



USAID
FROM THE AMERICAN PEOPLE

QUARTERLY REPORT #07 (OCTOBER – DECEMBER 2012) **USAID-ACCESO**



December 2012

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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. Other local nongovernmental organizations (NGOs) were subcontracted during the first three quarters of implementation, and are now directly implementing activities under USAID-ACCESO. These include 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).

This is the seventh quarterly report for USAID-ACCESO, summarizing the principal activities carried out from October to December 2012. Activities this quarter focused on: increasing the number of client households involved in market based production and nutrition activities; delivery of technical assistance and support to new and existing micro, small, and medium sized off-farm enterprises (MSMEs); completion of existing and establishment of new renewable energy and natural resource management projects among production and nutrition client households; ensuring data collection and quality; and integration of project components at the household and community level to ensure impact of project activities on family livelihoods.

This quarter highlights include:

- A total of 2,992 new client households joined the project during the quarter, for a total of 21,391 client households with 84,891 family member beneficiaries; 3,879 of the client households are women (18 percent). Of the 15,636 households for which income data has been collected, 82 percent are living in extreme poverty, 8 percent are living in poverty, and 10 percent are non-poor. As of December 2012, income data for client profiles remains to be collected for 5,755 client households.
- Technical assistance has been provided in all key components. The production component continued with the delivery of technical assistance visits and training to basic grain, horticulture and small-scale coffee producers on topics related to crop production, harvest and postharvest and marketing. The nutrition and health component focused on the delivery of technical assistance visits and training to community health volunteers, mothers, and caregivers during this quarter. Technical assistance visits and training were also conducted by project specialist in the areas of natural resource management and disaster mitigation, processing and value added, rural finance and business development services and renewable

energy. A total of 18,498 technical assistance visits were conducted during the quarter, for a total of 167,156 to date.

- During this quarter, continued emphasis was given to market driven production programs, where 485.5 new hectares of plantings were carried out under the technical assistance program. Of the current total of 18,761 hectares, 9,881 are with coffee, 7,043 hectares are with basic grains, and 1,838 hectares are under high-value fruit and vegetable production.
- As of December 2012, 34 solar energy systems, 145 solar dryers, 56 bio-digesters and 544 energy saving stoves were installed among project client households and MSMEs for a total of 780 renewable energy systems installed in the six departments.
- With project assistance, 105 clients accessed \$269,318 cash and in-kind financing during the quarter, for a total of 1,997 clients obtaining a loan total of \$2,052,631.
- Private sector investment for the quarter totaled \$171,066 (clients \$82,063 and other partners \$89,003), while project investment totaled project \$31,389.
- During the quarter, the nutrition and health technicians continued the delivery of technical assistance and training at the household level and in groups to mothers and caregivers. In December, a total of 3,615 children under two years old attended growth monitoring sessions in the nutrition and health targeted communities, of which 18 percent were underweight, compared to 19 percent at the beginning of the year. Of these underweight children, 47 percent are growing adequately as compared to 25 percent at the beginning of 2012.
- Project marketing experts continued to pursue marketing opportunities for producers and MSMEs assisted by the project in all six departments. During the reporting period, four new brokers began providing access to new markets, for a total of 33 to date (using indicator definitions); 190 producers and MSMEs have accomplished the goal of meeting market standards during this period (total to date 1,107); and 20 have entered into formal preferred supplier or contract agreements with brokers (total to date 570).

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.

