	162
Business Skills	4,523
Disaster Mitigation/Management	464
Natural Resource Management	962
Marketing	893
Nutrition and Health	8,247
Postharvest	1,469
Processing	6,758
Production	121,671
Animal Production	1,516
Project Implementation/Results	128
Total	148,411

WP # 12: Number of technical materials produced (bulletins, manuals, presentations and tools):

A total of 205 technical materials have been produced against a target of 138. Business skills materials (particularly costs of production) and production (fertilization calendars and bulletins) were the principal areas. Materials include 89 bulletins, 84 technical presentations, 21 Excel tools, plus manuals, posters, surveys and toys (jigsaws for nutrition and health training centers).

Technical Area	Grand Total
Animal Production	6
Business Skills/Finance	81
Disaster Mitigation	21
Forestry	2
Marketing	6
NRM	6
Nutrition & Health	8
Postharvest	8
Processing	5
Production	59
Renewable Energy	3
Total	205

WP # 10: Number of MSMEs (off-farm and processing) assisted by project

- A total of 702 off-farm and processing MSME are being provided technical assistance and training by the project against a target of 607. These include 412 small and micro scale companies, 271 rural banks, and 19 others.

PIRS # 6: Value of new private sector investment in the agriculture sector or food chain leveraged by FTF implementation (\$ millions)

- A total of \$3.10 million of private sector investment has been made against a target of \$4.399 million (excludes ACCESO investments). This is below the target, but is still a significant investment in fixed assets. 4,880 individual investments have been made with the majority in production, processing, animal production, nutrition and health and renewable energy.

Area	Client	Project	Other	Total	%	#
Certifications	1,842	0	0	1,842	0.1%	1
Renewable Energy	53,592	47,958	17,575	119,125	3.7%	731
Finance / Credit	95	0	0	95	0.0%	1
Forestry	21,736	0	105	21,841	0.7%	21
Business Skills	1,160	0	0	1,160	0.0%	3
Dairy Production	1,316	0	0	1,316	0.0%	1
Dairy – Processed	2,737	0	526	3,263	0.1%	2

Area	Client	Project	Other	Total	%	#
Logistics	210	0	0	210	0.0%	1
Natural Disaster Management	17,100	12,315	74,340	103,755	3.2%	10
Natural Resource Management	9,896	103	2,929	12,928	0.4%	20
Marketing	3,158	0	1,684	4,842	0.2%	2
Nutrition and Health	15,710	25,282	776	41,768	1.3%	784
Family Planning	0	62	0	62	0.0%	2
Postharvest	36,029	8,711	600	45,340	1.4%	43
Processing	524,978	0	49,753	574,731	18.0%	196
Production	1,801,018	9,280	278,115	2,088,413	65.3%	2,848
Animal Production	141,624	0	30,371	171,995	5.4%	209
Project	363	0	0	363	0.0%	2
Services	7,423	0	0	7,423	0.2%	3
Total	2,639,986	103,710	456,774	3,200,471	100.0%	4,880

PIRS # 7: Number of farmers and others who have applied new technologies or management practices as a result of government assistance

A total of 4,592 farmers and others have applied new technologies or management practices, against a target of 4,410. Under this indicator the farmer or other has to implement a minimum of five of the technologies and practices. This was measured as part of the M&E sampling process carried out in August 2012 and extrapolated for the project clients which started receiving technical assistance prior to March 2012.

Additional information of interest includes:

- The project has promoted new crop diversification alternatives (from basic grains and coffee), based on the potential of each specific region in terms of crop development, cost of production, and availability and proximity to logistics and markets. Since most of the farmers are new to these crops, they start with very small plots with the project technicians guiding them in every step of the production process.
- The main crops receiving project assistance are coffee (the majority under production with some new plantings), basic grains (to secure food supply) and higher value fruits and vegetables (for income generation). A total of 358 hectares out of the 758 planted during the quarter (47 percent) represented basic grains, followed by 275 hectares of fruits and vegetables (36 percent) and coffee (17 percent). The area under fruits and vegetables has gradually increased, but at a slow rate due to the very small plot size, limited finance and the lack of irrigation. This will begin to increase faster as the project's investments in irrigation become operational over the next six months, and growers (and neighbors) see the initial results.

Value Chain	May to Sept. 2011	Oct. 2011 to Jun. 2012	Jul. to Sept. 2012	Oct. 2011 to Sept. 2012	Total to Date
Fruits and Vegetables	658	708	275	983	1,641

Coffee	8,232	854	125	979	9,211
Grains	2,140	4,050	358	4,408	6,548
TOTAL	11,030	5,612	758	6,370	17,400

- Crops with the highest area of new plantings by USAID-ACCESO client households during the reporting period include corn, beans, watermelon, coffee, potato, cabbage, rice, plantain, pickling cucumbers, and tomato. Details are presented in Table 15.

Crop	Year 1. May to Sept. 2011	Oct. 2011 to Jun. 2012	Jul. to Sept. 2012	Year 2. Oct. 2011 to Sept. 2012	Total to Date
Corn	1,433.5	3,226.2	133.7	3,359.9	4,793.4
Coffee	682.0	853.9	125.1	979.0	1,661.1
Beans	433.4	768.7	222.1	990.8	1,424.2
Potato	78.7	156.7	47.6	204.3	283.0
Plantain	33.6	56.4	13.7	70.1	103.8
Watermelon	14.3	95.3	0.5	95.7	110.1
Cabbage	10.0	44.5	8.0	52.5	62.5
Rice	5.5	29.2	0.4	29.6	35.1
Cucumber	0.1	6.1	42.5	48.6	48.7
Carrots	10.6	27.7	7.0	34.5	45.3
Pineapple	3.7	0.9	3.3	4.2	7.9
Tomato (processing)	8.0	22.6	8.3	31.0	39.0
Onion	3.1	43.5	3.4	47.0	50.1
Passion fruit	0	7.5	4.2	11.7	11.7
Others	143.5	272.6	138.4	411.0	554.5
Total new plantings	2,860.1	5,611.8	758.3	6,370.1	9,230.2

- Given the economic limitations of client households (poverty and extreme poverty), one of the project's greatest challenges is to achieve competitive yields and acceptable quality with low or no additional costs. The project has taken a similar approach to working with both basic grains and higher value vegetables. The practices recommended by ACCESO focus on the efficient and proper use of inputs, rather than encouraging farmers to use more or additional inputs, and prevention of problems before they occur. The application of basic production practices, such as land preparation, seed selection, planting densities, weed control, and the introduction of fertilization where feasible enables the first jump in productivity with minimal increases in cost.
- More than 11,200 growers made new plantings from October 2011 to September 2012. Most farmers, 7,942, planted corn, beans, and rice, and 1,817 planted coffee. There were 3,954 growers who planted high-value crops, with an average plot size of 0.37 hectares per planting, and ranging from 0.01 to 8.4 of a hectare. These included potato, pickles, plantain, watermelon, cabbage, cucumber, onion, tomato, carrot and passion fruit. Technical assistance was provided to client households in production systems, marketing, postharvest handling, certification, processing, and off-farm activities. Overall, since the project began, 4,074 growers have planted

high value crops, 7,573 have planted corn, 4,595 planted beans, 2,976 have planted coffee, 7,090 have existing coffee plots.

- Examples of the many income generating projects now in implementation, development or analysis include:
 - *Vegetables for supermarkets and distributors*: ACCESO growers in all six departments have calendarized production programs for formal local market buyers.
 - *Allspice*: through postharvest and marketing assistance, first time direct exports to the US; semi-mechanized systems introduced to reduce harvesting and preparation costs.
 - *Bean project*: a bean production project for export is being implemented.
 - *Oriental egg-plant*: production operations trialed; outgrower production program established with an exporter.
 - *IQF snow peas*: process and cost structures were developed with liquid nitrogen IQF; samples were prepared for marketing trials.
 - *Snow pea and sugar snap pea*: production trials carried out and commercial production under an outgrower program; being redesigned for 2013 season.
 - *Organic fresh herbs*: production and small-scale export trials carried out.
 - *Dried aromatic herbs*: basic drying process and cost structures were developed using solar coffee drying infrastructure in Lempira; samples were prepared for marketing trials.
 - *Frozen French fries and potato chips*: product development, specific gravity measurement, and market links using new potato varieties with high dry matter content suitable for these applications.
 - *Pepper mash project*: technical advice provided to processor and outgrower production program established.
 - *Processed products*: a wide range of processed products now have reduced production costs, improved packaging and presentations and market access, including processed garlic, raw sugar, honey, tortillas and a wide range of bakery products.
 - *Fat wood*: forestry groups are now preparing fat wood with export specifications and selling to an exporter.
 - *Animal products*: ACCESO introduced feed production has reduced costs by up to 50 percent, small scale silo packs have been introduced for dry season fodders, low cost poultry coops and feeding equipment have been introduced.
- New product development to support USAID-ACCESO's nutrition and health activities: new products were developed using the project's pilot kitchen included dehydrated local fruits, dried cassava, sweet potato and plantain flours; snow pea, snap pea and (high altitude) banana purees. These have been tested for acceptability and shelf-life stability.

Private sector alliances and integration of private sector equipment, input and service providers

The status of activities in the Project Monitoring Plan (PMP) under this component during the reporting period and the year to date is provided in Table 16.

PIRS/WP #	Year 1 (Apr. to Sep. 2011)	Year 2 (Oct. 2011 to Sep. 2012)	Total To Date	LOP Target
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	Target	Achieved	Target	Achieved	Target	Achieved	
PIRS # 30: Number of organizations / companies providing business development / extension services to MSMEs							
	23	-	70	55	93	78	465
PIRS # 32: Number of public-private partnerships formed							
	10	1	25	11	35	12	50
PIRS # 33: Number of private sector alliances developed							
	2	2	8	12	10	14	15

PIRS # 30: Number of organizations / companies providing business development / extension services to MSMEs

A total of 78 organizations and companies are providing business development or extension services to projects MSMEs, against a PMP target of 93. These include input and equipment suppliers, cooperatives, foundations, and others (details are provided in the ACCESO PMP Excel file 09/2012).

PIRS # 32: Number of public-private partnerships formed / PIRS # 33: Number of private sector alliances developed

A total of 12 public-private partnerships have been formed to date, against a target of 35 and 14 private sector alliances against a target of 10. Details are provided in the Table 17. Copies of the alliances are available on the ACCESO Intranet site at:

<http://www.fintrac.com/acceso/show.aspx?pid=22&cid=330&h=Project Management&ord=d&sort=date>

Table 17. Alliance Agreements			
Public-Private		Private Sector	
Date	Organization/Company	Date	Company
Jul. 2011	SwissContact	June 2011	VECO MA
Mar. 2012	OCDIH	Sept. 2011	Bomhosa
Mar. 2012	ODECO	Sept. 2011	MexiChem
Jun. 2012	COAPIGOR	Nov. 2011	ADHESA
Jun. 2012	ILAMEX	Nov. 2011	DICONSA
Jun. 2012	PRODUCTOS PANTHEODS	Nov. 2011	IHCAFE
Jul. 2012	Original Maya	Feb. 2012	SEREMA
Jul. 2012	Hermanidad de Honduras	Feb. 2012	DURMAN
Aug. 2012	AGROS International	Feb. 2012	DISAGRO
Sep. 2012	Frozen Foods/Grupo Madeesma	Mar. 2012	Bayer
Sep. 2012	Bioplanet	Mar. 2012	SEAGRO
		Apr. 2012	Agritrade
		Sep. 2012	COHORSIL
		Sep. 2012	DUWEST
Letters of Agreement			
Date	Organization/Institution		
Jun. 2011	IHMA		
Jun. 2011	PRONADERS		
Sep. 2011	Ministry of Health		
Oct. 2011	Vision Mundial		
Nov. 2011	SOLARIS		
Jan. 2012	Ministry of Work and Social Security		
May 2012	Ministry of Agriculture and Livestock		
May 2012	Ministry of Health Region 14 – Ocotepeque		

Public-Private		Private Sector	
Date	Organization/Company	Date	Company
May 2012	Ministry of Health Region 04 – Copan Ruins		
May 2012	Ministry of Health Region 10 – Intibucá		
May 2012	Ministry of Health Region 12 – Marcala		
May 2012	Instituto Polivalente San Jose Cupertino		

The main difference between these two indicators is that the PPP is supposed to involve “Either a cash or in-kind significant contribution to the effort by both the public and the private entity”. Alliances currently registered under “private sector” are principally commercial alliances (discounts, special treatment) with some in-kind contributions (training, samples). This is the same as USAID-Honduras PPP signed with Walmart Centroamérica, which is wholly related to ACCESO activities. Walmart provides no direct funds, some in-kind contributions (training) and a fully commercial relationship with growers. Requests will be made to USAID in the next quarter to merge these two indicators.

Grower organization and the development of market-driven production programs

The status of activities in the Project Monitoring Plan (PMP) under this component during the reporting period and the year to date is provided in Table 18.

PIRS/WP #	Year 1 (Apr. to Sep. 2011)		Year 2 (Oct. 2011 to Sep. 2012)		Total To Date		LOP Target
	Target	Achieved	Target	Achieved	Target	Achieved	
PIRS # 31: Number of producers organizations, water users associations, trade and business associations, and community-based organizations (CBOs) receiving USG assistance							
	20	40	70	150	90	190	210
WP # 3: Number of small farmer associations formally established as businesses							
	-	-	4	0	4	0	55

PIRS # 31: Number of producers organizations, water users associations, trade and business associations, and community-based organizations (CBOs) receiving USG assistance

USAID-ACCESO is developing activities with organizations and associations, particularly community-based organizations, in order to increase outreach and improve the quality and quantity of services. By working with community level organizations, the project generates client confidence. In many cases, problems and opportunities are identified through a participatory process by the communities themselves. During the quarter 14 organizations were incorporated into the project, making a total of 190 organizations enrolled as USAID-ACCESO beneficiaries, against a target of 90. These include 170 water associations, 8 disaster prevention organizations, 5 grower associations, 4 company associations and 3 others (note: community child care groups (AIN-C), and health service providers are not included in this group).

WP # 3: Number of small farmer associations formally established as businesses

ACCESO business skills, policy, production and marketing specialists have worked together to identify the needs and requirements of groups of growers to formally register as businesses. In addition to the work with the growers themselves, input from the ACCESO policy component has shortened processes and reduced cost, and has improved the efficiencies of the registration process. While none have received registration papers to date, it is expected that the LOP target will be achieved in the next quarter. At present, 135 grower groups are currently in the process of registration, with the majority being in the form of rural community banks:

- Grower Association: 3
- Rural banks (cajas rurales): 118
- Associative farmer companies: 3
- Companies with multiple services: 11

Of these, 57 are in the process of collecting the required documents and 78 have submitted the documentation and are awaiting registration. None have been registered so far, although the first batch will be completed in October 2012. The total number of growers in these groups is 2,769, with an average of 21 members per group.

Increasing the technical capabilities of agricultural schools and local NGOs

As the project develops, coordination with local actors continues to increase. Technicians from NGO, agricultural, technical, and social promotion schools are invited to participate in the many project training events and activities held in all six departments. In some cases specialized training courses have been carried out to meet the specific needs and requests from government institutions, schools and local NGO.

During the present quarter, more than 10 technical schools from all project regions have developed close working relationships with USAID-ACCESO. Many of the students are doing internships in areas such as processing, business skills and finance, production, and health and nutrition. Other schools have been trained in executing community cleaning campaigns and others are participating in the food preparation workshops. Coordination has been done with the World Food Program in training the mothers who prepare the *merienda escolar* in selected communities within the project regions.

As of September 2012, 85 counterpart organizations, including NGO, donor institutions and more than 10 schools have participated in project-sponsored activities. These include: Aldea Global, ANDESAIN, Caritas, CASM, CESAL, CEPUDO, CHF Honduras, Child Fund, CODESSE, COMUCAP, COPRAFEL, Catholic Relief Service, Escuela San Pablo, Escuela Agrícola Pompilio Ortega, FAO, FIDA, FIDE, FOPRIDEH, Fundación Adelante, FUNDAHRSE, Fundación Banhcafe, Fundahmicro, Fundación Vida, Funder, Red Cross, Heifer, IHCAFE, OCDIH, ODECO, Veco-MA, Oxfam, PILARH, Save the Children, SOCODEVI, Swiss Contact, World Food Programme, and World Vision. Representatives from government organizations receiving USAID-ACCESO training include PRONADERS, DICTA, and selected municipalities and municipal organizations.

Note: most of the NGO under subcontract to Fintrac have also increased their capabilities – especially on accounting and administration – with changes and improvements being made to meet USAID regulations and documentation requirements.

5.2.2. RURAL MSMEs ACCESS TO NEW MARKET OPPORTUNITIES INCREASED (SUB-IR 2.1.2)

Development of buyer linkages and logistics

The status of activities in the Project Monitoring Plan (PMP) under this component during the reporting period and the year to date is provided in Table 19.

Table 19. Rural MSME access to new market opportunities					
Indicator	Year 1. May to Sept. 2011	Oct. 2011 to Jun. 2012	Jul. to Sept. 2012	Year 2. Oct. 2011 to Sept. 2012	Total to Date
WP # 4: Number of MSMEs accessing new market opportunities through a broker					
	218	82	1,138	1,220	1,438
PIRS # 12: Number of brokers providing market linkages to MSMEs					
	10	15	4	29	29
WP # 6: Number of market surveys conducted					
	1	1	4	5	6

The status of activities in the Project Monitoring Plan (PMP) for years 1 and 2, against targets is provided in Table 20.