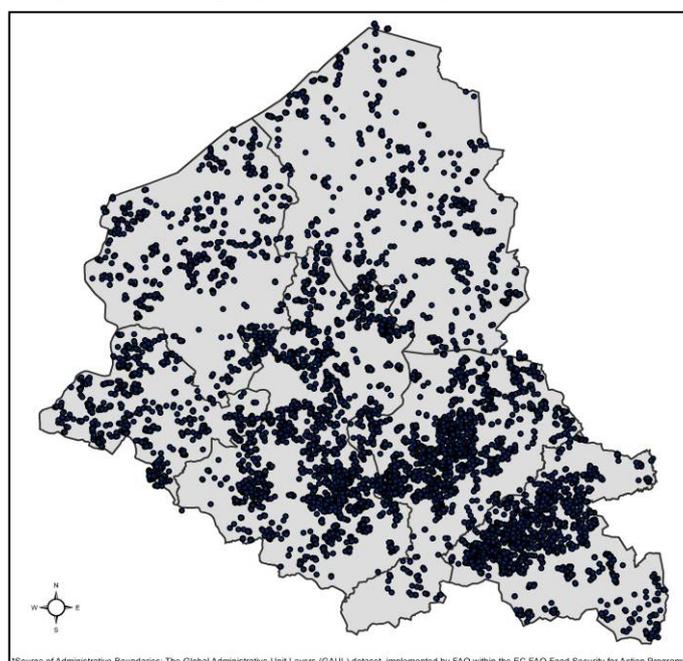
The details on implementation methodology, strategies, and activities are provided in other documents prepared for USAID, including those on the work plan, gender, and environment. Additional information and details are provided in the December 2012 PMP Excel file presented in association with this report.

3. 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 USAID-ACCESO to meet the intermediate and sub-intermediate results established in the contract, and presents the project's progress in achieving milestones and output indicators. The intermediate results are:

- 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*).

Figure 1: Geographical coverage (12/2012)



*Source of Administrative Boundaries: The Global Administrative Unit Layers (GAUL) dataset, implemented by FAO within the EC-FAO Food Security for Action Programme

The project is working in 976 towns within 129 of 131 municipalities in the six departments. Details on beneficiaries by income level, type, department, and age are given in Annex III. A GPS map of client households is provided in Figure 1.

2,992 new household clients joined the project during the quarter, for a total of 21,391 client households with 84,891 family member beneficiaries; 3,879 of the client households are women (18 percent). Of the 15,636 households for which income data has been collected, 82 percent are living in extreme poverty, 8 percent are living in poverty, and 10 percent are non-poor. As of December 2012, income data remains to be collected for 5,755 client households. A total of a total of 2,994 other clients are also enrolled in the project, including business development service providers, Community Child Integral Health Care groups (AIN-C groups), other community based associations/organizations, counterpart organizations, municipalities, and buyers.

The principal components and targets of the USAID-ACCESO work plan for fiscal year three (October 2012 to September 2013 – pending USAID approval) per quarter and status to date are as follows:

| Activity/Target – October to December 2012 | Status – December 2012 |
|--|---|
| Demonstration plot development and commercial production operations for basic grains, horticulture, and tree crops in all six departments. | 485.5 hectares planted during the period for a total to date of 18,761 hectares planted under technical assistance by the project. |
| 5,000 individuals will have received agricultural sector productivity or food security training, of which at least 500 will be women. | 2,434 new individuals received training this quarter for a total of 25,248 individuals trained to date; 549 of the new individuals were women for a total of 8,270 to date (32.8%). |

| Activity/Target – October to December 2012 | Status – December 2012 |
|---|---|
| 27,000 technical assistance visits to project-assisted households will have been executed during the quarter. | 18,498 technical assistance visits to beneficiary households during the period, for a total of 167,156 technical assistance visits to date. |
| Off-farm and processing MSMEs receiving technical assistance from the project during the quarter. | 673 off-farm and processing MSMEs receiving project assistance. |
| \$1.5 million of new private sector investment in the agriculture sector or value chain leveraged by FTF implementation. | \$171,066 in investments during the quarter, for a total of \$3.28 million to date. |
| 750 MSMEs will have accessed new market opportunities through a broker. | 109 MSMEs accessed new market opportunities, for a total to date of 1,547 to date. |
| 40 brokers will be providing market linkages to MSMEs. | Four new brokers providing market linkages (at least 10 clients selling at least 2 times), for a total of 33 brokers. |
| 10 new technical materials will be produced for use and distribution by project staff and counterparts during this quarter. | Seven technical materials were produced during the quarter for a total to date of 212. |
| 200 MSMEs will have accessed market-based financing as a result of the project's assistance during the quarter. | 105 MSMEs accessed financing during the quarter, for a total to date of 1,997. |
| A total of 6 public-private partnerships. | Two public-private partnership alliances were developed for a total to date of 28. |

Selected activities are behind schedule due to the delayed start-up of six of the 12 Community Technical Units (five in December 2011 and one in January 2012). Most of the targets that are currently behind schedule are expected to be achieved by the end of fiscal year 2013.