Table 20. Rural MSME access to new market opportunities							
PIRS/WP #	Year 1 (Apr. to Sep. 2011)		Year 2 (Oct. 2011 to Sep. 2012)		Total To Date		LOP Target
	Target	Achieved	Target	Achieved	Target	Achieved	
WP # 4: Number of MSMEs accessing new market opportunities through a broker							
	300	218	1,968	1,220	2,268	1,438	10,932
PIRS # 12: Number of brokers providing market linkages to MSMEs							
	25	10	125	19	150	29	500
WP # 6: Number of market surveys conducted							
	6	1	12	5	18	6	24

WP # 4: Number of MSMEs accessing new market opportunities through a broker

To date, a total of 1,438 MSMEs have been registered as accessing new market opportunities through a broker. Of these, 1,274 were male, 141 female and 23 from groups or small companies. These are those who have at least two recorded sales events to at least one broker. In addition to these, there are an additional 833 MSMEs who have one recorded sales event. Details are provided in the ACCESO PMP 09/2012 Excel file.

This indicator is underreported as it requires a considered amount of time to track every single sales event from every client. In addition, clients on their first harvest with crops with a single harvest event will not be counted in this indicator eg. cabbage, carrot, onions, potato and others. In addition, the main supermarkets require suppliers to have their own code and as a result, groups of growers in calendarized production programs deliver to supermarkets under one supplier code. There may be 10 or 20 growers delivering to one supermarket under one supplier code.

PIRS # 12: Number of brokers providing market linkages to MSMEs

The number of brokers providing market linkages to MSMEs is 29 against a target of 150. Brokers are counted if they have at least 2 sales transactions to a minimum of 10 project-assisted MSMEs and have a permanent relationship with assisted MSMEs. The 29 to date include the 3 major supermarkets, 3 distributors, 6 packing houses (local market), 6 exporters and several market buyers. It should be noted that 1,368 buyers have purchased products from ACCESO clients, but most of these are informal, including smaller supermarkets (8), local warehouses (47), local wet markets (28), “pulperias” (68) and many intermediaries. Details are provided in the ACCESO PMP 09/2012 Excel file.

USAID-ACCESO marketing specialists continually monitor new product and market opportunities, as well as recommending crops, varieties, and value-added products for calendarized production programs and commercial trials. Calendarized production programs are being implemented in each of the six departments for both the local and export markets, and will expand as more growers join these programs and new ones are developed. In addition to fresh produce, the project has emphasized developing new markets and improving logistics for MSME processed and off-farm products, including sweets, baked goods, pickles, sauces, plantain chips, raw sugar, honey, wines, crafts and others.

Due to current low production volumes (small plots, partial technologies) and difficulties competing in the large markets in the main and secondary cities (poor roads, long distances, high transport costs, low volumes), USAID-ACCESO has begun developing local farmers markets and distribution routes for sales to local outlets, local wet markets, *pulperias* (home shops) and intermediaries in the same zones where they are produced. This reduces transport costs and speeds up payment time, especially given the low volumes, limited transport logistics and poor roads. But most do not yet count towards these indicator targets.

Another key activity carried out is the expansion of local produce fairs (*ferias del agricultor* or *mercaditos verdes*). USAID-ACCESO has worked closely with local authorities and community organizations to develop fairs to provide producers a nearby market at which to sell their goods. Ten local fairs have been established to date. These are Colinas (Santa Bárbara), Marcala (La Paz), La Labor and Nuevo Ocotepeque (Ocotepeque), La Unión (Lempira), Santa Rosa (Copan), Finca El Carmen (Comayagua), Feria del Agricultor y Artesano, Mercedes (Ocotepeque), and Feria de Gracias (Lempira). Ten to 35 client producers have participated in each of the weekend fairs, grossing between \$289 and \$665. The project’s policy component is also in the process of developing the documentation templates for legalization of these local produce fairs. As the growers are selling themselves, this activity does not specifically contribute to the indicator target.

WP # 6: Number of market surveys conducted

Six market surveys have been carried out for potential products, including allspice, cardamom, and processed onions, gherkins, eggplant and zucchini. The allspice survey resulted in direct exports for the first time from Honduras to the USA (as opposed to intermediaries from Guatemala). The cardamom survey resulted in direct exports to Switzerland. Both crops were to be supported with technical support for essential oil extraction, but this was not carried out due to administrative limitations. The processed products indicated limited market options and low profitability, not suitable for the ACCESO type grower. Informal market surveys were carried out for a range of crops in El Salvador (via market visits) and direct with exporters/US importers for fresh herbs, snow peas, sugar snap peas and French

beans. This indicator is behind the target of 18, but focus has been given on the local and regional markets and expanding existing export crops such as oriental vegetables and sweet potato.

Production and systems implementation to meet buyers' quality and standards

The status of activities in the Project Monitoring Plan (PMP) under this component during the reporting period and the year to date is provided in Table 21.

Table 21. MSME production and systems implemented to meet quality and standards					
Indicator	Year 1. May to Sept. 2011	Oct. 2011 to Jun. 2012	Jul. to Sept. 2012	Year 2. Oct. 2011 to Sept. 2012	Total to Date
WP # 5: Number of MSMEs that have entered formal preferred supplier or contract agreements with brokers					
	-	372	178	550	550

The status of activities in the Project Monitoring Plan (PMP) for years 1 and 2, against targets is provided in Table 22.

Table 22. MSME production and systems implemented to meet quality and standards							
PIRS/WP #	Year 1 (Apr. to Sep. 2011)		Year 2 (Oct. 2011 to Sep. 2012)		Total To Date		LOP Target
	Target	Achieved	Target	Achieved	Target	Achieved	
WP # 5: Number of MSMEs that have entered formal preferred supplier or contract agreements with brokers							
	-	-	599	500	599	550	2,996

WP # 5: Number of MSMEs that have entered formal preferred supplier or contract agreements with brokers

During the quarter 178 MSMEs entered into preferred supplier or contract agreements with brokers, bringing the total to date to 550 against a target of 599. Of these, 491 were male, 49 female and 10 from groups or small companies. These are those who have at least two recorded sales events to at least one broker. In addition to these, there are an additional 150 MSMEs who have one recorded sales event.

By the end of the project, a minimum of 2,000 producers or microenterprises will have implemented systems to meet buyers' demands. This is verified when actual sales to a specific market demanding a particular quality or standard take place. In order for micro and small businesses (including farmers) to build sustainable relationships with new markets, it is essential they comply with buyer expectations, not only for volumes, consistency, and frequency, but also in terms of quality and product standards. USAID-ACCESO's marketing, postharvest and certification specialists provide direct technical assistance to farmers so they can achieve this goal. Additional training is provided by the actual buyers themselves, who visit the farms and participate in training and technical assistance activities or provide feedback to growers when produce is delivered.

These buyers include collection centers, cooperatives, supermarkets, processors and exporters. Details are provided in the ACCESO PMP 09/2012 Excel file.

USAID-ACCESO has worked with several buyers to develop quality standards. This has been done for a range of crops and buyers including: passion fruit (three different specifications for fresh passion fruit for supermarkets, for frozen pulp, and for juice), selected vegetables for La Antorcha Supermarkets, for allspice to the North American markets, potato and carrot for CICOM, fresh herbs and oriental vegetables for export to the US, a range of fresh products for El Salvador buyers, sweet potato and plantain to Canada, beans to Guatemala, cardamom to a European importer, snow pea and sugar snap pea for the export and local supermarket buyers, and cucumber, loofah and coffee to local buyers for subsequent export.

Given the informal nature of local markets, there are very few buyers with specifications for fresh produce. For this reason, postharvest specialists, working with marketing specialists, have focused on supporting USAID-ACCESO clients in meeting buyer quality standards so they can enter more reliable formal markets with potential for expansion. Support has been provided to both buyers and growers in the development and use of product standards. Additional activities are being initiated with quality and standards for processed and other off-farm products, such as pickled vegetables, raw sugar, processed garlic, dehydrated herbs, dairy products, honey products, wood, and woven items.

Small scale processed food operations who have been selling informally on the local village or town markets due to the lack of company registration, bar codes, etc., have been assisted in upgrading their products and operations to enter slightly larger markets (most are still not ready for the main distributors to retailers in the principal cities). As this requires higher transport cost and higher margins for those involved, the processors need to reduce the sales price. ACCESO is providing TA to improve efficiencies and reduce unit cost of production (and know the unit cost of production as most of these small businesses lose money if self-employed labor is included in costs). Processors are reticent on lowering the price even when opening up new higher volume markets, necessary to further reduce costs, improve margins, etc. This is one of the “circles” that ACCESO needs to break.

Implementation of business certification programs

The status of activities in the Project Monitoring Plan (PMP) under this component during the reporting period and the year to date is provided in Table 23.

Table 23. Implementation of business certification programs					
Indicator	Year 1. May to Sept. 2011	Oct. 2011 to Jun. 2012	Jul. to Sept. 2012	Year 2. Oct. 2011 to Sept. 2012	Total to Date
PIRS # 13: Number of MSMEs that have been verified to meet market standards for their products					
	35	417	465	882	917

The status of activities in the Project Monitoring Plan (PMP) for years 1 and 2, against targets is provided in Table 24.

Table 24. Implementation of business certification programs

PIRS/WP #	Year 1 (Apr. to Sep. 2011)		Year 2 (Oct. 2011 to Sep. 2012)		Total To Date		LOP Target
	Target	Achieved	Target	Achieved	Target	Achieved	
PIRS # 13: Number of MSMEs that have been verified to meet market standards for their products							
	-	35	300	882	300	917	2,000

During the quarter 465 MSMEs supplied buyers with market standards for their products, bringing the total to date to 917 against a target of 300.

USAID-ACCESO specialists are providing support to vegetable growers to enter formal markets with quality standards and where necessary to obtain farm and product certifications. Project specialists are also assisting coffee growers meet the requirements for a range of certifications (depending on buyer requirements), including Rainforest Alliance, UTZ, 4C, Certified Organic, and Fair Trade.

Details of the MSMEs and buyers are provided in the ACCESO PMP 09/2012 Excel file.

5.2.3. BARRIERS TO COMPETITIVENESS OF RURAL MSMEs REDUCED (SUB-IR 2.1.3)

Increased access to finance

The status of activities in the Project Monitoring Plan (PMP) under this component during the reporting period and the year to date is provided in Table 25.

Indicator	Year 1. May to Sept. 2011	Oct. 2011 to Jun. 2012	Jul. to Sept. 2012	Year 2. Oct. 2011 to Sept. 2012	Total to Date
PIRS # 14: Number of MSMEs accessing market-based financing as the result of government assistance					
	215	1,120	557	1,677	1,892
PIRS # 15: Value of agricultural and rural loans made to MSMEs (\$ millions)					
	0.273	0.945	0.537	1.482	1.754
PIRS # 11: Number of MSMEs implementing sound business management practices					
	-	128	567	695	695

The status of activities in the Project Monitoring Plan (PMP) for years 1 and 2, against targets is provided in Table 26.

PIRS/WP #	Year 1 (Apr. to Sep. 2011)		Year 2 (Oct. 2011 to Sep. 2012)		Total To Date		LOP Target
	Target	Achieved	Target	Achieved	Target	Achieved	
PIRS # 14: Number of MSMEs accessing market-based financing as the result of government assistance							
	215	315	863	1,577	1,078	1,892	4,314
PIRS # 15: Value of agricultural and rural loans made to MSMEs (\$ millions)							
	0.32	0.273	1.26	1.482	1.530	1.754	6.33
PIRS # 11: Number of MSMEs implementing sound business management practices							
	-	-	1,696	695	1,696	695	8,482

PIRS # 14: Number of MSMEs accessing market-based financing as the result of government assistance

To date 1,892 MSMEs have accessed market based financing with project assistance against a target of 1,078. Broken down by sex:

Total -	Target #: 1,078	Achieved: 1,892 (176%)
Male -	Target #: 690	Achieved: 1,602 (232%)
Female -	Target #: 173	Achieved: 271 (157%)
Others -		Achieved: 19

PIRS # 15: Value of agricultural and rural loans made to MSMEs (\$ millions)

To date ACCESO clients have accessed \$1.754 million in loans against a target of \$1.530 million. More than 170 different finance sources have been used including rural village banks, input stores, cooperatives, buyers, NGO and municipalities. These are the formal loans. There are many informal loans which also occur, especially family members and intermediary buyers. Traditional banks do not normally work with this segment. Broken down by sex:

PIRS # 15: Value of agricultural and rural loans made to MSMEs (\$ millions)

Total -	Target: \$1.530	Achieved: \$1.754 (115%)
Male -	Target: \$1.010	Achieved: \$1.368 (135%)
Female -	Target: \$0.250	Achieved: \$0.248 (99%)
Others -		Achieved: \$0.138

PIRS # 11: Number of MSMEs implementing sound business management practices

A total of 695 MSME are implementing sound business management practices against a total of 1,696. To count as a MSME towards this indicator, the MSME has to implement a minimum of three business management practices. This indicator was measured as part of the sampling procedures and was extrapolated to the ACCESO clients registered as of March 2012.

Policy and value chain sector constraints identified and eliminated

Prioritized policies and value chain/sector constraints were identified through a short-term consultancy finalized in December 2011. This activity identified the needs and feasibility of adjustments, changes and additions in prioritized areas of agricultural policy in force, and in selected administrative procedures and requirements to produce, market, process and export agricultural products and derivatives, which are needed to remove obstacles or barriers that affect the growth and competitiveness of USAID-ACCESO clients in the domestic and foreign markets.

The most important problems identified related to policies, rules or regulations, were found primarily in the area of access to credit, access to technologies and agricultural extension services, market access and business practices, food safety and plant/animal health, the coffee value chain, access to land or titles, and institutional aspects of the Ministry of Agriculture and Livestock (SAG).

In terms of administrative barriers, the most significant problems identified were related to the high costs, requirements and time required for registrations (legal, statutes, regulations, etc.), and procedures for exports or imports agricultural products and inputs.

Of the policy barriers identified, 11 were prioritized in 7 agricultural policy areas, in addition to 11 prioritized administrative barriers. Activities under this component with a full time policy specialist were

initiated in April 2012. To date, more emphasis has been given on policy activities than the barriers, given the amount of time and work required to change, develop and implement policies. Given the level of USAID interest in this specific component, a summary of activities carried out with selected policies and barriers is provided in Annex III.

Table 27. Status: policy and value chain sector constraints							
PIRS/WP #	Year 1 (Apr. to Sep. 2011)		Year 2 (Oct. 2011 to Sep. 2012)		Total To Date		LOP Target
	Target	Achieved	Target	Achieved	Target	Achieved	
PIRS 16: Number of value chain / sector constraints identified and resolved							
	-	-	15	1	15	1	40
PIRS 17: Number of policy reforms, regulations, administrative procedures passed for which implementation has begun with USG assistance							
	-	1	1	2	2	3	4

PIRS 16: Number of value chain / sector constraints identified and resolved

One value chain / sector constraint has been resolved against a target of 15. The following value chain / sector constraints have been resolved as a direct result of, or with USAID-ACCESO assistance:

- Legalization process for MSMEs (September 2012)

While this is behind target, 7 to 8 are in process of being resolved, and with the policy reforms, other constraints will be resolved.

PIRS 17: Number of policy reforms, regulations, administrative procedures passed for which implementation has begun with USG assistance

Three policy reforms, regulations, administrative procedures have been passed for which implementation has begun with USG assistance, against a target of 2. These are as a direct result of, or with USAID-ACCESO assistance:

- Country Investment Plan for the Agricultural Sector (June 2011)
- Copyright law for protection for plant materials (March 2012)
- Changes in the MCA-H/ACA Agricultural Credit trust fund (September 2012)

Applied research and development programs developed

Applied research programs in technical areas to support USAID-ACCESO's production activities and crops are currently being carried out under the auspices of a partner fund with FHIA. This applied research will result in information and scientifically validated practices that will help Honduran farmers achieve higher yields, utilize more resistant and productive crops, and improve production and postharvest practices. Status of activities in the PMP under this component:

- Research and development projects and activities identified: 9

The current status of the research activities as of September 2012 is as follows:

Management practices for bacterial wilt caused by *Ralstonia solanacearum* in Solanaceae (potato, tomato, pepper, eggplant, etc.). Tomato and eggplant plantlets were transplanted in the

open field mid-May 2012. The first tutoring row was installed at the end of May 2012. Since then, deliberate cuts have been made routinely in both crops to provide secondary infection routes. Continuous data collection to measure mortality rates due to the bacteria has been in effect per research profile. This trial is expected to end in mid- October due to the high incidence of wilting.

Effects of soil bio-fumigation. Biological agents were developed in June 2012 and were incorporated into the soil in early July. In early August, eggplant was transplanted after plastic was removed. Harvests will start in October 2012.

Effect of water potabilization with chlorine. Application of chlorine treatments in July 2012 in experimental lots were made at three different concentrations (0, 50 and 100 ppm). Application of the chlorinated water has been consistently made three times a week. To date, there has been very low incidence of bacterial wilt in all three cases. This trial is expected to end in October 2012.

Optimization of drip irrigation practices for improved soil-borne pest control and application of agricultural inputs. Experiments and trials were designed and field preparation initiated in June 2012. Field activities are expected to begin in October 2012.

Improvement in pesticide application equipment and its effectiveness in pest control in pepper, tomato and onion crops. Planting was done in June 2012. In August (50 days after planting) applications were made with different volumes and spraying equipment. Hydro-sensitive paper cards and leaves with fluorescent tracers were used for further evaluation in the main laboratory. Climatic conditions such as heavy rains have made this activity particularly difficult as the paper cards are constantly humid making it difficult to distinguish between applications and atmospheric humidity. Fluorescent tracer is also affected by humidity dispersing it even more and making it difficult to determine actual application distribution. It is recommended to repeat this trial during the summer months when rain/humidity levels will not interfere.

The effect of different bed heights and land preparation systems on productivity and harvesting curves in plantain. Soil preparation began in May 2012 and planting of the fields were done in June 2012. The plot has received regular maintenance and is growing normally with no anomalies to report.

Evaluation of the use of different types of lime (hydrated and dolomitic) application and dosage for potato production. Soil sampling was carried out in June 2012 to confirm the need for lime; it was found to have a high content of aluminum and low calcium and magnesium. Soil preparation took place in July 2012, which included the application of different concentrations and types of lime. The potato crop was planted in August 2012. While control measures have been taken some wilting has been observed to date.

Agronomic performance and shelf life analysis of different onion varieties. Shelf life analyses were conducted for 12 different yellow onion varieties. Samples were evaluated under ambient conditions in La Lima. Results include the identification of those varieties with the longest and shortest shelf life as well as those which have a long shelf life but are susceptible to disease. These findings will be used to provide onion growers with alternatives to their postharvest and marketing systems. By using

varieties proven to have a longer shelf life, onion growers can preserve their product in order to prolong their market window of opportunity. The final report will be prepared in November 2012.

Identification of virus species affecting Solanaceas (mainly potato, tomato and pepper) in the western region of Honduras. Samples collected in late April 2012, were sent to the AGDIA laboratory in the USA in May 2012. Preliminary results were received in June. A second lot of samples was sent to AGDIA in July 2012 for which preliminary and final findings are expected in the next quarter.

5.3. HONDURAN BIODIVERSITY & NATURAL RESOURCES CONSERVED (IR 2.2)

On-farm natural resource management activities to maintain healthy soils and conserve water are integrated into the good agricultural practices at the centerpiece of the USAID-ACCESO extension program. Under this component, the project works in collaboration with community groups to improve overall natural resource management practices at the community, micro-watershed, and municipal levels. USAID-ACCESO uses a participatory municipal and community planning process to develop and implement municipal natural resource management plans that identify existing, proposed, and potential areas of public interest; biological and economic corridors, including areas with potential for ecotourism and irrigation or hydropower development; as well as areas under current or future environmental threat due to deforestation, soil erosion and sedimentation, chemical and organic pollution, and natural hazards.

Table 28. Status: Natural Resources Conserved							
PIRS/WP #	Year 1 (Apr. to Sep. 2011)		Year 2 (Oct. 2011 to Sep. 2012)		Total To Date		LOP Target
	Target	Achieved	Target	Achieved	Target	Achieved	
PIRS #8: Number of additional hectares under improved technologies or management practices as a result of USG assistance.							
	-	-	2,981	8,321	2,981	8,321	14,904
PIRS # 10: Number of companies (including farms) that have made conservation-friendly changes in their business practices.							
	-	-	4,410	356	4,410	356	22,050

Implementation of natural resource management practices on farm

PIRS #8: Number of additional hectares under improved technologies or management practices as a result of USG assistance.

A total of 8,321 hectares under improved technologies or management practices against a target of 2,981 hectares. This indicator was calculated with data from the client survey and extrapolated to the clients registered with the project up to March 2012. The 8,321 hectares broken down by sex – 6,998 hectares by male clients and 1,323 by female clients.

PIRS # 10: Number of companies (including farms) that have made conservation-friendly changes in their business practices.

A total of 356 companies have made conservation-friendly changes against a target of 4,410. This indicator was calculated with data from the client survey and extrapolated to the clients registered with the project up to March 2012. To be counted towards this indicator the company has to implement a minimum of 5 changes (from the predefined list). This is behind target due mainly as the five changes requirement was included after the target was set. ACCESO type clients cannot make all of the required changes over a short period of time.

USAID-ACCESO incorporates on-farm natural resource management activities to maintain healthy soils, prevent contamination, and conserve water, as part of the good agricultural practices. The following practices are being promoted on a regular basis in all regions covered by the project:

- **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.

Implementation of natural resource management practices at community and municipal levels

During the life of project, USAID-ACCESO will work with at least 20 municipalities to develop and implement natural resource management policies. The USAID-ACCESO natural resource management team has developed activities with 42 municipalities. These municipalities were selected based on existing project presence, rates of poverty and child malnutrition, and high vulnerability to environmental disaster. Many NRM practices have now been implemented by these municipalities and community involvement is high. Assisted municipalities have made significant progress and are in different stages of the process, from awareness to implementation.

The project is currently working with 42 municipalities in this area, of which 7 municipalities have achieved the project criteria for successful implementation.

PIRS/WP #	Year 1 (Apr. to Sep. 2011)		Year 2 (Oct. 2011 to Sep. 2012)		Total To Date		LOP Target
	Target	Achieved	Target	Achieved	Target	Achieved	
PIRS # 9: Number of Local Municipal Governments effectively implementing natural resource management policies							
	-	-	7	7	7	7	20

As per the indicator's precise definition, a municipality is counted once implementation of 4 out of 6 of the following NRM practices have begun:

- Coffee waste
- Solid waste disposal

- Forest fire prevention
- Legalization of water producing zones
- Watershed protection / reforestation
- Basic sanitation and water treatment

The municipalities which have achieved and are implementing four or more practices, as of September 2012, are:

- San Isidro, Intibucá
- Jesus de Otoro, Intibucá
- Intibucá, Intibucá
- La Unión, Lempira
- Tomalá, Lempira
- Trinidad, Santa Bárbara
- Santa Bárbara, Santa Bárbara

Each of these municipalities is now implementing five NRM practices. An additional 2 municipalities are currently implementing 2 criteria and 13 municipalities are implementing 1; other areas are on-going.

Selected activities include:

- Development and implementation of ordinances and municipal accords eg. regulation of water quality delivery, solid waste management, coffee waste treatment, forest fire prevention and management, water source protection.
- Systems implemented with coffee mills to treat effluents and pulp.
- At the community levels, development and implementation of legalized protocols to protect water producing sources.
- Re-activating hypo-chlorinators in community drinking water systems.
- Support at the community level on the design, construction, and use of their landfills to treat solid waste.
- Training of communities and schools in recycling practices.
- Technical assistance to communities for improving or re-locating their crematoriums.
- Designs and budgets prepared for effluent treatment plants for selected communities.
- Field visits made in coordination with FHIS-USAID to execute four potable water projects using the PEC methodology.
- Various technical bulletins prepared.

5.4. CAPACITY TO MITIGATE AND ADAPT TO CLIMATE CHANGE STRENGTHENED (IR 2.3)

Two main activities tracked in the PMP are being developed under this component:

Table 30. Status: Disaster Vulnerability reduced				
PIRS/WP #	Year 1 (Apr. to Sep. 2011)	Year 2 (Oct. 2011 to Sep. 2012)	Total To Date	LOP Target

	Target	Achieved	Target	Achieved	Target	Achieved	
PIRS # 28: Number of communities in high vulnerability municipalities with adequate disaster prevention and mitigation capacity							
	-	-	15	11	15	11	40
PIRS # 29: Number of rural micro-generation clean/renewable energy projects established							
		10	351	718	361	728	890

5.4.1. DISASTER VULNERABILITY REDUCED (SUB-IR 2.3.3)

Development and implementation of disaster mitigation plans

PIRS # 28: Number of communities in high vulnerability municipalities with adequate disaster prevention and mitigation capacity

As per the indicator's precise definition, a community is counted once implementation of 6 out of 8 of the following activities has begun:

- Plans for local prevention and response (PLPR)
- Personnel trained to prepare and update PLPRs
- Risk mapping
- EDAN Capacity
- Early warning systems implemented
- Identification and management of emergency centers
- First aid systems
- Simulation exercises

The 11 communities (of a target of 15) which are implementing six or more practices, as of September 2012, are:

- Belen Manazapa, Intibucá, Intibucá
- Llano Largo, La Iguala, Lempira
- Copante, Tomala, Lempira
- San Marquitos, Tomala, Lempira
- Las Crucitas, Santa Barbará, Santa Barbará
- El Zapote, Santa Barbará, Santa Barbará
- El Higuito, Trinidad, Santa Barbará
- Londres, Santa Rita, Copán
- El Rabinal, Santa Rita, Copán
- El Último Vado, Santa Rita, Copán
- Rio Hondo, San Marcos, Ocotepeque

Each of these communities is now implementing six NRM practices. An additional 5 communities are currently implementing 3 practices, 2 communities with 2 practices and 5 communities with 1 practice. In total 77 communities are being targeted under this activity.

This activity is slightly below target as a result of a delay in the selection of communities to ensure they matched those under health and nutrition component. Other challenges under this activity were that some prioritized municipalities were not interested in Risk Management, most CODELs were not organized and required additional time to establish the organization, and many CODEMs were not initially interested or required additional time for training and strengthening.

Work under this component includes support to communities with high vulnerabilities in disaster prevention, mitigation, and preparedness. Reducing communities' disaster vulnerabilities will ultimately put USAID-ACCESO-assisted households in a position to increase their incomes or reduce losses during disasters.

USAID-ACCESO is utilizing the small grants mechanism for select projects.

Systems to reduce vulnerability to disasters are being implemented at the farm level with the introduction and implementation of the basic production practices. Activities under this component are targeted to reduce vulnerability to disasters at the community level. Examples of activities carried out include:

- Strengthening or forming community-level disaster emergency committees (CODELS) in the most vulnerable target communities.
- Implementation of EDAN courses (in coordination with COPECO). USAID-ACCESO is utilizing COPECO's curriculum and training programs in risk assessment, mitigation, preparedness, and response and recovery (based on USAID/OFDA-LAC materials).
- Re-organization or re-activation of CODELS.
- Re-organization and reactivation of CODEMS.
- Simulation events.
- Training programs in disaster prevention and mitigation and natural resource management.
- ACCESO small grant funds used to cost share a box culvert construction which will mitigate annual flooding, currently affecting neighboring communities' capacity to market their produce during the rainy season.
- In coordination with the World Food Programme (PMA), a nursery establishment project for the production of wood and fruit trees started in Yarula and Santa Elena in La Paz. These will help in reforestation of cleared land which will mitigate risks of landslides and provide improved conditions in watersheds.

Installation of renewable energy technologies

PIRS # 29: Number of rural micro-generation clean/renewable energy projects established

USAID-ACCESO's renewable energy component is focusing on identifying and promoting low-cost renewable technologies for both small communities and individual rural households. Priority support is being given to investments that provide energy for individual households and health training centers and clinics.

During the quarter 358 renewable energy projects were installed, taking the total to date to 731 (against a target of 361). These are as follows:

Renewable Energy - Type	Number
Solar Dryers	114
Bio-digesters	40
Eco-Justa cooking stoves	540
Solar panels	33
Ram pump	1
Total	728

This activity is being carried out in close coordination with both the production and nutrition components. Solar dryers are being installed in key areas with coffee production with drying systems being implemented to add value and generate additional income; in some cases they are also being used to dry corn and beans. This activity will continue to expand with the demonstration of the technology and the upcoming harvest season. Bio-digesters are being installed with households who work under the production component with cattle (mainly for milk production). The gas produced with the bio-digester is being used for both cooking and for lights (the latter being completely new in Honduras). The eco-justa cooking stoves are being installed in households prioritized by the nutrition component, focusing principally on those households with children under two years old. In addition to the installation, the project is giving training on use and maintenance of all the systems to ensure that they are operated correctly. Additionally, trainings have been directed to staff of NGOs and municipalities on the installation of the renewable energy systems.

A total of \$118,900 has been invested in the installation of the 728 project, 40 percent of which was financed by USAID-ACCESO, 45 percent by the beneficiaries, and a total of 15 percent by project counterparts. The high leverage of investment from beneficiaries and other counterparts will allow a larger amount of renewable energy projects in the upcoming periods. The fact that the end beneficiaries are making a large contribution reflects the acceptance of these technologies and, therefore, their sustainability.

To date, specialist under the renewable energy component have carried out 88 training events with 1,219 participants (802 male, 417 female) on the installation and operation of bio-digesters, installation and maintenance of solar dryers, construction and maintenance of improved stoves, and operation and maintenance of solar photovoltaic systems. A total of 590 technical assistance visits were performed on renewable energy topics and systems.

During this period USAID-ACCESO worked with NGOs, municipalities, and other organizations to schedule trainings, to analyze financing opportunities, and to establish alliances for the installation of future systems that will benefit USAID-ACCESO clients.

5.5. USE OF QUALITY MATERNAL AND CHILD HEALTH AND FAMILY PLANNING SERVICES INCREASED (IR 4.1)

USAID-ACCESO has fully integrated the nutrition and health activities with all other technical areas, including economic development (access to food), renewable energy (improved stoves), natural resource management (drinking water access and chlorination, waste disposal), and value-added products and animal production (diet diversity).

The status of 3 of the 10 indicators under this IR are required in September 2012. These are provided in Table 32.

Indicator	Baseline (Aug. 2011) ¹	Sep. 2012	Difference	% reduction/increase from baseline	Target (Sep. 2012 / LOP)
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Indicator	Baseline (Aug. 2011) ¹	Sep. 2012	Difference	% reduction/increase from baseline	Target (Sep. 2012 / LOP)
PIRS # 19: Prevalence of underweight children under 5 ²					
	22.00%	16.74%	-5.26%	-23.92%	-5% (-20%)
PIRS # 22: Prevalence of exclusive breast feeding of children under 6 months ³					
	92.24%	96.37%	+4.13%	+4.47%	+5% (+20%)
PIRS # 27: Modern contraceptive prevalence rate ⁴					
	27.51%	30.59	+3.08%	+11.21%	3% (+10%)
¹ , PIR#19 and PIR#22 baseline from AIN-C data for the communities with ACCESO nutrition intervention; PIR#27 baseline from ACCESO client sample survey. ² , PIR#19 data collected monthly with health monitors for the communities with ACCESO nutrition interventions; data collected by health monitors only for children under 2 years old. ³ , PIR#22 data collected monthly with health monitors for the communities with ACCESO nutrition interventions ⁴ , PIR#27 baseline from ACCESO client sample survey for those households with a minimum of six months between survey interviews.					

PIRS # 19: Prevalence of underweight children under 5

Significant advances have already been made in reducing acute malnutrition. The number of children (under two years old) under the third percentile from 22.0 percent in August 2011 (936 of 4,253 children) was reduced to 16.7 percent in September 2012 (796 of 4,754 children). This represents a 23.9 percent reduction from baseline. No formal Ministry of Health / AIN-C data has been available in 2012 as the AIN-C program ceased operation, ACCESO has worked directly with the health volunteers to continue the weighing activities, improve the weighing and graphing data quality and expand the training and services to the mothers. The data presented is from all of the communities where the ACCESO nutrition component is working - not the complete six departments as this information is not available. It should be noted that the communities where ACCESO is working are those with the highest levels of malnutrition; improvements in these communities will have the highest effect of the department figures. Data by department is given in Table 33 (data by month is provided in the ACCESO PMP Excel file, 09/2012).

Department	# children < 2 years		# children under 3 ^o percentile		%	
	August 2011	September 2012	August 2011	September 2012	August 2011	September 2012
La Paz	634	603	123	102	19.4	16.9
Intibucá	629	793	185	191	29.4	24.1
Lempira	1,260	1,177	293	165	23.3	14.0
Copán	424	950	112	162	26.4	17.1
Ocotepeque	419	636	92	113	22.0	17.8
Santa Barbara	887	595	131	63	14.8	10.6
Total	4,253	4,754	936	796	22.0	16.7

Data by department show that Intibucá in September 2012 remains the department with the highest rate at 24.1 percent, while Santa Barbara continues to show the lowest percentage. Significant advances were made in Lempira, with a less marked reduction in Copán.

Overall, the progress for this indicator is very positive and indicates that the implementation methodology is working - focused counseling of mothers, training in food preparation, hygiene practices, etc., together with regular visits to the homes of underweight children to eliminate the sources of preventable problems. Emphasis will now have to be given during the upcoming coffee harvest season to prevent a reversal, as many mothers leave their homes to harvest coffee, and this traditionally results in higher nutritional problems.

PIRS # 22: Prevalence of exclusive breast feeding of children under 6 months

The percentage of children receiving exclusive breastfeeding has increased from 92.24 percent to 96.37 percent. This represents a 4.47 percent increase from baseline. Data by department is given in Table 34 (data by month is provided in the ACCESO PMP Excel file, 09/2012).

Department	# children < 6 months		# children with exclusive break feeding		%	
	August 2011	September 2012	August 2011	September 2012	August 2011	September 2012
La Paz	132	88	115	85	87	97
Intibucá	80	128	67	117	84	91
Lempira	285	148	269	141	94	95
Copán	93	147	90	143	97	97
Ocatepeque	80	103	77	103	96	100
Santa Barbara	NA	74	NA	74	ND	100
Total	670	688	618	663	92	96

Significant improvements were obtained in La Paz and Intibucá, although the latter still remains as the department with the lowest percentages. Ocatepeque and Santa Bárbara were both at 100 percent. An overall 96 percent is considered an acceptable level by the Ministry of Health. These increases have been obtained as part of the training activities and providing integrated solutions to the problems.

PIRS # 27: Modern contraceptive prevalence rate

The modern contraception prevalence rate increased from 27.5 to 30.6 percent in ACCESO sampled clients with at least six months between the samplings. A total of 389 household fell into this category, of which in baseline 107 responded positive; this increased to 119 for those with a minimum of six months between the sampling dates. The 3.1 percent increase in percentage points represents an 11.2 percent increase over baseline.

Anemia

Anemia: PIR#23 and PIR#24 relate to the prevalence of anemia in women of reproductive ages and children under five years old. In August 2012, ACCESO technicians measured anemia levels in these two categories, and also in pregnant women. This was carried out in the communities where the ACCESO nutrition component is operating. The results of this activity will be used as the baseline for ACCESO and are given in Table 35. Data for each department is provided in the ACCESO PMP Excel file, 09/2012.