3.1. IR 2.1. RURAL MICRO, SMALL AND MEDIUM ENTERPRISE GROWTH INCREASED

USAID-ACCESO's main activities and interventions are targeted towards achieving MSME growth. Not only will increased incomes and increased productivity at the household level have a positive effect on the communities' overall economic growth, but, more importantly, it will 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).

3.1.1. SUB-IR 2.1.1: RURAL MSMEs ACCESS TO INPUTS, PRACTICES, AND TECHNOLOGY FOR MARKET PARTICIPATION IMPROVED

The greatest impact on the livelihoods of USAID-ACCESO-assisted households will occur when the basic production practices are implemented in market-driven production programs to enable access to markets and buyers. Competitive, consistent, and coordinated production operations with defined markets are critical to ensuring increased incomes. To achieve this goal, a range of activities have been undertaken by the project. This principally involves technical assistance and training for on- and off-farm MSMEs to implement technology, updated production practices, and best manufacturing practices that reduce cost and improve product quality. Other activities include: the development of new products; expanding direct links with markets and buyers; working with groups of growers to introduce market-led production programs; developing private sector alliances; and increasing the technical capacities of local NGOs, agricultural schools, and the private sector in the technology transfer process.

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

The status of activities in the Project Monitoring Plan (PMP) under this component for this reporting period is as follows:

- Number of individuals who have received government-supported short-term agricultural sector productivity or food security training: 2,434 (target 5,000); total to date 25,248 (target 28,349). Below target, due mainly to under-reporting as a result of delayed data entry for individuals.
- Number of extension visits to program beneficiaries: 18,498 (target 27,000); total to date 167,156 (target 175,411).
- Number of technical materials produced (bulletins, manuals, presentations and tools): 7 (target 10); total to date 212 (target 215).
- Number of MSMEs (off-farm and processing) assisted by project: 26 (target 50); total to date 676 (target 752). The number went down as clients were removed from the project due to inactivity or lack of response to the technical assistance.
- Value of new private sector investment in the agriculture sector or food chain leveraged by FTF implementation: \$171,066 (target \$1.50 million); total to date \$3.284 million (target \$4.60 million).
- Number of female individuals in training activities: 549 (target 500); total to date 8,270 (target 8,431).

The project continued to promote new income opportunities for each region through crop development, lowering costs of production, and increasing the availability of and proximity to logistics and markets. Given that the level of exposure of poor and extreme poor producers to non-traditional crops, technology, and best agriculture practices is extremely low, technical assistance visits have to be provided to motivate and guide producers in every step of the production process. Approximately 77 percent of all technical assistance visits conducted during this reporting period were to deliver know-how and guidance to producers in relation to good agricultural practices to increase yields, improve product quality, reduce costs, diversify crop production, and improve postharvest practices. Table I indicates that during the reporting period, USAID-ACCESO clients continued to plant mostly basic grains to secure their food supply and to begin learning basic production practices. Of the total of 485.5 hectares planted during the quarter, 325.3 hectares (67 percent) were basic grains, followed by 110.3 hectares of fruits and vegetables (23 percent).

Table I. Hectares Assisted as of December 2012

| Value Chain | Accumulated Through September 2012 | Oct-Dec 2012 | Total to Date |
|-----------------------|------------------------------------|--------------|-----------------|
| Fruits and Vegetables | 1,727.2 | 110.3 | 1837.5 |
| Coffee | 9830.6 | 50.0 | 9880.5 |
| Grains | 6717.90 | 325.3 | 7043.2 |
| TOTAL | 18,275.7 | 485.5 | 18,761.2 |

The 485.5 hectares were planted by more than 2,992 growers. This gives an indication of the size of the plots per household. Most plantings (325.3 hectares) were corns and beans, and 110.3 hectares were fruits and vegetables, primarily potatoes, onions, sweet potatoes, avocados, passion fruit, cocoa, and plantains, and 49.95 hectares were coffee. Additional data on planted area is provided in Table 2 and in Annex III (Table I3).