Table 35. Baseline data for anemia indicators

Department	Women of Reproductive Age			Pregnant women			Children < 2 years		
	# sampled	# with < 12g/dl	%	# sampled	# with < 11g/dl	%	# sampled	# < 10.5g/dl	%
La Paz	23	5	22	11	5	45	23	9	39
Intibucá	21	8	38	26	8	31	21	8	38
Lempira	59	15	25	9	0	0	59	13	22
Copán	45	12	27	8	0	0	45	17	38
Ocotepeque	27	5	19	20	5	25	29	6	21
Santa Bárbara	35	13	37	34	12	35	35	22	63
TOTAL	210	58	28	108	30	28	212	75	35

Anemia in children under 2: the sample was carried out with 212 children under 2 years of age, of which 75 had a hemoglobin level of less than 10.5 g/dl (the level considered as normal for this age group). Data showed that 35 percent of children sampled were considered anemic for the six departments. Santa Barbara presented the highest rate with 63 percent of children, followed by La Paz with 39 percent and Intibucá and Copan with 38 percent. Ocotepeque department has the lowest with 21 percent of children sampled. This data is actually 2 percentage points lower than that of ENDESA, which reports 37.1 percent.

Anemia in women of reproductive age: the sample was carried out of women of childbearing age - the mothers of children under 2 years that were sampled – of which 28 percent had a hemoglobin level of less than 12g/dl (the level considered normal in the group). This compares to the ENDESA figure of 16.5 percent for the same group. Intibucá was the department with the highest rate with 38 percent (also coinciding with the rate of children under two years in this department).

Anemia in pregnant women: 20% of the pregnant women in the priority communities were sampled. From the total of 108 pregnant women, 28 percent showed hemoglobin levels below 11 g/dl (the level considered normal in the group). During this exercise, those women with low levels were referred to the nearest health center.

These data indicate that ACCESO's emphasis on incorporating iron-rich foods into the diet must be widespread, continuous and consistent – and for the entire family. Surveillance activities will be increased, family plots expanded to include more green leafed crops and the participation of pregnant women in training activities has to be ensured. In addition, the timely provision of the respective micronutrients will be required from health centers.

Selected Activities

ACCESO beneficiaries are provided training in health and nutrition-related activities, complementary to assistance being provided in production systems and economic development where both components are present in the community. The project is working with nutrition activities in 215 communities in 53 municipalities. Both men and women are receiving basic training in child care, prevention of illnesses, nutrition practices, keeping a healthy household, and family planning. Training subjects included breastfeeding for children under 6 months, hand washing, good hygienic practices in the household, safe water for human consumption, family planning, consumption vitamin- and nutrient-rich foods.

Examples of activities carried out during the year under this component included:

- Training of health volunteers to improve capacities for data graphing and interpretation.
- Large scale training campaigns through workshops on food preparation to ensure diet diversity, nutrient contents, balance and portions, including the use of locally available foodstuffs.
- The project is promoting and implementing activities to improve the availability of nutritious foods at the household level, selecting those families which present greater problems in this area. To date, more than 800 family plots have been established. These have been designed to ensure the availability of nutritious foods year round, with crops that produce their own planting materials. Harvests have already been made of sweet potato, green leaves, moringa and others.
- Setting up of nutrition training centers to expand outreach.
- Developing a healthy home program to implement systems at the household level to prevent problems with child health. Focused initially on health volunteers and families with children less than two years old, changes are made at the household level (hygiene, stoves, floors, walls, water source inside the house, animals outside, etc.) which cause a major, quick and visual impact. At least 50 percent of the low weights are due to illnesses – and most of these are preventable. A targeted household visit program has been developed to train, change and ensure implementation of improved practices. The healthy household activities program is being carried out in all prioritized communities. A total of 540 eco-justa stoves have been installed, mainly in households with children under the age of two. A low cost solution has been developed for covering dirt floors and walls with cement to reduce problems with dust, insects and lack of hygiene. Most rural houses which have piped water have access outside in the garden; activities have begun to bring water inside of the kitchen. Low cost household water filters have been procured and will be installed in the upcoming quarter. Other activities include land fill construction for solid waste management and systems for residual water treatment, both at the household level. In some communities, the ACCESO NRM component complements this activity with establishing chlorination systems of community water systems.
- Through USAID-ACCESO staff, AIN-Cs, and health volunteers, activities have begun with expanding and improving the health and nutrition messages to the wider population. As part of the ACCESO Information, Education and Communication plan, materials and campaigns have been designed and are on-going, including “Breastfeeding,” “Health care for the family,” “Waking up a child’s intelligence,” “The food circle,” and “Feeding guidelines.”
- Twenty nutrition training centers are being developed by the project in association with selected communities and municipalities. To date, 3 are completed and operational and 4 are 80 percent completed. The remainder will be completed over the next six months.

Strengthening of health center services

- Project health and nutrition technicians continued with the coordination of activities with 20 health centers and volunteers to deliver the primary attention services (*Servicios de Atención Primaria*) to 210 communities. The primary attention services include the delivery of a basic package that includes dietary supplements, vaccines, pre-natal care, and education of AIN-C mothers in family planning, nutrition, and breastfeeding. USAID-ACCESO has provided support in logistics to improve the delivery of the basic package, to target prioritized communities, and to increase outreach.

- The equipment for the 20 health centers was sourced in April 2012, but not procured because of delays with tax exoneration documents. The majority of the equipment was procured in August 2012, with delivery of certain items expected in October 2012. Distribution of equipment will be carried out in November and December 2012. With this equipment health centers will improve their capacity to manage acute under-nutrition and other critical health conditions. The selected health centers are:
 - Intibucá: CESAR Zacate Blanco, CESAMO San Isidro, CESAR San Nicolás
 - La Paz: CESAR Florida de San José, CESAR El Encinal, CESAR Sabanetas
 - Ocotepeque: CESAMO San Jorge, CESAMO Belén Gualcho, CESAR Jocotan
 - Lempira: CESAMO San Rafael, CESAMO San José, CESAR Rodeo Quelacacque, CESAR Platanares, CESAMO San Bartolo
 - Santa Bárbara: CESAR Paso Viejo, CESAR San Francisco Carrizal
 - Copán: CESAR Vega Redonda, CESAR de Capuca, CESAR Río Amarillo, CESAMO Nueva Armenia

To date, specialists and technicians under the nutrition and health component have carried out 1,421 training events with 23,124 participants (3,095 male, 20,029 female) on a wide range of topics. A total of 8,247 technical assistance visits were made to project clients on nutrition and health activities. Numerous technical training bulletins have been prepared, together with other tools and jigsaws. ACCESO reproduced log books for use during the monthly child weighing meetings, in order to keep the AIN-C meetings on-going.

Activities are also being carried out with the training of mothers in the preparation of the “merienda escolar” (PMA related activity) in selected schools. The ACCESO approach under this component is also being shared with the Ministry of Health, USAID ULAT and other institutions.

6. SUPPORTING ACTIVITIES

6.1. ADMINISTRATIVE ACTIVITIES

Most of the senior level technical and management team were in place within two weeks of project start-up. Contracts were developed in May 2011, with the initial five subcontractors operating six of the 12 local field implementation teams (community technical units - CTUs) by the end of September 2011. Between October and December 2011, contract mechanisms were developed with six local NGOs for five local implementation teams. By December 2011, 11 of the 12 CTUs were operational. The final CTU was finalized in January 2012.

Additional data entry personnel were hired in January 2012 to meet M&E requirements. A policy specialist and a communications specialist were hired in the second quarter of 2012. Turnover of technical staff has been high, particularly at the junior level. Delays with tax exoneration documentation resulted in delays of equipment purchases related to health and nutrition and irrigation grant activities.

6.2. MONITORING AND EVALUATION ACTIVITIES

Activities carried out by the monitoring and evaluation (M&E) unit enable all project employees to report their activities in the field, to provide recurrent and real time feedback to department managers

on major advancements in their regions, and to collect information on assisted client households. Specific activities carried out during the year include:

- The M&E team has completed more than 15,200 client household and MSME profiles, representing 78 percent of the total number of active clients registered in CIRIS.
- More than 1,300 Base Line Follow-up (BLF) surveys have been collected from clients selected on the first and second round sampling.
- More than 2,200 EOH forms were completed within clients selected on the first and second round sampling from the six departments.
- Data entry technicians have registered in CIRIS 100% of forms (BLF, EOH) collected during this quarter.
- M&E specialists have participated at all department level meetings, presenting CIRIS reports and providing critical feedback on project progress.
- Developed new CIRIS reports to provide information on activities, outputs, and results.
- Provided ongoing training as required to all project employees on M&E systems and data collection.
- Continuous performing maintenance of the CIRIS database.
- Provided management reports on advancement of all project components to department and zone managers for performance evaluation and decision making.
- Developed activity and status reports for subcontractors.
- Participated on FTF Workshop in Washington DC, strengthening knowledge on data collection and PIRs follow-up.
- Prepared inputs for monthly and quarterly reports.

6.3. SMALL GRANTS, SUBCONTRACTS AND ALLIANCES PROGRAM

Small grants fund activities were expanded in the last quarter, practically with irrigation installation activities. Activities focused on the development of technology and partner funds in marketing, production, postharvest, nutrition and health and disaster mitigation. It should be noted that large scale irrigation projects, needed for the economic development component, were initiated in the last quarter. This delay was a strategic decision to ensure that growers and zones selected for the irrigation were committed by their actions (not just words), had passed through at least one crop cycle, followed recommendations and were committed to change traditional practices. Contributions through cost sharing are secondary to these requirements. A summary on the small grants and sub-contracts made is provided in Table 36.

Table 36. Small Grant and sub-contracts program

Name	Description	Status
Renewable Energy Fund		
Photovoltaic Systems	Installation of 33 solar panels in Intibucá for project client households	Completed
Solar Dryers	Solar Coffee Dryer Technology	Ongoing
Eco Stoves	Installation of 500 eco-stoves (phase I)	Ongoing
Bio digesters	Installation of 120 Bio digesters	Ongoing
Eco Stoves (+500)	Installation of 500 eco-stoves (phase II)	Approved
Smallholder & MSME Technology Fund		
Marketing Jumpstart	Sending trial shipments, startup costs for potential exporters	Ongoing
MSME Kitchens	Demonstration kitchen in Intibucá for MSME training	Completed
Herb Seeds	Aromatic herb seeds for export program in Lempira	Completed
Snow Peas	Pea seeds for export and local market production programs	Completed
Allspice Thresher	Thresher and cleaners for allspice producing cooperative &	Completed

Table 36. Small Grant and sub-contracts program

Name	Description	Status
	MSME in Sta. Bárbara- installed and operating	
Irrigation Phase I	Irrigation systems restoration, installation and capacity building. 16 Projects	Ongoing
Snow Pea Packing Plant Conveyor	Conveyer equipment for snow pea packing plant in La Esperanza, Intibucá- installed	Completed
Weather Stations	Six weather stations to monitor climatic events and provide data.	Procured. In Customs.
Bean Seeds	17,868 lbs of “silk” bean seeds distributed among 967 smallholders for bean program	Ongoing
New Crop & Product Development	Support for smallholders starting new crops and products.	Ongoing
Irrigation Phase II	Irrigation systems restoration, installation and capacity building.- 31 Projects	Ongoing
Gourmet Katracho	Promotional Activities for MSME products in San Pedro Sula	Completed
Biological Controls	Biological agents for use in 120 hectares of small coffee farms	Ongoing
Disaster Planning & Mitigation Fund		
Box Culvert	Box culvert in Intibucá to maintain communities communicated	Completed
EDAN Training	Training in EDAN per USAID/ OFDA guidelines for trainers	Ongoing
Mitigation Project Studies	Studies, designs and budgets for 4 mitigation projects in Lempira, Intibucá and Santa Bárbara	Ongoing
Community Health Fund		
Nutritional Training Centers- Equipment	Equipment for nutritional training centers where beneficiaries will receive training	Procurement ongoing
Improving Rural Health Centers	Equipment to increase rural health volunteers capacity for assistance	Procurement Ongoing
Improved Diet Diversity (1,000)	600 home plots started for nutritional access by households, the majority with children under 2 years old.	Ongoing
Household Water Filters	600 Individual water filters for households with children under 2 years old	Ongoing
Kitchen Water Connections	Making water available inside the house for poor households	Ongoing
Research Fund		
FHIA Research	Research in virus, pest management, and diseases	Ongoing

6.4. GENDER MAINSTREAMING

USAID-ACCESO continued to emphasize and implement its gender mainstreaming strategy. The gender strategy includes details on gender disaggregated indicators and data analysis, as well as for including women in technical training in the cultural context of Honduras. The strategy identifies the types of technical assistance, technologies, and crops that best address the constraints faced by women. Key activities include focusing crop selection on production of herbs that are easy to grow and require smaller areas of land for cultivation; production of garden-grown vegetables to generate food for the family; and fruit tree production. Good opportunities exist to increase women’s involvement in the economy in animal production and off-farm and value-added microenterprises. Targeted technologies include drip irrigation and the introduction of low-cost greenhouses. Sowing, harvesting, and postharvest activities are also activities that provide women with labor opportunities. Selected gender related activities and numbers include:

- 19 percent of the project’s client households are registered as women clients.

- 7,931 of the 23,394 individuals that have received project agricultural sector productivity or food security training are women (34 percent).
- Fintrac gender specialist carried out focus groups with client households to determine roles, responsibilities, division of labor and decision making for household expenses and investments.

6.5. IFPRI

IFPRI has been contracted by USAID to carry out selected M&E activities and impact evaluations. ACCESO's involvement with IFPRI has been as follows:

- Organized visit to observe ACCESO field activities in all six departments (February 2012)
- Provision of ACCESO client list (March 2012)
- Meeting to share household survey content (June 2012)
- Loan of haemoglobin measurement equipment (June 2012)

No other activities have been carried out with ACCESO involvement. Baseline data and other information collected by IFPRI have yet to be provided to ACCESO management.

6.6. OTHER

ACCESO representatives have been involved in meetings and workshops with USAID in Washington DC. These include:

- USAID M&E workshop (October 2011)
- Presentation at USAID BFS on ACCESO implementation (January 2012)
- Filmed interview on FtF activities under ACCESO with USAID BFS (January 2012)

Field Visits

Many field visits have been organized by visitors from USAID and other local and international organizations. These include:

- Field visit by ONE.ORG, the US Ambassador, USAID-Honduras Director and other USAID representatives to USAID-ACCESO production and nutrition sites in Intibucá (September 2012). Various videos were released online.
- Field visit by the Honduran First Lady, US Ambassador, the Minister of Agriculture, USAID representatives, WFP Honduras and others to USAID-ACCESO project production and nutrition sites in Intibucá (September 2012).
- Field visits by USDA representatives (USA and Honduras) to project nutrition and health sites in Intibucá (September 2012).
- Representatives from USAID/Honduras, USAID/Brazil and the Brazilian government visited project clients in La Paz (April, 2012).
- Representatives from USAID/Honduras visited project activities in Ocotepeque, Santa Bárbara and Intibucá (April, 2012).
- Visit of the US Ambassador in Honduras and other representatives of the US Embassy and USAID to project clients in Copán (January 2012).
- Visit of USAID Honduras Director and other USAID representatives to project clients in Santa Bárbara (February 2012).
- Visit of USAID Honduras Sub-Director and other USAID representatives to project clients in Lempira (January 2012).
- Visit by IFPRI and USAID Honduras representatives to project clients in the six departments of USAID-ACCESO influence (February 2011).

- Visit by USAID Washington DC BFS and USAID Honduras representatives to project clients in La Paz (March 2012).
- Visit of the US Ambassador in Honduras and other representatives of the US Embassy and USAID to project clients in La Campa, Lempira and La Esperanza, Intibucá (October 2011).
- Field visit by the USAID/Honduras interim director and other USAID representatives to project clients in La Paz (October 2011).
- Visit by the Assistant Administrator of USAID for Latin America, USAID/Honduras Mission Director, Honduran Minister of Agriculture and other US government representatives to project clients in Paihislal, Intibucá (November 2011).
- Visit by the US UN Ambassador, US Ambassador to Honduras, USAID/Honduras Mission Director, Honduran Minister of Agriculture and other US government representatives to project clients in Las Pavas, La Paz (December 2011).

Activities with Government Ministries

ACCESO is collaborating with several government ministries and institutions, both informally and through signed memorandum. These include:

- SAG: wide range of activities including training of SAG technicians, organization of the ACCESO consultative committee meetings, visits by the Minister to field activities, policy activities and rural village bank financing.
- Ministry of Health: coordination of activities, both centralized and regionally, with support to health centers, the AIN-C program (before closure in January 2012) and provision of basic health packages.
- Ministry of Work and Social Security: to utilize funds from PNUD for loans to rural youth enterprises in La Paz and Intibucá.
- Ministry of Industry and Commerce: joint activities under policy and small business development.
- Office of the Presidency: communication on activities and selected coordination with UTSAN (food security).

While the project does not work through the government, the relationships and agreements with them facilitates implementation, expands outreach, promotes information, technology and methodology exchange, and increases visibility.

Activities with Donors

- USDA: Organization of training events on pest identification and controls with USDA, including ACCESO, NGO and government technicians (May 2012).
- USDA: Presentations made in USDA training event on insect control for USA export shipments (September 2012).
- HORT CRSP: Meetings held on possible joint activities; presentation made on ACCESO activities at HORT CRSP event (September 2012).
- IPM CRSP: Meetings held on possible joint collaboration.
- JICA: Information provided to JICA on ACCESO activities with markets, crops, technical assistance and other areas – for designing new JICA support program to Honduras.

Collaboration and joint activities have also been carried out with COMRURAL project (World Bank), FAO PESA, WPF and others.

USAID-Honduras / Walmart Public Private Partnership

USAID-Honduras and Walmart de Mexico y Centroamérica signed a Memorandum of Agreement in July 2011 which formalized joint activities to be carried out by ACCESO and Walmart. Since project inception, ACCESO has worked closely with Walmart (through Hortifruti) to establish production programs of a wide range of high value crops.

To date, 45 ACCESO registered growers are supplying Walmart with 525 reported deliveries and sales estimated at \$465,292. Seven of these 45 growers are packing centers and several individual growers deliver on behalf of others (as individual grower codes are required); an estimated 180 growers are selling to Walmart. Production programs are being carried out principally through local collection companies in Intibucá (ASOFAIL), La Paz (ISEN), Ocotepeque (COPRAUL) and with individual growers in Lempira. Crops under production programs include tomato (pear and table types), sweet peppers (bell and Natalie types) and lettuce. Potatoes are also being sold but not under a formal production programs.

Walmart (Hortifruti) provides verbal purchasing agreements to ACCESO growers, while their field buying representatives visit the growers every two to three weeks in the production cycle to verify plantings, estimate volumes and determine quality. In some cases, written guidelines are provided on quality requirements. The buyers also support ACCESO postharvest handling training activities with specific information on quality standards, pack systems, packing and transport.

The arrangement with Walmart is commercial between them and ACCESO growers. No special treatment is given (nor should be). The project role is to set up the calendarized production programs based on Walmart's needs, provide the TA and training to the growers to enable them to produce the quality, consistency and volume required. Walmart is one of the many buyers that ACCESO is working with to link small growers to the markets.

USAID-Honduras / World Food Program Agreement

The World Food Program works in the same departments as ACCESO with a range of activities. Following a field visit to ACCESO sites in La Paz (December 2011) by the US Ambassador to the UN, the US Ambassador in Honduras, USAID Honduras, Honduran Minister of Agriculture and PMA representatives, an agreement was developed between USAID and the WFP to collaborate on the implementation of field activities. Following the signing of the agreement between USAID and WFP in May 2012, ACCESO and WFP have worked on and in the following areas:

- Coordination meeting to present ACCESO components and determine possible areas of collaboration (June 2012, La Paz).
- Coordination meeting on the ACCESO NRM component and PMA activities related to tree nurseries. ACCESO provided list of recommended fruit trees (August 2012, La Paz).
- Coordination meeting on nutrition and health activities to jointly prepare a manual on nutritional foods for families; ACCESO provided the recipes based on work carried out to date and PMA are to include the nutritional values. (August 2012, Lempira).
- ACCESO provided recommendations to the PMA corn production technological package, including methods to reduce production costs while increasing productivity. This was carried out with CAMACO, a cooperative that sells to PMA in Jesus de Otoro, Intibucá (September, 2012). ACCESO also assisted CAMACO with irrigation system installation and options for grain storage/warehouse receipts.
- ACCESO provided business skills assistance to UNESSEL, a cooperative in Gracias, Lempira working with the PMA. Advice was provided to improve business practices, review the credit portfolio of the members and recommendations to improve administrative controls. ACCESO prepared a draft manual for internal use on sales rules to enable the cooperative to purchase from non-members which will be presented to board of the cooperative at end of October

(carried out in September, 2012). This will provide the option to nearby non-cooperative growers (including ACCESO growers) to sell to the cooperative, who then sell to PMA.

- Other coordination meetings and activities have been held with WPF technicians at the field level.

Outstanding activities include:

- Training of PMA field technicians in maize and bean production systems. The activity, to be carried out in October 2012, will utilize ACCESO production manuals and will also include postharvest training.
- Meeting and coordination with the PMA and the Ministry of Health to ensure that the basic health package (supplements) are available in the ACCESO prioritized communities under the nutrition and health component (ACCESO will facilitate logistics).

USAID / Brazil / Honduras Trilateral Agreement

In April 2012, a visit to observe ACCESO field activities and project implementation was carried out by representatives of USAID Brazil, Embassy of Brazil in Honduras and Brazilian government representatives. This was followed by the signing in September 2012 of a trilateral agreement between USAID, ABC Brazil and the Government of Honduras for the implementation of joint activities on rural development, renewable energy and poverty reduction. ACCESO participated in the first meeting, has provided comments to a draft plan and provided short term technical assistance requirements which could help in ACCESO implementation.

Municipalities

ACCESO has coordinated field activities with 75 municipalities of the 129 municipalities in the six departments:

Copán	9 of 23 municipalities
Intibucá	5 of 15 municipalities
La Paz	18 of 19 municipalities
Lempira	13 of 28 municipalities
Ocatepeque	14 of 16 municipalities
Santa Bárbara	20 of 28 municipalities

A wide range of activities have been carried out with the municipalities, including:

- Assistance to identify priority areas with high poverty levels and access to water and roads
- Donations of fruit trees, hard wood seeds, chickens,
- Financing of beans seeds and inputs, high value crops and nutritional centers
- Transport costs for growers training activities
- Coordination with farmers markets
- Reservoir construction and irrigation equipment
- Construction materials for eco-justa stoves
- Co-investment with ACCESO on irrigation systems
- Materials and input for box bridge construction

Student Training

ACCESO receives requests from schools, colleges and universities to provide on-the-job training to students, areas for work practices and conditions for carrying out study thesis. 334 students from 25 different schools, technical colleges and universities have received a total of 315 weeks of on-the-job technical training from ACCESO. The main technical areas were in production, nutrition, business skills and processing.

Local NGO and Organizations

ACCESO is working with more than 100 organizations to coordinate activities and facilitate project implementation. Technical areas of collaboration included production, nutrition and health, renewable energy, natural resource management and disaster mitigation. These range from grower organizations, cooperatives, local and international NGOs, donor projects, “mancomunidades”, and government institutions. Examples include Plan de Honduras, ASONOG, Caritas, Childfund, Red Cross, Fundación Banhcafe, Heifer International, WFP, FAO, COMRURAL, SwissContact, SOCDEVI and others.

Non-ACCESO Related Activities

ACCESO has provided training and implementation support to SAG, including training of DICTA technicians in week long work shop on basic production practices (Comayagua) and SAG Irrigation department technicians on drip irrigation (Choluteca). ACCESO technicians have also given technical and project presentations in workshops organized by USDA, Zamorano, FHIA, RED Katalysis, donor coordination meetings and others.

Numerous meetings to with representatives from a range of organizations interested in ACCESO activities including AGEXPORT Guatemala, Chemonics International, International Finance Corporation, HortCRSP, PeanutCRSP, IPMCRSP, JICA, GIZ, CBI and others.

7. ADMINISTRATIVE CONSTRAINTS

There are several problems which have or are limiting the speed and efficiency of project implementation. With a 46 month project, a 4 month delay is almost 10 percent of the implementation period. For information purposes, some of these are as follows:

Staff Turnover: despite being fully staffed since January 2012, the project is experiencing a high level of technician turnover which reduces the level of effort being provided to project clients and limits the incorporation of new clients. At the junior level, technicians will resign after receiving training and skills development for a salary increase of \$50/month. Others resign as they are not accustomed to work with established targets and responsibilities – some have lasted only one day. Poor administration from sub-contractors has also been given as a cause. Some simply find alternative jobs while paperwork and approvals are being processed.

Tax Exoneration: it took three months to obtain the renewal of the local sales tax exoneration, which results in delays of many purchases, particularly under the grant program. This is an annual requirement.

Vehicles: the project purchased motorbikes for field technicians. These are registered in the name of the US Embassy, but the US Embassy does not consider them a vehicles. Administration delays always occur. The ownership transfer of a motorbike stolen in March 2012 still has not been made to the insurance company.

Security: project staff has been victim of armed assault, with motorbikes, computer, equipment and personal effects being stolen. Certain zones and routes are “off-limits” which limits implementation.

8. PLANNED ACTIVITIES FOR NEXT REPORTING PERIOD

Rural MSMEs access to inputs, practices and technology for market participation improved

- Continue the client household recruitment processes.
- Initiate and continue the development of market-led production programs in all six departments for high-value cash crops including potato, carrot, broccoli, cauliflower, peppers, garlic, Asian vegetables, plantain, a selection of herbs (basil, marjoram, chives, rosemary and thyme), onion, and cucumbers.
- Install irrigation infrastructure under the grants program.
- Introduce new technologies, crops, and processed products with high market potential.
- Expand and consolidate market driven production programs to meet local and regional demand.
- Implement coffee drying operations and cupping systems to improve sales prices for farmers.

Rural MSMEs access to new market opportunities increased

- Formalize the local farmers' fairs.
- Increase the number of local buyers working with USAID-ACCESO for increased market links and production programs.
- Expand the local distributor and retail outlet network in local towns for MSME sales with off-farm value added products.
- Expand outgrower programs for local exporters and processors.
- Expand calendarized production programs for local market buyers.
- ACCESO and client participation in national fresh produce and gift trade fairs.

Barriers to competitiveness of rural MSMEs reduced

- Formalization of local market fairs.
- Simplification of export permit processes for the regional (Central American) markets.
- Simplification and decentralization of services from SENASA to obtain sanitary licenses and permits for imports and exports.
- Training and technical assistance to first and second tier rural banks.
- Continue with the contracted research and development activities targeted to increase productivity for key crops.

Biodiversity and natural resources conserved

At the farm level

- Expand technical assistance in soil conservation, water resource management, wildlife preservation, pest and disease identification and control, and the safe use of pesticides.

At the municipal and community levels

- Implement in the field the work with FHIS and USAID in four potable water projects.
- Develop infrastructure for potable water and basic sanitation through the small grants.
- Continue testing alternatives for coffee pulp treatment with natural microorganisms.
- Continue the rehabilitation of chlorinators.

Disaster vulnerability reduced

- Continue implementation of mitigation plans in 20 communities.
- Continue to use the small grant program for disaster mitigation projects (roads, flood prevention, landslide prevention, disaster mitigation capacity building, etc.).
- Continue disaster mitigation training to CODELS in coordination with COPECO.
- Continue training of Municipal Emergency Committees to strengthen their operational capacities.
- Organize and or strengthen at least 30 Local Emergency Committees.

Renewable energy projects to be implemented during the next period

- Install 300 improved stoves, 50 bio-digesters, and 50 solar crop dryers.
- Training on the use and maintenance of improved stoves.
- Training on the concepts and critical points of design and installation of bio-digesters and solar dryers.

Use of quality maternal and child health and family planning services increased

- Continue with the expansion of the IEC strategy in targeted communities.
- Expand the installation of eco-stoves to an additional 300 households.
- Install at least 200 safe water systems in kitchens to families with children under the age of two.
- Expand the creation of family plots for increased food availability.
- Install and initiate operations of the food preparation centers.
- Install and initiate operations of the health center facilities with capacity to manage acute under nutrition.
- Continue promoting family planning and quality maternal and child health practices in the basic messages that are conveyed in the training events.
- Provide training in food preparation and diet diversity to ensure nutrient uptake.
- Continue adding activities of the healthy household program to the targeted families, until these have completed the targeted practices.
- Continue with the provision of direct technical assistance through the domiciliary visits to those families with children below the third percentile.
- Continue coordinating field activities with the health units to improve access to the family planning methods.
- Continue coordination with WFP activities.

Project management and administrative activities

- Continue developing formal alliances with selected counterpart institutions and private sector companies.
- Review and analysis of PMP indicators, update of the PIRS and preparation of the 2012/2013 workplan.

Monitoring and evaluation activities

- Analyze data collected from sampling clients to determine annual performance advance.
- Prepare monthly, quarterly and annual reports.
- Update the PMP monitor.
- Develop activity and status reports for subcontractors.
- Provide management reports on advancement of all project components to department and zone managers for performance evaluation and decision making.
- Meetings with technical production staff to evaluate performance against results, and to prepare strategies for the achievement of project goals.
- Installation and replication of the new version of CIRIS
- Training USAID-ACCESO staff on the use and management of the new version of CIRIS
- Continue collecting client's profile forms
- Continue collecting EOH forms from sampling clients.
- Develop a CIRIS "Nutrition" tool for field data collection.

Small grants, subcontracts and alliances program

The first major purchases under the grants mechanism have been carried out and will be installed and operational in the next quarter, including production (irrigation), health and nutrition (health centers, water filters), and natural resource management and disaster mitigation. Upcoming activities under this component will include:

- New private sector alliances.
- Irrigation system installations.
- Household garden plots for adequate nutrition at the household level.
- Rural home improvements.
- Water filters for households with children under the age of 2 with little or no access to adequate drinking water.
- Natural resource management activities and investments.
- Disaster mitigation activities and infrastructure.
- Marketing activities investments.

ANNEX I: Performance Monitoring Plan

The PMP and work plan targets for each indicator is provided below, together with the overall status as of September 2012. These are separated by IRs and sub-IRs to be consistent with the quarterly and work plan formats. Note: data for selected indicators are collected on an ongoing basis while others are collected via annual surveys.

ACTIVITY	YEAR 1 (FY 2011) ACHIEVED	YEAR 2 TARGETS (Oct. 2011 to Sept. 2012)				Total Year 2 Target	TOTAL EXPECTED LOP	DELIVERABLE / UNITS	Year 2 Target Breakdown		Previous Reported Status (06/2012)	Additional Reported for Previous Quarter	Current Quarter (09/2012)	Updated Status (09/2012)
	Apr. 2011 to Sept. 2011	Q1	Q2	Q3	Q4				Male	Female				
1	Program Administrative Activities													
	Start-Up Activities													
1.1	Key Personnel Fielded	done									done			
1.2	Grants Manual Submitted	1									done			
1.3	Project Intranet/Internet Sites Designed & Launched	2									done			
1.4	Vehicle/Equipment Procurement	cars/motorbikes	on-going	on-going							done			
1.5	Local Project Team Fielded	done	on-going	on-going							done			
1.6	Local staff trained in Fintrac implementation methodology	done	on-going								done			
1.7	Remaining team hired and fielded		on-going								done			
	Communications & Reporting													
1.8	Branding & Marking Plan Prepared & Submitted	1									done			
1.9	PERSUAP	1									done			
1.10	EMP			1							done			
1.11	Monthly Reports	6	3	3	3	3	12	46	Reports		15		3	18
1.12	Quarterly Reports	2	1	1	1	1	4	15	Reports		5		1	6
1.13	Annual Workplan	1	1				1	4	Workplans		2			2
1.14	Final Report							1	Reports					
1.15	Steering committee meetings		1		1		2	7	Meeting Minutes		2		0	2

ACTIVITY	YEAR 1 (FY 2011) ACHIEVED	YEAR 2 TARGETS (Oct. 2011 to Sept. 2012)				Total Year 2 Target	TOTAL EXPECTED LOP	DELIVERABLE / UNITS	Year 2 Target Breakdown		Previous Reported Status (06/2012)	Additional Reported for Previous Quarter	Current Quarter (09/2012)	Updated Status (09/2012)
	Apr. 2011 to Sept. 2011	Q1	Q2	Q3	Q4				Male	Female				
2	Project Monitoring & Evaluation Activities													
2.1	done										done			
2.2	done										done			
2.3	1						1	Plan			done			
2.4								Data					on-going	
2.6								Data						
2.7														
2.8	2	3	3	3	3	12	40	Publications			16		4	20
3	Small Grants Program													
3.1		1,035	1,035	1,035	1,052	4,157					0	860	4,225	5,160
3.2			5	10	5	20					0		4	4
3.3			5	10	5	20					0	2	2	4
3.4			50	100	50	200	890				363		365	728
3.5		1,035	1,095	1,155	1,112	4,397					438	862	4,596	5,896

ACTIVITY	YEAR 1 (FY 2011) ACHIEVED	YEAR 2 TARGETS (Oct. 2011 to Sept. 2012)				Total Year 2 Target	TOTAL EXPECTED LOP	DELIVERABLE / UNITS	Year 2 Target Breakdown		Previous Reported Status (06/2012)	Additional Reported for Previous Quarter	Current Quarter (09/2012)	Updated Status (09/2012)
	Apr. 2011 to Sept. 2011	Q1	Q2	Q3	Q4				Male	Female				
High Level Targets														
GOAL: Increased Rural Household Incomes														
PIRS # 1	Number of households living in poverty moved above the poverty line					6,000	30,000	Households	4,800	1,200				1,183
PIRS # 2	Number of rural households living in extreme poverty moved above the poverty line ¹					4,500	18,000	Households	3,600	900				834
PIRS # 3	Value of new net income of participant rural farmers and MSMEs					14.79	73.95	US\$ Million	13.31	1.48				7.10
PIRS # 4	Number of jobs attributed to FTF implementation					2,085	10,425	FTEs	1,251	834				2,332
Increased Agricultural Productivity														
PIRS # 5	Value of incremental sales (collected at farm/firm level) attributed to FTF implementation					26.73	133.65	US\$ Million	24.06	2.67				12.40