Table 2. Area Planted, October to December 2012, by Selected Crops

| Crop | Hectares |
|-----------------------|----------|
| Corn | 214.4 |
| Beans | 110.7 |
| Coffee | 49.95 |
| Potato | 18.0 |
| Onions | 16.5 |
| Sweet potato | 6.9 |
| Tree Fruits (avocado) | 6.0 |
| Passion fruit | 5.1 |
| Cocoa | 4.2 |
| Plantains | 3.9 |

- 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 continues to work with both basic grains and higher value vegetables using a similar approach, focusing on the basic production practices and 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 of basic grains with minimal increases in cost.
- Of the total of 18,498 assistance visits, 16,719 visits were provided to client households in marketing, postharvest handling, certification, processing, business skills, and off-farm activities. Additional data on project technical assistance is provided in Annex III, Tables 11 and 12.
- In addition to technical assistance visits, a total of 3,453 training events were provided during the quarter to 29,707 participants (21,288 male and 8,419 female). New individuals receiving training during the quarter totaled 2,434. Training subjects have included basic practices in agriculture production, soil conservation practices, pest and disease identification and control, planting methods, weed control practices, efficient use of water, fertilization techniques, farm certification, costs of production, recordkeeping, processing systems, market information, natural disaster management, and health and nutrition key messages. Additional data on project training activities is provided in Annex III, Tables 7 to 10.
- Project activities related to off-farm production, food processing, value addition, and animal husbandry continued during the quarter, although some clients were removed from the project client list due to inactivity, stagnant growth, or limited uptake of technical recommendations. A total of 676 MSMEs are receiving technical assistance. Technical assistance provided by the processing and value addition team during the period covered: production processes to reduce cost and improve quality; improve shelf life and packaging; best manufacturing practices; the development of business plans; and access to credit. Clients also received training in processing and product development for baked goods, dehydrated fruits, fruit pulp, and animal production.
- USAID-ACCESO clients continued investing in value-added off-farm and animal production activities. During the quarter, nine clients registered investments of a value of \$10,876.
- 128 value-added off-farm training events were carried out with 1,008 participants, 83 percent of whom were women. 896 technical assistance visits were made in support of value-added off-farm activities.

- New income-generating projects under analysis or in development in the quarter include:
 - *Essential oils*: identified an essential oil consultant to evaluate the potential of a viable essential oil industry for the allspice, cardamom, and lemon grass growers.
 - *Pepper mash project*: technical advice provided to *Especies Madona* in San Pedro Sula complementing an outgrower Tabasco pepper production program in Santa Bárbara; a trial production plot was established with habanero peppers.
 - *Crude edible oil*: quotes for processing equipment were obtained for the production of crude edible oils from peanuts, sunflowers, linseed, and sesame seeds. During the upcoming quarter, a feasibility study and business plan for sesame will be developed.
 - *Goat cheese*: cost structures and marketing trials were developed for feta and chevre cheeses with a goat farmer in Pinalejo, Santa Barbara. Potential for development of an MSME with this client and one in Marcala will be explored next period.
 - *Fruit pulp*: follow-up was made on a frozen passion fruit pulp with seeds to a UK importer on quality specifications, packaging, and client acceptability. Some improvements are required.
 - *Specialty coffee*: small grants project approved for business alliance with Bon Café for coffee and specialty coffee, with initial deliveries and purchases made this quarter.
- The project tested the shelf life and rate of adoption of its new line of nutritional products, yielding excellent results. At least six recipes, including dehydrated local fruits, dried cassava, sweet potato and plantain flours, or fruit and vegetable purees were developed and tested with high and medium levels of acceptance. The shelf life is estimated to be one year, allowing mothers and caregivers to access these nutritious foods in the off season. Processing and value addition experts provided direct technical assistance and training to the health and nutrition team in the development of these products, who then trained mothers, other caregivers, and health volunteers on how to produce these food products in their own homes.
- Several major events were held during the quarter that involved project clients, input and equipment suppliers, financial institutions, local authorities, and government representatives, including:
 - Plantain production and marketing, Azacualpa, Santa Bárbara.
 - Corn production competition, San José, La Paz
 - Feria Agropecuaria, Cabañas, La Paz
 - Participation in the “Feria del Regalo”, Tegucigalpa

Private Sector Investment

USAID-ACCESO clients and other counterparts invested \$171,066, of which \$82,063 (48 percent) came from project clients and \$89,003 (52 percent) from NGOs, counterparts, municipalities, and others. Most of the investments were in production (\$140,605), disaster mitigation (\$16,337), and nutrition and health (\$15,263).