ACTIVITY	YEAR 1 (FY 2011) ACHIEVED	YEAR 2 TARGETS (Oct. 2011 to Sept. 2012)				Total Year 2 Target	TOTAL EXPECTED LOP	DELIVERABLE / UNITS	Year 2 Target Breakdown		Previous Reported Status (06/2012)	Additional Reported for Previous Quarter	Current Quarter (09/2012)	Updated Status (09/2012)	
	Apr. 2011 to Sept. 2011	Q1	Q2	Q3	Q4				Male	Female					
IR 2.1: RURAL MICRO, SMALL, AND MEDIUM ENTERPRISE (MSME) GROWTH INCREASED															
Sub-IR 2.1.1: RURAL MSMEs' ACCESS TO INPUTS, PRACTICES, AND TECHNOLOGY FOR MARKET PARTICIPATION IMPROVED															
Implementation of updated production technologies (on-farm and off-farm)															
WP # 1	Number of individuals who have received USG supported short-term agricultural sector productivity or food security training	5,045	3,784	3,784	3,784	3,784	15,136	55,500	Individuals	12,208	2,928	21,755	1,639	0	23,394
WP # 2	Number of extension visits to program beneficiaries	34,400	25,800	25,800	25,800	25,800	103,200	378,400	Extension Visits			110,572	-4,536	42,375	148,411
WP # 12	Number of technical materials produced (bulletins, manuals, presentations and tools)	50	20	20	20	15	75	225	Technical materials			142	1	62	205
WP # 10	Number of MSMEs (off-farm and processing) assisted by project	161	81	81	80	80	322	805	MSMEs	129	193	638		64	702
PIRS # 6	Value of new private sector investment in the agriculture sector or food chain leveraged by FTF implementation	0.079	1.08	1.08	1.08	1.08	4.32	21.60	New private sector investment (Millions)			1.584	0.372	1.141	3.097
WP # 11	Number of female individuals in training activities	1,800	525	525	525	525	2,100	8,300	Female Individuals			6,513	1,418	0	7,931
PIRS # 7	Number of farmers and others who have applied new technologies or management practices as a result of USG assistance		1,000	1,000	1,205	1,205	4,410	22,050	MSMEs	3,528	882	35		4,557	4,592
Private sector alliances and integration of private sector equipment, input and service providers															
PIRS # 30	Number of organizations / companies providing business development / extension services to MSMEs	23	5	15	25	25	70	465	organizations / companies providing services to MSMEs			48		30	78
PIRS # 32	Number of public-private partnerships formed	1	3	3	9	10	25	50	PPP formed			7		5	12
PIRS # 33	Number of private sector alliances developed	2	2	2	2	2	8	15	PSA's Formed			12		2	14
Grower organization and the development of market driven production programs															
PIRS # 31	Number of producers organizations, water users associations, trade and business associations, and community-based organizations (CBOs) receiving USG assistance	20	15	15	20	20	70	210	Organizations / associations / CBO's receiving assistance			176		14	190
WP # 3	Number of small farmer associations formally established as businesses				2	2	4	55	Associations formally established as businesses			0		0	0

ACTIVITY	YEAR 1 (FY 2011) ACHIEVED	YEAR 2 TARGETS (Oct. 2011 to Sept. 2012)				Total Year 2 Target	TOTAL EXPECTED LOP	DELIVERABLE / UNITS	Year 2 Target Breakdown		Previous Reported Status (06/2012)	Additional Reported for Previous Quarter	Current Quarter (09/2012)	Updated Status (09/2012)	
		Apr. 2011 to Sept. 2011	Q1	Q2	Q3				Q4	Male					Female
SUB-IR 2.1.2: RURAL MSMEs' ACCESS TO NEW MARKET OPPORTUNITIES INCREASED															
Development of buyer linkages and logistics															
WP # 4	Number of MSMEs accessing new market opportunities through a broker	218	492	492	492	492	1,968	10,932	MSMEs	1,771	197	300		1,138	1,438
PIRS # 12	Number of brokers providing market linkages to MSMEs	-	25	25	25	50	125	500	Brokers providing market linkages to MSME's			15		14	29
WP # 6	Number of market surveys conducted	1	2	3	4	3	12	24	Market Surveys			2		4	6
Production and systems implementation to meet buyers quality standards															
WP # 5	Number of MSMEs that have entered formal preferred supplier or contract agreements with brokers		74	150	150	225	599	2,996	MSMEs	509	90	372		178	550
Implementation of business certification programs															
PIRS # 13	Number of MSMEs that have been verified to meet market standards for their products		50	50	100	100	300	2,000	MSMEs			452		465	917
SUB-IR 2.1.3: BARRIERS TO COMPETITIVENESS OF RURAL MSMEs REDUCED															
Increased access to finance															
PIRS # 14	Number of MSMEs accessing market-based financing as the result of USG assistance	215	180	210	230	243	863	4,314	MSME's accessing finance	690	173	1,153	182	557	1,892
PIRS # 15	Value of Agricultural and Rural Loans made to MSMEs	0.273	0.27	0.31	0.33	0.35	1.26	6.33	Value of loans (millions)	1.01	0.25	0.813	0.404	0.537	1.754
PIRS # 11	Number of MSMEs implementing sound business management practices		300	360	480	556	1,696	8,482	MSMEs	1,357	339	128		567	695
PIRS # 16	Number of value chain / sector constraints identified and resolved			3	5	7	15	40	Constraints			0		1	1
PIRS # 17	Number of policy reforms, regulations, administrative procedures passed for which implementation has begun with USG assistance	1			1		1	4	Policies, regulations or administrative procedures passed			2		1	3
Applied research and development programs developed															
xx	R&D projects and Activities Identified	1		1			1	1				9			9

ACTIVITY	YEAR 1 (FY 2011) ACHIEVED	YEAR 2 TARGETS (Oct. 2011 to Sept. 2012)				Total Year 2 Target	TOTAL EXPECTED LOP	DELIVERABLE / UNITS	Year 2 Target Breakdown		Previous Reported Status (06/2012)	Additional Reported for Previous Quarter	Current Quarter (09/2012)	Updated Status (09/2012)	
		Apr. 2011 to Sept. 2011	Q1	Q2	Q3				Q4	Male					Female
IR 2.2: Honduran Biodiversity and Natural Resources Conserved and IR 2.3: CAPACITY TO ADAPT AND MITIGATE CLIMATE CHANGE STRENGTHENED															
Implementation of NRM practices on farm															
PIRS # 8	Number of additional hectares under improved technologies or management practices as a result of USG assistance		700	700	781	800	2,981	14,904	Hectares	2,683	298	0		8,321	8,321
PIRS # 10	Number of companies (including farms) that have made conservation-friendly changes in their business practices	0	1,000	1,000	1,205	1,205	4,410	22,050	Companies (including farms)			0		356	356
Implementation of NRM practices at community and municipality levels															
PIRS # 9	Number of Local Municipal Governments effectively implementing natural resource management policies				3	4	7	20	Local Municipal Governments			0		7	7
SUB-IR 2.3.3: DISASTER VULNERABILITY REDUCED															
Development and implementation of disaster mitigation plans and systems															
PIRS # 28	Number of communities in high vulnerability municipalities with adequate disaster prevention and mitigation capacity				5	10	15	40	Communities with adequate disaster prevention and mitigation capacity			0		11	11
Installation of renewable energy technologies															
PIRS # 29	Number of rural micro-generation clean/renewable energy projects established	10	52	90	100	109	351	890	Projects established			363	7	358	728

ACTIVITY	YEAR 1 (FY 2011) ACHIEVED	YEAR 2 TARGETS (Oct. 2011 to Sept. 2012)				Total Year 2 Target	TOTAL EXPECTED LOP	DELIVERABLE / UNITS	Year 2 Target Breakdown		Previous Reported Status (06/2012)	Additional Reported for Previous Quarter	Current Quarter (09/2012)	Updated Status (09/2012)
	Apr. 2011 to Sept. 2011	Q1	Q2	Q3	Q4				Male	Female				
IR 4.1: USE OF QUALITY MATERNAL AND CHILD HEALTH AND FAMILY PLANNING SERVICES INCREASED														
PIRS # 18	Prevalence of households with moderate to severe hunger						-20%	% reduction from baseline						
PIRS # 19	Prevalence of underweight children under 5					-5%	-5%	-20%	% reduction from baseline	-5.0%	-5.0%		-23.9%	-23.9%
PIRS # 20	Prevalence of stunted children under 5							-20%	% reduction from baseline					
PIRS # 21	Percent of children 6-23 months that received a Minimum Acceptable Diet							30%	% increase over baseline					
PIRS # 22	Prevalence of exclusive breast feeding of children under 6 months					5%	5%	20%	% increase over baseline				4.5%	4.5%
PIRS # 23	Prevalence of anemia among women of reproductive age							-5%	% reduction from baseline					
PIRS # 24	Prevalence of anemia in children 5 - 59 months							-20%	% reduction from baseline					
PIRS # 25	Women's dietary diversity: mean number of food groups consumed by women of reproductive age							30%	% Change in HDDS					
PIRS # 26	Number of health facilities with established capacity to manage acute under-nutrition							20	Health Facilities					
PIRS # 27	Modern contraceptive prevalence rate					2.5%	10%		% Increase over baseline	2.5%	2.5%		11.2%	11.2%

ANNEX II: Snapshots & Monthly Summaries



Monthly Update July 2012

JULY HIGHLIGHTS

- USAID-ACCESO is currently assisting 16,839 client households (82 percent live in extreme poverty and 8 percent in poverty). These households, with more than 76,040 beneficiaries, receive technical assistance to increase productivity and income and are connected with economic opportunities to overcome poverty. The project's integrated approach works with the client households to improve practices in nutrition and health, off-farm businesses, renewable energy, natural resource management, and agriculture.
- The total area under production has reached 13,419 hectares, including new plantings of soy bean, avocado, lime, tomato, parsley, passion fruit, loroco, lemon grass, and white cassava.
- The First Lady of Honduras, Rosa Elena de Lobo; United States Ambassador to Honduras, Lisa Kubiske; and Minister of Agriculture and Livestock, Jacobo Regalado, visited communities in the municipality of El Tabor, Intibucá. They were impressed by USAID-ACCESO's focused, integrated strategy and the impact it has had on rural client households in the area. The visitors were able to see firsthand that small-scale producers are more economically independent thanks to project support.
- Under the policy component, USAID-ACCESO contributed to the simplification of legalization procedures for MSMEs under the Economic Social Sector Law, which was put in place to better serve small businesses. The first 35 applications for MSME legalization have already been approved, allowing the small businesses to operate legally with more access to markets and financing sources.
- Forestry specialists continue to work with the Forestry Conservation Institute to establish mechanisms to legally obtain timber resources and reduce illegal logging. Specialists continue to providing support to forest product manufacturers, helping them expand their job opportunities.



Rosa Elena de Lobo (left) and Lisa Kubiske meet with producer, Antonio Pérez, on his farm in El Tabor, Intibucá.

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USAID-ACCESO will assist more than 30,000 clients in the departments of Copán, Intibucá, La Paz, Lempira, Ocotepeque, and Santa Bárbara. The project is working to lift these rural households above the poverty line and malnutrition conditions through economic development and increased incomes.

USAID-ACCESO client households, beneficiaries, and other clients, July 2012

Department	Client Households	Beneficiaries	Other Clients*
Copán	2,632	8,917	230
Intibucá	2,962	16,019	313
La Paz	2,529	12,250	523
Lempira	3,860	20,188	529
Ocotepeque	2,610	9,598	281
Santa Bárbara	2,223	8,968	489
Others	23	100	100
TOTAL	16,839	76,040	2,465

*Includes: MSMEs, buyers, input and service providers, Municipal Corporations, counterpart organizations, among others.



Technical assistance in agricultural production helps improve yields and quality. Carrot producers are already seeing how good agricultural practices lead to higher incomes.

TECNICAL ASSITANCE

The project made 13,427 technical assistance visits, 10,664 of which focused on improving agricultural production and building producers' capacity in technical areas such as basic agricultural practices, soil preparation and management, use of agrochemicals, fertilization programs, and assistance in planting and transplanting.

534 business and finance technical assistance visits were made to train participants on the use of production logs and how to prepare business plans. This month, the project also focused on credit analysis and financing sources, helping household clients better understand opportunities for accessing credit and loans.

VALUE-ADDED PRODUCTS

USAID-ACCESO continues supporting processing and new product development activities to help beneficiaries diversify their income sources and generate self-employment. In July, 356 participants were trained in 57 events. 161 project clients participated in bakery workshops, where they learned to make cookies, donuts, pineapple pastries, and cakes for sale in local markets. Participants plan to continue improving their skills and recipes to expand their potential markets and distribution channels.

Three events focused on packaging this month. Participants learned packaging procedures for food products, methods for improving product appearance, and hygiene requirements. They also learned about opportunities for accessing credit and other financial services, which will allow them to further expand their small businesses.



In bakery workshops, participants learn how to bake cookies, donuts and other pastries to sell, generating additional income for their families.



Supervision and quality control during the oven drying of allspice in Ilama, Santa Bárbara.

ACCESS TO MARKETS

44 clients received training on the use of market information; on how to create a calendarized planting program; and the importance of consistent presence in the local and international markets.

To improve market access for small producers and strengthen the sustainability of new producer-buyer relationships, project specialists continued buyer visits to farms in production and encouraging direct participation in events and local fairs.

In July, five containers (200,000 pounds) of Chinese eggplant and the season's first container of allspice (12,000 pounds) were exported to the USA. Local markets continued to serve as distribution points for clients' products.



During household visits, mothers incorporate improved nutrition practices, such as feeding children iron- enriched soup, Intibucá.

NUTRITION AND HEALTH

With assistance from community health volunteers, 1,852 heads of households received hands-on training in health and nutrition workshops. Mothers learned about the importance of diet diversification and balanced nutrition, according to the child's age. The health and nutrition team made household visits to address specific concerns and questions with each family, with emphasis also being given to include the local health volunteers in these activities. Household visits also allow the team to reinforce important daily practices such as techniques for proper water storage, food access, and basic hygiene practices.

1,004 technical assistance visits were made during the month, highlighting the importance of consuming iron-rich foods such as yellow fruits and leafy greens.

EMERGENCY DRILLS: STRENGTHENING UNITY AND KNOWLEDGE IN ASSISTED COMMUNITIES

Natural resource management and disaster mitigation specialists work with local government committees and nongovernmental organizations to strengthen communities' knowledge of and ability to respond to natural disasters. Community members are actively involved in identifying high-risk areas and developing disaster prevention plans. In July, with support from the Red Cross, the Secretary of Education, the Forestry Conservation Institute, and local emergency commissions (CODELs), USAID-ACCESO trained 257 people in emergency preparedness in 16 events. Activities included simulation drills and prevention planning.

Simulations are a basic tool for participants to practice what they learn in trainings. The exercises promote teamwork, problem-solving skills, and a better understanding of the local geography.



Community members and volunteers from local institutions participate in an emergency drill, Copán.

All photos by Fintrac Inc.

Trainings - July 2012

Area	Participants	Events
Renewable Energy	105	12
Business Skills / Finance	1,899	106
Natural Resources Management	639	53
Postharvest and Certifications	143	11
Processing and Value Added	356	57
Production	8,717	1,147
ACCESO project	81	7
Market Information	44	2
Nutrition and Health	1,852	109
TOTAL	13,836	1,504

This monthly update was made possible by the generous support of the American people through the United States Agency for International Development (USAID). The contents of this report are the sole responsibility of Fintrac Inc. and do not necessarily reflect the views of USAID or the United States government.



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Monthly Update August 2012

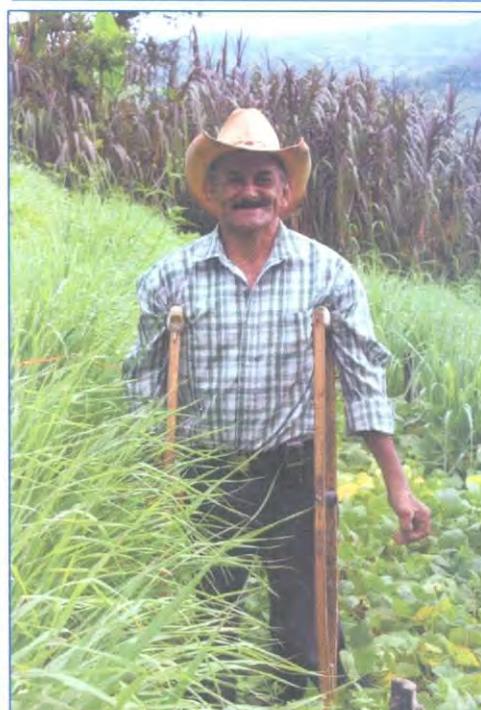
AUGUST HIGHLIGHTS

- USAID-ACCESO is currently assisting 17,861 client households (89 percent of which live under the poverty line) in Western Honduras to move out of poverty and malnutrition through participation in project activities.
- USAID-ACCESO has a total of 77,820 beneficiaries; 10,030 of which are children under five years old; and 2,941 of those children are under two years old. These children are direct beneficiaries of project activities such as family plots; food preparation trainings; promotion of fruit and vegetable consumption; and workshops on improved household sanitation practices.
- The total production area under project assistance is 14,670 hectares: 7,767 hectares of coffee, 5,481 hectares of basic grains, and 1,421 hectares of horticultural crops. The main horticulture crops planted this month include gherkin and eggplant for export markets; and potato, tomato, cabbage, and carrots for local markets.
- United States Ambassador to Honduras, Lisa Kubiske, and USAID/Honduras Mission Director, James Watson, visited communities in the department of Intibucá. The visitors were able to speak directly with the small-scale producers and their families, and to learn about the project's integrated strategy and the impact it has had on rural clients.
- USAID-ACCESO continues exploring renewable energy options for project beneficiaries. In August, 197 producers were trained during 23 events on the installation and use of eco-friendly stoves, solar dryers, and biodigestors. Biodigestors generate gas that can be used to fuel stoves or lamps, a great alternative for households with no access to electricity.

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Miguel Angel Fuentes stands proudly in his plot where he grows beans for export and has drastically improved the yields and quality of his maize and bean crops thanks to project support.

USAID-ACCESO client households, beneficiaries, and other clients, August 2012

Department	Client Households	Beneficiaries	Other Clients*
Copán	2,741	8,924	241
Intibucá	3,227	16,467	336
La Paz	2,757	12,850	508
Lempira	4,081	20,480	594
Ocotepeque	2,728	10,036	302
Santa Bárbara	2,304	8,963	539
Others	23	100	103
TOTAL	17,861	77,820	2,623

*Includes: MSMES, buyers, input and service providers, Municipal Corporations, counterpart organizations, among others.