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

The 2012/2013 PMP work plan was prepared during the reporting period, and merged the indicators relating to public-private sector alliance and private sector alliances into one indicator under public-private sector alliances. The new target set was at the sum of the two original targets.

Status of activities under this component (current quarter):

- Number of organizations / companies providing business development / extension services to MSMEs: 4 (target 25); total to date 82 (target 103).
- Number of public-private partnerships formed: 2 (target 6); total to date 28 (target 32).

Two private sector alliances were signed during this quarter:

- D'LEITE: exporter of fresh produce, principally oriental vegetables to the US market. The alliance expands D'LEITE's operations from Comayagua into three new departments covered by the project (Santa Bárbara, Copán, and Lempira). D'LEITE has now signed contracts with project growers for the production of eggplant on a calendarized basis. In addition to the commercial relations, D'LEITE is providing support in grower training, market prices, and the development of a financial product for the USAID-ACCESO outgrowers.
- Caminoes y Motores, S.A. (CAMOSA): equipment supplier to the agricultural sector. Under the alliance CAMOSA will provide discounts to ACCESO clients for equipment, sponsor and participate in field training events, including demonstrations, and provide support in system designs for irrigation, renewable energy and disaster mitigation.

A public sector alliance was made with BANADESA and SAG for the implementation of a new financial product for project growers in La Paz and Intibucá.

To date, 28 private sector alliances and seven public-private partnerships have been developed. An additional 13 letters of agreement have been developed and are being implemented with government institutions.

Grower organization and the development of market-driven production programs

During the reporting quarter, the project continued to expand its activities to organize growers and processors around buyer purchasing requirements. In addition, the project is working with groups of client households to improve access to input supplier and credit programs. Project marketing experts continued to pursue marketing opportunities for producers and MSMEs assisted by the project in all six departments.

Of the total number of buyers, 33 can be counted as providing market linkages to MSMEs, 4 of which were added during the quarter (to be counted a buyer should be providing at least two sales transactions to at least 10 MSMEs). During the reporting period 9 new buyers were added, for a total of 1,871 buyers purchasing from project clients.

A total of 1,547 producers/MSMEs are now accessing new market opportunities through a broker (buyer), 109 of which were added during the quarter. 1,107 producers and MSMEs are now meeting market standards, 190 of which were added during the quarter; 570 producers and MSMEs have entered into formal preferred supplier or contract agreements with buyers, including 20 in the present quarter.

Given the limitations of farmers in the region, it is essential that these efforts are supported by activities to improve postharvest infrastructure, irrigation, logistics, access to inputs and seed, finance, and local investment to ensure farmers meet quality standards and safety regulations.

Select examples of activities to initiate new or expand existing market-driven production programs for the quarter include:

- Meetings, negotiations, and coordination for a calendarized production program for baby corn production for processing into tamales for export (MADEESMA). Start-up volumes require an average planting area of 1 manzana per day (0.7 hectares). This activity provides experience in formal marketing agreements with a low-risk crop. The buyer is also interested in passion fruit supplies for processing.
- Multiple meetings, discussions, and field visits with major local buyers of yellow corn (ALIANZA). This will substitute imports, initiate plantings in April to May 2013 (with the rainy season), and involve up to 2,800 hectares of production with project clients. Again, this activity offers experience in formal marketing agreements with a relatively low-risk crop. This activity is also tied in with the business skills component to link the production with financing through various input suppliers.

- Field visit from a major processor in El Salvador to determine potential products and buying opportunities (DIANA).
- Negotiations with market retailers in La Esperanza for purchase of second grades produced under a calendarized vegetable production program for La Carreta (distributor). Negotiations with La Carreta to expand the production programs, including lettuce, potato, and onion.
- Negotiations with a pork buyer, *Finca El Carmen*, to establish volumes, prices, and cuts. These will be used in cash flow/profitability analyses for small-scale producers.
- Negotiations with Bon Café and local buyers in all zones for purchase of coffee directly from USAID-ACCESO growers.

During the quarter, the project continued to expand existing production programs. These include calendarized plantings of eggplant, sweet corn, broccoli, carrots, cauliflower, cucumber, tomato, peppers, radish, beets, passion fruit, plantain, and potato. More emphasis has been placed on the development of local markets within each of the six departments, and municipal markets such as Dandy and Central de Abastos de San Pedro Sula. Production to meet demands for supermarkets such as La Colonia, Wal-Mart, Madesma, Ebenezer, through distributors such as ASOFAEL-CICOM, ECARAI, ODECO, and Aldea Global has also been maintained during this quarter.

USAID-ACCESO continues to work with community-based organizations to increase outreach and improve the quality of services. This approach generates client confidence, and problems and opportunities are identified through a participatory process by the communities themselves. As of December 2012, a total of 1,049 organizations are enrolled as USAID-ACCESO beneficiaries. These include 201 community based associations/organizations, 290 business development and financial service providers (cooperatives, village banks), 368 community child care groups (AIN-C), and 190 counterpart organizations.

Organization and promotion of local agriculture fairs and “green markets” continued during this reporting period. This activity has proven to be most successful in the departments of Copán, where a “green market” was established during this reporting period in the community of Cabanas, and Ocatepeque where four weekly agriculture fairs were institutionalized during this reporting period in San Francisco de Valle, Mercedes, San Geronimo, and San Marcos (Ocatepeque). Agriculture fairs have also been carried in other departments to stimulate interest.

Increasing the technical capabilities of agricultural schools and local NGOs

As project implementation evolves, coordination with local actors continues to increase. NGOs, local governmental organizations, and agricultural, technical, and social promotion schools participate in the many project training events and activities held in all six departments, and in some cases, specialized training courses have been developed to meet their.

During the reporting quarter, USAID-ACCESO continued close working relationships with more than 10 technical schools from all project regions. 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 carried out with the World Food Program (WFP) in training the mothers who prepare the *merienda escolar* in select communities within the project regions. During the quarter, technicians from the WFP were also trained in corn production, postharvest and marketing.

As of December 2012, more than 40 NGOs, donor institutions and schools have participated in project-sponsored activities. These are: AHPPER, Aldea Global, ANDESAIN, ANED – Consultores, Caritas, CASM, CESAL, CEPUDO, CHF Honduras, Child Fund, CODESSE, COMUCAP, COPRAFEL, CRS, Escuela San Pablo, Escuela Agrícola Pompilio Ortega, FAO, FIDA, FIDE, FOPRIDEH, Fundación Adelante, FUNDAHRSE, Fundación Banhcafe, Fundahmicro, Fundación Vida, Funder, 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.

3.1.2. SUB-IR 2.1.2: RURAL MSMEs ACCESS TO NEW MARKET OPPORTUNITIES INCREASED

Development of buyer linkages and logistics

Status of activities in the PMP under this component (current quarter):

- Number of MSMEs accessing new market opportunities through a broker: 109 (target 750); 1,547 to date (target 2,188).
- Number of brokers providing market linkages to MSMEs: 4 (target 40); 33 to date (target 69).
- Number of market surveys conducted: 0 (target 2); 6 to date (target 8).

USAID-ACCESO marketing specialists continued to monitor new product and market opportunities, as well as recommending crops, varieties, and value-added products for commercial trials. Calendarized production programs are ongoing in each department 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 products. Due to low production volumes and difficulties competing in the large markets in main and secondary cities, USAID-ACCESO is developing local farmers' markets and distribution routes for sales to *pulperias* (home shops) in the same zones where they are produced. This has reduced transport costs, increased sales, and sped up payment time. More than 480 of these rural retail outlets have been identified and logistics routes to supply them have been developed. This line of activity will continue to be expanded in the next quarter. Products include sweets, baked goods, pickles, sauces, plantain chips, and others. Trials have also been carried out with *panela* (unrefined sugar) and honey products for export; work is currently underway to develop the required packaging and labeling for export markets.