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Business and finance skills training is an important part of the project's technical assistance. Participants learned how to keep records, calculate production costs, and conduct cost-price analyses.

TECNICAL ASSITANCE

The project made 14,104 technical assistance visits, of which 10,981 focused on improving agricultural production and building producers' capacity in technical areas such as improved agricultural practices in vegetables and coffee, raised bed preparation and management, seedlings and transplanting, integrated pest management, and greenhouse management. Field visits allow producers the opportunity to exchange ideas and learn about new crops and technologies.

Technical assistance visits were made in support of all project components including 1,160 in nutrition and health, 268 in animal production, 690 in business and finance skills, 100 in postharvest handling, 527 in processing, 122 in natural disaster mitigation, and 45 in natural resource management, among others.

200 project-assisted producers attended the first financial fair in La Paz, where they met with a number of local credit agencies. Expanding access to credit is one of the project's key objectives.

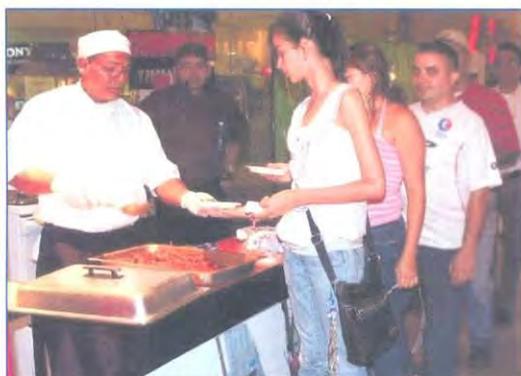
VALUE ADDED

USAID-ACCESO helped more than 70 female entrepreneurs take advantage of a national holiday by constructing 1,050 piñatas that generated net income of \$5,000. The women made the piñatas using recycled materials such as paper, newspaper, and leftover flour.

USAID-ACCESO continues to work with clients to develop new products and explore new income-generating activities. In August, 93 workshops were held in which 544 participants learned to make piñatas, jewelry, handcrafts, and other innovative products. After 21 bakery trainings, 230 individuals will now be able to reduce their production costs by up to 50 percent. Assisted communities are also improving the quality, cleanliness, and packaging for their products.



Women entrepreneurs learned to add value to previously discarded materials in piñata-making and cost calculation training in Intibucá.



Shoppers tasted dishes prepared with USAID-ACCESO's client produce at a gourmet food tasting event in San Pedro Sula.

ACCESS TO MARKETS

In order to promote client agricultural products, USAID-ACCESO sponsored a cooking demonstration and tasting in a popular mall in the city of San Pedro Sula. A local gourmet chef prepared recipes using high-quality onions, eggplants, garlic paste, green peppers and others that were produced by USAID-ACCESO clients. This event featured products from 80 producers and 10 client MSMES. The successful event will be replicated in 11 additional locations next month.

46 technical assistance visits were held connecting producers to national and international buyers. Specialists also coordinated shipments of two containers of allspice to the United States, directly benefiting 150 producers of Ilima, Santa Bárbara.



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A young girl in Copán enjoyed a fortified tortilla at a food preparation training event.

NUTRITION AND HEALTH

In August, 141 events were attended by 2,204 parents who learned improved food preparation techniques, diet diversification strategies, and better household hygiene and sanitation practices. Fortified tortillas, prepared with green leaves or carrots, and iron-enriched soups have a direct impact on children's health. Mothers learned how to prepare these nutrient-rich foods using readily available ingredients during household visits and on-site trainings.

Children in target communities are already showing positive improvements thanks to the comprehensive nutrition and health activities, which include trainings, food preparation workshops, and the implementation of the "healthy home" component to prevent health common problems. From April to July 2012, the percentage of children under two years old that demonstrated consecutive weight gain increased from 30 to 54 percent (of 1,288 children under the third percentile). Consistent growth leads to a reduction in the overall number of children in the bottom third percentile of weight.

NUTRITIONAL TRAINING CENTER OPENS

As part of USAID-ACCESO's strategy to maximize the impact and reach of its trainings, a nutritional training center was inaugurated in the community of Yaruconte, Copán. The center was fully equipped by USAID-ACCESO with the necessary tools to prepare healthy meals, including an eco-stove, pots, plates, glasses, silverware, and containers for proper food storage. During the inauguration, participants learned to prepare rice with vegetables, fortified tortillas, and eggs enriched with green leaves.

The center is directly benefiting 31 households in Yaruconte with children under 2 years old. It is the first of 20 similar nutritional training centers that will open in the coming months in prioritized communities.



Photos by Fintrac Inc.

Parents, children and USAID- ACCESO staff at the inauguration of a Nutritional Training Center in Copán.

Trainings – August 2012

Area	Participants	Events
Renewable Energy	197	23
Business Skills / Finance	2,500	149
Natural Resource Management	580	24
Postharvest and Certifications	280	27
Processing and Added Value	544	93
Production	11,175	1,369
ACCESO project	8	1
Nutrition and Health	2,204	141
TOTAL	17,488	1,787

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Monthly Update *September 2012*

SEPTEMBER HIGHLIGHTS

- USAID-ACCESO is providing training and technical assistance to 18,954 rural households, reaching a total of 81,052 beneficiaries, 13 percent of which are children under 5 years old; 48 percent of beneficiaries are women. The project operates in the six departments with the highest rates of poverty and malnutrition, working to improve food security and increase incomes.
- The total production area under project assistance is 17,400 hectares: including 9,210 hectares of coffee; 6,548 of basic grains; and 1,641 of horticultural crops. The main horticulture crops planted this month included bean, corn, potato, plantain, tomato, sweet potato, lettuce, papaya, and fruit trees such as Hass avocado.
- USAID-ACCESO and Syngenta partnered to promote the Empty Container Collection project, which provides coupons for discounts on the purchase of agrochemicals at local suppliers in Intibucá and La Paz, in exchange for clean, empty pesticide containers. The project promotes positive environmental practices while also increasing access to important production inputs for smallholder farmers.
- To date USAID-ACCESO has installed 114 solar dryers for coffee, beans, and corn, improving access to renewable energy technologies for project beneficiaries. Solar dryers ensure uniform drying, while keeping grains clean, off the floor, and away from animal contact. In September, 239 producers participated in 31 events on the use and maintenance of solar dryers, biodigesters, and eco-stoves. Eco-stoves reduce the incidences of respiratory diseases and consume less wood than traditional stoves.

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Cucumber producer in Copán harvest the crop to send to market. The family's income has increased thanks to new high-value crops and improved production practices.

USAID-ACCESO client households, beneficiaries, and other clients, September 2012			
Department	Client Households	Beneficiaries	Other Clients *
Copán	2,916	9,286	285
Intibucá	3,476	18,170	364
La Paz	3,006	13,741	527
Lempira	4,218	20,652	702
Ocotepeque	2,913	10,021	331
Santa Bárbara	2,402	9,082	555
Others	23	100	123
TOTAL	18,954	81,052	2,887

**Includes: SMMEs, buyers, input and service providers, municipal corporations, and counterpart organizations.*



Project technicians train farmers in pest and disease management to ensure quality crops and maximum yields.



The project trained water treatment boards in Santa Catarina, Intibucá, improving the water quality for 1,400 residents.

TECNICAL ASSISTANCE

13,717 technical assistance visits were made during the month, of which 10,782 focused on production – training farmers in best practices for coffee, basic grains and horticulture crops, including soil preparation and management; pest and disease control; appropriate use of agrochemicals; transplanting; sowing; and irrigation system installation and management.

A total of 941 technical assistance visits focused on food preparation and diet diversity; 196 focused on animal production; 708 were on business skills (use of production logs); 84 on postharvest handling; and 559 on processing. In Intibucá, a community of 1,400 began using a new water treatment system after receiving technical assistance from natural resource management specialists. The new treatment system has drastically improved the quality of the town's drinking water. Natural resource management specialists made 133 field visits this month to improve water and waste management, and the management of coffee pulp.

VALUE ADDED PRODUCTS

USAID-ACCESO continues to promote new product development and diversification to generate off-farm income and employment. In September, 408 participants attended 54 workshops; 31 individuals learned processing and commercialization techniques for dairy products. Other clients learned to process frozen beans to meet local market demand. They also received support in marketing and branding the new product.

Forestry specialists and local environmental protection authorities collaborated to promote the safe and legal use of wood to produce chests, jewellery boxes, and household décor. In September, 18 technical assistance visits assisted producers to understand consumer and market demands.



A project technician oversees the frozen bean processing. This small family business is increasing sales and income with the addition of processed products, which have year-round demand.



Eggplant exportation is stimulating economic growth in La Jigua, Copan. USAID-ACCESO trained the employees at this eggplant packing plant in postharvest handling.

ACCESS TO MARKETS

Eggplant exportation continues to increase incomes for producers in Copán, generating \$150,000 in total sales to date and creating new job opportunities. An export company opened a new packing plant that now employs 31 local residents who received USAID-ACCESO training in product selection and packaging.

In Santa Bárbara, six containers of high-quality allspice were exported to international markets, generating \$200,000 in gross sales for rural producers. The group received national recognition from the government as an official allspice exporter.

Producers in Ocotepeque sent a 40,500-pound container of sweet potato and plantain to Canada, generating approximately \$6,400 in sales. The producers plan to explore new export opportunities in international markets.



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Feeding guides help parents monitor their children's diet and weight to maximize growth. Both mothers and fathers receive training in childhood feeding practices and the importance of a balanced diet.

HEALTH AND NUTRITION

2,042 clients participated in 177 training events on personal hygiene and household cleanliness, diet diversity, the importance of eating healthy fruits and vegetables, and the active participation of parents in childhood feeding. All project health and nutrition interventions target children in the lowest weight percentiles. Families received training on the use of a child feeding guide developed by the project, which recommends the proper portions and timing of meals to optimize healthy and steady childhood growth.

To further increase impact and build local capacity, USAID-ACCESO is inaugurating 40 nutritional training canters, providing training and equipment to more than 300 health volunteers. The training canters will serve as meeting points where mothers and children can attend workshops. This initiative will benefit 6,520 client households in 60 communities.

IMPROVING FOOD SECURITY THROUGH FAMILY PLOTS

USAID-ACCESO works to improve food security and nutrition by promoting the consumption of healthy foods and working with client families to establish family garden plots. The small plots, which average 0.04 hectares in size, are typically located near client homes and are managed by the whole family. The crops grown on these plots include yuca, plantain, sweet potato, *malanga*, *moringa*, and citrus and avocado trees – all nutritious foods that contribute to overall household nutrition and contain critical iron and vitamins. To date, a total of 25 hectares of family plots have been planted with assistance from project specialists, benefiting 809 families in prioritized communities.



Maria Elena Carbajal and her three children are reaping the benefits from their flourishing household garden. The youngest child, Cristel, has been steadily gaining weight since the family began receiving project assistance.

Photos by Fintrac Inc.

Trainings – September 2012

Area	Participants	Events
Renewable Energy	239	31
Business Skills / Finance	1,205	113
Natural Resource Management	504	27
Postharvest and Certifications	365	31
Processing and Added Value	408	54
Production	9,684	1,171
ACCESO project	48	3
Nutrition and Health	2,042	117
TOTAL	14,579	1,551

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FROM THE AMERICAN PEOPLE

SNAPSHOT

New Crop a Boost to Rural Community

Export of eggplant raises incomes of producers and creates new employment opportunities in rural village.



Photo by Fintrac Inc.

Benjamin Perdomo is growing eggplant for export to the United States. This high-value crop is new for the small-scale farmer who previously subsisted on a minimal income from sale of his corn and beans harvests.

“I had never even heard of eggplant before, and now I am exporting my product to the US; it’s unbelievable.”

— Benjamin Perdomo, small-scale eggplant producer

Telling Our Story

U.S. Agency for International Development
Washington, DC 20523-1000
<http://stories.usaid.gov>

Producers in La Jigua, Copán are reaping the benefits of a lucrative new crop. A small group of growers is now exporting eggplant to the United States, earning significantly higher incomes than they ever imagined and creating more than 100 new jobs in rural communities.

USAID-ACCESO production and marketing specialists began assisting a group of seven farmers in February 2012, helping them identify eggplant as a new, high-value crop. With the project’s help, the farmers obtained seeds and inputs, targeted a market, and planted their crop using good agricultural and postharvest practices they learned from project technicians.

Thanks to project assistance, the group had a contract with a Honduran exporter, who shipped the first container of eggplant from Copán. Since April 2012, the group, who added three more producers, has exported 15 containers to the US for total sales of \$150,000. They are planning to export several more containers in 2012.

Benjamin Perdomo is a small-scale farmer who joined up with the eggplant producers after seeing the success of his neighbors. “I had never even heard of eggplant before,” he said. “Now I am exporting my product to the United States; it’s unbelievable.”

Perdomo was growing beans and corn on a small scale for sale to local markets or middlemen. Without a reliable market, he was struggling to make any income for his family. Now he is receiving technical advice to improve the production of his staple crops, as well as instruction on eggplant production. He is selling an average of 7,200 pounds of eggplant a month at a fixed and fair price.

The group is now employing nearly 100 people in the fields to assist with planting and harvesting. These new jobs provide a steady income to more than 45 extremely poor families.

To meet the demands of the export market, the exporting company has opened a packing plant in the community, which currently employs 31 local residents trained by the project in product grading and packing. The exporter pays full-time salaries for these positions, all of which are entirely new jobs.

The small group of producers is helping stimulate economic activity in the community, with the potential to involve more and more small-scale producers and day laborers as production continues to increase.

“We work with all types of producers,” said Carlos Madrid, a large-scale eggplant producer. “We don’t care if they are small [-scale farmers] or poor. If the project is assisting them, we know the high quality we need is guaranteed.”



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FROM THE AMERICAN PEOPLE

SNAPSHOT

Expanding Local Capacity to Improve Health & Nutrition

New training centers allow USAID-ACCESO to teach more people improved health and nutrition practices.



Photo by Fintrac Inc.

María Elena Carbajal feeds her daughter Cristel at the inaugural training event at the new health center in Yaruconte, Copán. Since joining the project, Cristel has moved out of the bottom percentile of weight.

“Thanks to [the project], Cristel’s weight has greatly improved. She is also happier and more active.”

— María Elena Carbajal

Telling Our Story
U.S. Agency for International Development
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As part of its commitment to build local capacity and maximize impact, USAID-ACCESO is opening 40 nutrition training centers and providing training and equipment to more than 300 community health volunteers in target communities.

Rural health volunteers play a critical role in delivering health services to families via home visits and trainings at community centers. By expanding the number of qualified nutrition practitioners, USAID-ACCESO is able to reach an increasing number of beneficiaries living in poor or extreme poor conditions. To date, the project has provided 20 volunteer committees with specialized equipment to monitor and evaluate the nutritional status of children under 2 years old, and to manage cases of acute undernutrition.

The first project-supported nutrition training center opened in Yaruconte, Copán in August. The project expects to reach 6,520 rural households in 60 communities once all the equipment is distributed and the centers are operational.

The nutrition training centers will serve as convenient meeting points for mothers and children to attend trainings on diet diversification strategies; better household hygiene and sanitation practices; and the preparation of nutrient-rich foods using ingredients from their family plots. Each nutrition training center will be appointed with equipment such as eco-stoves, pots and pans, plates and cutlery, and containers for proper food storage.

Children in target communities are already showing positive improvement thanks these USAID-ACCESO interventions. From March to September 2012, the percentage of underweight children under 2 years old that demonstrated consecutive weight gain increased from 25 to 48 percent. Consistent weight gain leads to a reduction in the overall number of children in the bottom third percentile of weight.

María Elena Carbajal, of Yaruconte, is thrilled with the progress her one-year-old daughter, Cristel, has made since beginning following the project-recommended diet in February 2012.

Before project intervention, Cristel consistently weighed in the bottom percentile at her monthly check-ups. After working with USAID-ACCESO nutrition specialists, María Elena began feeding Cristel nutrient-rich foods and following the project’s feeding guide.

In six months, Cristel gained 2.5 pounds, moving her out of the bottom percentile and into a healthier weight range for her age. Her mother says she is also more alert and active, indicating healthy cognitive growth as well.

To date, the project has held more than 1,300 nutrition and health training events reaching more than 22,200 participants.



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SNAPSHOT

New Water Treatment Plan Improves Community Health

Thanks to USAID-ACCESO's natural resource management training, town sees vast improvement in water quality and child health.



Photo by Fintrac Inc.

Water committee members in Santa Catarina learned proper water chlorination and treatment techniques, which have led to better living conditions for 14,000 people.

“We have really seen impressive changes.”

— *Sonia Sanchez, community leader*

Telling Our Story

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In Santa Catarina, Intibucá, residents had long complained of unsuitable drinking water, citing an unappealing color and odor. The town's two community water committees had been unable to treat the water effectively with granulated chlorine.

USAID-ACCESO natural resource management specialists began working with the water committees in October 2011 after an analysis conducted by the Ministry of Health found dangerously high levels of fecal coliform and mesophilic bacteria in their drinking water, rendering it unsuitable for human consumption. The local health center was also reporting high numbers of children diagnosed with diarrhea on a monthly basis.

Project specialists introduced Santa Catarina's water committee members to chlorination tablets through a visit to a neighboring town that was already using the tablets. This basic technology is easier to use than granulated chlorine, which requires carefully calculated measurements and constant supervision and monitoring. The tablets are also 50 to 60 percent less expensive than other water treatment technologies.