Production and systems implementation to meet buyers' quality and standards

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 product quality, and sanitary and phytosanitary standards. USAID-ACCESO's postharvest, certification, processing, and value addition specialists provide direct technical assistance to farmers and off-farm MSMEs so they can achieve this goal. This is verified when actual sales to a specific market demanding a particular quality or standard take place. To date 1,107 MSMEs are meeting market standards for their products (including 190 in the current quarter).

The number of MSMEs that have entered formal preferred supplier or contract agreements with brokers is now 570, of which 20 entered in the current quarter. The buyers in these cases include collection centers, cooperatives, supermarkets, processors, and exporters.

USAID-ACCESO is working with selected buyers to develop quality standards for several crops, including passion fruit (three different specifications for fresh passion fruit for supermarkets, for frozen pulp, and for juice), selected vegetables for La Antorcha Supermarkets, allspice for North American markets, and potato and carrot for CICOM. Other examples include fresh herbs and oriental vegetables for export to the US, a range of fresh products for El Salvadoran buyers, and cardamom for a European importer. The range was expanded during this quarter, including potatoes for the local market, Chinese eggplant for the export market, and baby corn for the processing market.

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. Support is now being provided to local wholesale market buyers in the development and use of basic product standards. Additional activities have been initiated with quality

and standards for processed and other off-farm products, such as pickled vegetables, dehydrated fruits, dairy products, honey products, wood, and woven items.

Implementation of business certification programs

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

It should be noted that not all market links facilitated by the project have been recorded to date due to the high number of individual sales and the small volumes. The project is working to collect the data and more accurately reflect project achievements in this area.

3.1.3. SUB-IR 2.1.3: BARRIERS TO COMPETITIVENESS OF RURAL MSMEs REDUCED

Increased access to finance

USAID-ACCESO continues to introduce client households to existing financial services and to assist in the development of new services to enable the poorest households to access credit. Eighty-seven MSMEs accessed loans this quarter for a total loan value of \$269,318. The status of activities in the PMP under this component is as follows:

- Number of MSMEs accessing market-based financing as the result of government assistance: 132 during the reporting period for a total of 1,997 to date.
- Value of agricultural and rural loans made to MSMEs: \$269,318 during the quarter for a total to date of \$2,052,631.

More details on loans and lenders are provided in Annex I and Annex III, Tables 14 to 16.

Policy and value chain sector constraints identified and eliminated

USAID-ACCESO contributions to eliminate barriers affecting access to credit for agriculture and rural enterprises are demonstrating important impact in benefits to end clients. During the quarter one barrier was eliminated – simplification of export permit processes to regional markets of agriculture products.

Results of activities implemented to remove or reduce constraints in the specific prioritized areas during this reporting period are summarized below.

- **Simplification of processes to constitute and operate a micro or small business:** Through an agreement signed between USAID-ACCESO, UNITEC, and the Ministry of Industry and Commerce (SIC), simplified procedures for the establishment, registration, and operation of MSMEs were developed and implemented. USAID-ACCESO actively participated in the establishment of the following standard formats: i) statutes; ii) certificate of deposit; iii) power of attorney; and iv) certificate of incorporation. These procedures have enabled 116 MSMEs in Santa Bárbara and Lempira to complete the requirements for their legalization within a 30-day period, of which a total of 39 received their official constitution documents during the reporting period and 77 are pending approval during the next quarter.
- **Finance:** The performance of the MCA-H/ACA Agriculture Trust Fund administered by the Ministry of Finance is improving consistently since modifications to its policies and procedures. Modifications to the Trust Fund Credit Policies to which USAID-ACCESO contributed consisted of: modification to ceiling of loan values to clients; introduction of a new financial product which allows financing of medium term investments; expansion of activities eligible for funding to include among others animal production related activities; and the addition of qualified Cajas Rurales as potential intermediaries of the Trust Fund.

Due to the above stated modifications introduced by USAID-ACCESO and approved by the Trust Fund Technical Oversight and Management Committee, the MCA-H/ACA Trust Fund has significantly improved its performance compared to year end results for 2011. The number of intermediaries has increased allowing access to Trust Fund resources in 16 departments including all six USAID-ACCESO target departments; the outstanding portfolio has increased from 51 percent in November 2010 to 87 percent as of November 2012, and the default rate has decreased from 21 percent in November 2010 to 3.5 percent as of November 2012. Of the more than 60 activities currently funded, the top five activities are tomatoes, potatoes, coffee, peppers, and plantains. Animal production related activities are now among the top 10 activities financed by the Trust Fund. Other intermediaries currently assisting USAID-ACCESO client households will be accessing Trust Fund resources in upcoming quarters, which will increase the existing number of client households with access to these resources.