This simple change adopted in Santa Catarina in February 2012 led to quick and impressive results. A water analysis conducted in July 2012 showed little to no trace of harmful bacteria. USAID-ACCESO technicians taught members of the water committees how to conduct daily analyses with a quick chlorine testing device to monitor the bacteria levels.

Clean, potable water is the basis for building better living conditions for Santa Catarina's 14,000 inhabitants. It has had a direct impact on the health of the community's children. Diamantina Sanchez, a community health volunteer, reports that the community health center has received significantly fewer cases of diarrhea since July, thanks to uncontaminated water.

The project is also providing training and technical assistance in health and nutrition to the residents of Santa Catarina, using clean water as the foundation for improved nutrition practices.

USAID-ACCESO is committed to a comprehensive approach that integrates improved agricultural production with natural resource management activities geared toward maintaining healthy soils and conserving water. These practices increase yields, reduce input costs, and increase net incomes. To date, the project has trained more than 3,500 individuals in natural resource management best practices.



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FROM THE AMERICAN PEOPLE

SNAPSHOT

Access to Export Market Doubles Allspice Earnings

Technical assistance and market linkages help allspice cooperative export six containers to the US.



Photo by Fintrac Inc.

Members of the allspice cooperative received training and technical assistance in production and marketing from USAID-ACCESO specialists. Thanks to improved production and a direct link to a lucrative export market, the 150 producers are earning double what they did before project intervention.

Telling Our Story

U.S. Agency for International Development
Washington, DC 20523-1000
<http://stories.usaid.gov>

A group of 150 allspice producers is seeing dramatic increases in sales and incomes after their first shipments of allspice to the United States. The *Cooperativa Agrícola de Pimienta Gorda Llama Ltda.* (COAPIGOR), based in Ilima, Santa Bárbara, has exported six containers of high-quality allspice resulting in nearly \$200,000 in sales.

The cooperative, founded in April 2011, began working with USAID-ACCESO in June 2011. Project marketing specialists introduced the group to a US-based buyer and helped the producers begin negotiations last December.

Throughout the commercialization process, project specialists provided trainings in sampling and quality control for export products; contract compliance and negotiation; and packaging and shipping regulations. USAID-ACCESO mentored the producers through the first two shipments but, thanks to the trainings, the cooperative was able to handle the majority of the shipment process for the last three containers themselves.

COAPIGOR previously sold their entire harvest to local buyers or sent it, via middlemen, to Guatemala or El Salvador. Now they are exporting 70 percent of their total production directly to a US buyer, and are earning double the amount they previously earned from local markets. The local market rate ranged from \$104 to \$198 per 200 pound sack; export sales prices, at \$277 per sack, are 40 to 67 percent higher. Net income for the six containers totaled more than \$55,000.

USAID-ACCESO also trained the producers in good agricultural practices such as irrigation, fertilization, and pest control, and introduced them to technology that increased threshing and cleaning efficiency and cut costs. Thanks to these improved practices, COAPIGOR's production capacity has improved by 33 percent.

The producers are gaining national recognition: the Honduran government recently identified the cooperative as an official exporter of allspice, opening new avenues for additional contracts with commercial buyers around the globe.

Motivated by their success to date, the producers have big plans for the future. The cooperative hopes to export five more containers of allspice to high-paying markets this year, for an estimated additional \$166,000 in new sales and more than \$44,000 in net income. They plan on exporting at least 20 containers in 2013 and are working with USAID-ACCESO to develop a business plan and marketing strategy for allspice tea, a new product for Honduras.

ANNEX III. Update on Activities on the Policy Component

VALUE CHAIN / SECTOR CONSTRAINTS

Legalization of MSMEs

PROBLEM: of total MSMEs operating in the country, it is estimated that 25% do not have any formal constitution, 33% is partially formalized and only 42% have operating permits. In order for companies to carry out their productive and commercial activities without hindrance, they must be legally constituted and to have licenses and permits to ensure compliance with health, legal and commercial requirements.

ACTIVITIES: i) Meetings with representatives of the Ministry of Industry and Trade (SIC) and the legal department of Central American Technological University (UNITEC), in order to define efficient tools and procedures for legalization of MSMEs; ii) subscription of an interagency collaborative agreement between UNITEC, SIC and USAID-ACCESS; iii) development of standard formats for statutes (by-laws), power of attorney, certificate of deposit and certification charters for the legalization of rural banks, multi-service companies and producer associations; iv) agreed simplified procedures for the legalization of MSMEs; v) made three field trips to the departments of Santa Barbara, Lempira and Intibucá with UNITEC representatives to obtain from the interested MSMEs the documentation required in accordance with the provisions of the Law of Social Sector of the Economy.

RESULTS ACHIEVED: procedures and formats established and agreed with the SIC. Registration time reduced from an average of 60 days to 30 days, and documentation procedures from 9 to 5 documents. i) information compiled for the legalization of 75 MSMEs (51 in Santa Barbara, 19 in Lempira, 2 in Intibucá, 2 in Copan and 1 in La Paz; ii) submission to SIC of 55 requests for legalization of MSMEs with all documentation required; iii) SIC has approved legal registration of 35 MSMEs (certificates, proof of enrollment, charters and statutes duly authorized); iv) SIC are reviewing 20 applications, scheduled for delivery in October 2012; v) the current MSME legalization activities will benefit 1,512 people, of which 368 are women, in 19 municipalities in the departments of Santa Barbara, Lempira, Intibucá, Copan and La Paz.

Obtaining the National Tax Register (RTN)

PROBLEM: it is estimated that only 18% of the individuals or corporations that engage in production and marketing of food products have the RTN. This is an essential document for buying and selling for local and export activities, credit filing and other basic services needed for production activities. The process is personal and centralized in a few areas of the country which makes it expensive and difficult for small and medium farmers to obtain.

ACTIVITIES: i) meetings with representatives of the Executive Directorate of Revenue (DEI), in order to establish simplified procedures for obtaining RTN to project beneficiaries.

RESULTS ACHIEVED: i) authorization by the DEI of a simplified procedure for obtaining the RTN, which consists of authorized ACCESO personnel obtaining filing formats and then presenting forms completed by the beneficiaries to the DEI, accompanied by copies of identity cards. The RTNs are then generated and delivered to the applicants. Once these procedures have been fully validated, the project will develop the widespread application of this simplified procedure.

Access to markets and improved business practices

PROBLEM: Most small farmers produce marketable surpluses small, do not have access to regional markets or major cities such as San Pedro Sula and Tegucigalpa due to high transportation costs and thus their bargaining power is limited.

ACTIVITIES: i) meetings with SIC and SAG staff, to define standard formats and simplified procedures for the organization of producers into associations for production and marketing, and ii) identify producer groups to legalize under these procedures.

RESULTS ACHIEVED: i) formats developed rules and regulations for the organization and operation of farmers' markets. To be validated with one USAID-ACCESO group per department.

Export Procedures:

PROBLEM: the export procedures at regional border crossings, especially on the border with El Salvador, are cumbersome and costly, mainly because the permits and/or export licenses are not issued at the borders, but at the main cities.

ACTIVITIES: i) working meetings with officials and experts from SAG, to identify administrative and technical actions necessary to simplify and decentralize the processes for issue of licenses or permits for the export and import of agricultural products and inputs; ii) development of interagency cooperation agreement between SAG and USAID-ACCESS which define areas of cooperation and activities to be performed.

RESULTS ACHIEVED: i) subscription of an interagency cooperation agreement between SAG and USAID-ACCESS with defined activities to be performed; ii) agreement to establish and operate a one stop office at El Poy, to be operated by SENASA from October 2012. This will speed up, simplify and reduce costs of the documentation procedures for export and import of agricultural products (licenses and export permits, phytosanitary certificates).

Servicios de Inocuidad de Alimentos y Fitosanitarios:

PROBLEM: The limited operational capacity of SENASA results in a lack of efficiency in complying with the requirements established under the Phytosanitary Law. As a result, many processes are delayed and/or expensive.

ACTIVITIES: i) working meetings with SENASA authorities and technical staff to define strategies for regulating service delegation to qualified individuals and companies; ii) identification and review of documents prepared for these purposes at both the national and international level; iii) structuring of the overall draft regulations; iv) modification process using experiences from other countries.

RESULTS ACHIEVED: i) agreement at the technical level to prepare regulations for the delegation of services and accreditation of qualified individuals and companies for these purposes; ii) officially establish a working group in order to define services to be delegated and the requirements of individuals and companies that could be accredited for these purposes; iii) Draft regulations for workgroup discussion.

POLICY REFORMS, REGULATIONS, ADMINISTRATIVE PROCEDURES

ACCESS to Credit

Trust Fund Administration

PROBLEM: The government has allocated a significant amount of resources to finance agricultural and non-agricultural activities in rural areas that are managed through trusts or rural development projects supported by NGOs, financial intermediaries, etc. Several of these are inactive or are not being fully utilized due to lack of promotion and knowledge by growers of their existence and by the procedures/requirements used for their administration and provision of financing.

ACTIVITIES: i) meetings with officials and technicians BANHPROVI, BANADESA, SEFIN and BCH to define strategies to identify, obtain and analyze of government trust funds which can finance the agricultural sector; ii) collection and analysis of information on 21 government trust funds (15 in BANADESA and 6 in BANHPROVI) that administer L. 612.0 million (\$31 million) with very low utilization; iii) submission to government authorities a new trust fund management scheme based on that used by the Development Bank of El Salvador (BANDESAL) (with the support from AHIBA and SAG).

RESULTS ACHIEVED: i) matrix developed of 13 trust funds with the name, resource origin, initial amount, amount available, allocation of resources, trustee name, name of the settlor and general observations; ii) discussions initiated on possible process scheme of management of these resources in a single trust with uniform rules (including presentations made locally by BANDESAL to the finance sector in Honduras).

MCA-H/ACA Agricultural Credit Trust Fund

PROBLEM: since its inception, the MCA-H/ACA trust fund has not fully utilized the funds available with their financial intermediaries. Around L. 33.0 million (US\$ 1.68 million) is still available to use for financing value chain activities but the rigidity of certain provisions in the operational guidelines limit access to credit for many horticultural producers and those dedicated to other value chains.

ACTIVITIES: i) meetings with officials of the SAG, SEFIN, AHIBA, Microcredit Network and MCA-H, to analyze the legal possibility and advisability of reforming the operational guidelines of the trust; ii) preparation and presentation of policy measures agreed with SAG to extend credit services to farmers; iii) development and discussion of new operational guidelines; iv) preparation and submission of application for reforms of operational guidelines to the members of the trust fund technical committee; v) prepared and submitted to the trust fund technical committee the resolution to approve amendments to the operational guidelines.

RESULTS ACHIEVED: i) the Board of Directors and Technical Supervision of the MCA-H/ACA trust fund approved the new regulations on operating guidelines, which provides financing for all types of agricultural activities, increasing the maximum value of the credit lines granted to eligible financial intermediaries, including savings banks and rural credit as potential second-degree unregulated financial intermediaries, as well as the minimum eligibility criteria for intermediary institutions.

Complementary Guarantee Fund for the agricultural sector

PROBLEM: It is estimated that only 7% of farmers have loans with the National Financial System. The vast majority of small and medium sized farmers do not have access to the resources available through the National Financial System institutions, as they do not meet the requirements due to the

lack of mortgage collateral and the lack of instruments to help mitigate the risks inherent in the financing of agricultural activities, such as collateral funds or shared risk.

ACTIVITIES: i) meetings with officials of SAG, AHIBA, Secretary of the Presidency (SDP), FENAGH, COHEP, National Commission of Banking and Insurance (CNBS) and the Technical Committee responsible for the implementation of the commitments contained in the Great National Agreement (GAN) to analyze the scope of the proposed policy measures to expand credit services to farmers; ii) comments provided on the draft decree establishing the Complementary Guarantee Fund, prepared by the CNBS; iii) requests to the CNBS and SDP to create a special mutual guarantee fund for the agricultural sector; iv) discussion meetings and drafting of regulations of the Agricultural Guarantee Fund under Law of Reciprocal Guarantees; v) presentation to the CNBS and other members of the working committee, of possible options to provide the necessary resources for the creation and operation of the Mutual Guarantee Agricultural Fund.

RESULTS ACHIEVED: i) developed and approved at the level of the working committee composed of officials from the SAG, AHIBA, Secretary of the Presidency (SDP), FENAGH, COHEP, National Commission of Banking and Insurance (CNBS) and USAID-ACCESO, regulations for an agricultural mutual guarantee fund which would guarantee up to 50% of loans granted to small and medium farmers with loans of up to \$20,000; ii) comments provided on the draft legislative decree aimed at capitalizing Reciprocal Guarantee Funds for MSMEs and the agricultural sector.

Normative evaluation and classification of loan portfolio established by the National Banking and Insurance (CNBS)

PROBLEM: the vast majority of farmers do not have access to the resources available through the National Financial System institutions as they do not meet the requirements, principally due to the lack of mortgage collateral. Additionally, the institutions operate under a system of legal, evaluation and classification rules for loan portfolios that does not encourage lending to the sector. Greater incentives are needed for banks to participate more actively in agricultural finance and with less risk.

ACTIVITIES: i) working meetings with officials of the CNBS, SAG, COHEP, FENAGH and SDP to define strategies and analysis of proposals developed by SAG to expand the coverage and quality of agricultural financing services (based on document prepared by USAID-ACCESO); ii) presentation and discussion in the working group of the amendments to the rules of evaluation and classification of loan portfolios, to define special criteria for agricultural credits with respect to: a) reserve percentages for loans; b) reassess criteria including ability to pay, payment behavior, guarantees and economic environment; c) incorporate new criteria such as agricultural insurance, complementary guarantees and other means to reduce the risk associated with the financing of these activities; d) establish different or distinct procedures that the national financial system institutions should use with the management of any related asset loan portfolio of the agricultural sector.

RESULTS ACHIEVED: i) agreement on a technical level for reforms to the rules of evaluation and classification of the loan portfolio for loans to the agricultural sector in the following ways: i) include in the portfolio evaluation criteria and classification, risk reduction instruments such as crop insurance and agricultural mutual assurance fund (once the instruments are created and functioning); ii) financial intermediaries will not set aside reserves for the guaranteed portion of the loan guarantee fund, and as a result, that portion of assets is weighted with 0% risk for purposes of calculating the capital adequacy ratio. This is attractive for the financial intermediaries.

Agricultural Insurance

PROBLEM: financing and investment in the agricultural sector is insufficient to achieve the required levels in technology and productive infrastructure, delaying the modernization of the agricultural

sector, and increasing the risks with agricultural production activities and the effects of climate change.

ACTIVITIES: i) meetings with officials of SAG, CNBS and AHIBA, to discuss a draft law for the development of agricultural insurance; ii) request for the submission of proposed services and insurance costs to the Honduran Chamber of Insurance.

RESULTS ACHIEVED: i) agreement at the technical level to request the creation of a subsidized fund for agricultural insurance premiums, of up to 50% of the cost, to cover all producers, regardless of the productive activity they perform, their size and the financial institution granting the loan, with the aim of reducing the financial risks. To focus this support on small and medium farmers, the subsidy for the insurance premium will be inversely proportional to the size of the loan or investment.

Access to technology and extension services

Formalization of technological packages

PROBLEM: The country does not have an adequate national system of generation and transfer of technology or strategies for the development of technological packages by crop, animal species or by zone. The technology packages are not validated or formalized at government level, are poorly disseminated and applied inconsistently by extension programs and by producers. Overall, this limits growers' productivity levels, production and income.

ACTIVITIES: i) review of the laws related to SAG DICTA for their creation and operation, and then define, in the framework of its powers, mechanisms for formalization of technological packages which are validated and highly productive; ii) meetings with officials of SAG DICTA to establish legal mechanisms to review and formalize technological packages; iii) development of a draft Ministerial Agreement for the creation of a high level ADHOC technical and scientific committee to analyze and recommend, where appropriate, official approval and validated technology packages for different crops and agricultural activities that are of interest to producers. The process will start with technological packages developed by USAID-ACCESO for corn and beans.

RESULTS ACHIEVED: i) Ministerial Agreement for the creation of a high level ADHOC technical and scientific committee, approved by the General Secretariat of SAG and in process for signature by the Minister.

Incentives for agricultural research by private companies

PROBLEM: In Honduras there is a loophole in the copyright law prevents the protection of rights of the developers of plant varieties.

ACTIVITIES: i) meetings with representatives of government, private enterprise and congressional members of the Commissioners of Agriculture, to introduce the need for laws to protect and encourage agricultural research through the protection of their respective rights; ii) support to the Congress committee in the process of analyzing the draft law for the Protection of New Plant Varieties; iii) support provided to SAG in the development of the law for regulations for the Protection of New Plant Varieties.

RESULTS ACHIEVED: i) Approval by the National Congress of the Law for the Protection of New Plant Varieties and its publication in the Government's official "Gaceta". This will benefit producers by having greater permanent access to new varieties, as researchers and companies will have legal coverage to protect their property rights.

Legal Security of Tenure of Land

Access to land via market instruments

PROBLEM: in recent years there have been cases registered of invasions of freehold agricultural land that challenge the existing legislation to provide legal certainty in land tenure and agricultural investments. This is mainly due to the lack of implementation of market mechanisms to facilitate access to landless rural families.

ACTIVITIES: i) meetings with officials of the SAG, FENAGH, ANDI and COHEP to analyze the causes of the problem and possible remedial measures; ii) proposal preparation and presentation of market mechanisms to facilitate access to land to landless rural families.

RESULTS ACHIEVED: i) agreement at the interagency technical committee level to present to the Minister of SAG and to the President of the Republic, the proposed establishment of a Land Fund as a market mechanism to facilitate access to land to landless rural families. Documents have been prepared and are under revision.



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