The above results are generating interest at decision making levels within the Ministry of Agriculture to inject resources and build the Trust Fund capital. Review, analysis, and validation of balances of other trust funds and project specific unused balances under management by the Ministry of Agriculture and BANADESA are being carried out. The aim is to transfer portions of these resources to the MCA-H/ACA Trust Fund, or consolidate them in one or two mechanisms that will make them accessible to micro, small, and medium agriculture producers and other off-farm rural enterprises. Proposals for these changes will be discussed and decisions taken by the corresponding boards during the upcoming quarters.

- **Regulate, standardize, and communicate technology packages and manuals to ensure quality extension services:** To improve the level of production and productivity of important agricultural activities and to increase the quality of the public and private technical assistance services, the Ministry of Agriculture and Livestock has initiated a process of formalization of the technological packages recommended and validated by USAID-ACCESO for the production of corn and beans at three different technology levels. A Technical-Scientific Committee has been created to review the technology packages and ensure their proper and appropriate application. An official procedures manual and a schedule of 2013 committee meetings has been developed. The first Committee meeting will be held in February 2013, during which manuals will be reviewed and approved and the technology packages validated by USAID-ACCESO will be approved for institutionalization.
- **Simplification of export permit processes to regional markets of agriculture products:** USAID-ACCESO policy specialists worked closely with the Ministry of Agriculture and SENASA to simplify the processes of import and export licensing, registration of inputs, and decentralization of services in strategic areas of the country. The Custom Point of El Poy was identified for initiating the simplification process. Equipment and systems has been purchased, documentation defined and developed, and personnel selected. Operations are scheduled to begin in February 2013.

Activities related to the removal of barriers are behind target, due mainly to the length of time required in building consensus, negotiating, and preparing technical and legal documents. Other activities that were initiated or moved further along include:

- Creation of a capitalization fund for financing rural credit and saving banks.
- COHEP and FENAGH actions and measures to eliminate policies and administrative barriers that limit the growth of the agricultural sector.

Applied research and development programs developed

Applied research programs in technical areas to support USAID-ACCESO's production activities and crops continued activities during the quarter, 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. During the reporting period, a *Research in Nematode Distribution in Soil and Irrigation Systems* project proposal with EAP Zamorano was submitted and approved. Implementation is expected to begin during the next reporting period.

Status of additional activities under this component:

- Management practices for bacterial wilt caused by *Ralstonia solanacearum* in Solanaceas (potato, tomato, pepper, eggplant, etc.): tomato and eggplant plantings were transplanted in the open field in May. The first tutoring row was installed at the end of May. Research protocol continued during the reporting period with final activities during the month of December. Development of a final report is in progress and should be submitted during the next reporting period.
- Optimization of drip irrigation practices for improved soil-borne pest control and application of agricultural inputs: experiments and trials were designed. Due to delays in the procurement of materials, field activities are scheduled to initiate in February 2013.
- The effect on productivity and harvesting curve in plantain with different bed heights and land preparation systems: activities continued as per research protocols. No disease or pest has been observed.
- Agronomic performance of different varieties of onions and shelf life analysis for each variety: shelf life analyses were conducted for 12 different yellow onion varieties. Development of the final report is in progress.
- Identification of virus species affecting Solanaceas, mainly potato, tomato and pepper, in the western region of Honduras: samples collected in late April, packed and sent to AGDIA early in May. Initial results were received in June and others were received in late November. Final results are expected to be received by end of January. USAID-ACCESO expects to receive a report outlining findings by the end of the next quarter.

3.2. IR 2.2. HONDURAN BIODIVERSITY & NATURAL RESOURCES CONSERVED

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.

During the life of project, USAID-ACCESO will work with at least 20 municipalities to develop and implement natural resource management plans.

Implementation of natural resource management practices on farm

USAID-ACCESO continues to incorporate 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

Results to date, on performance indicators in the PMP under this component is as follows:

- Number of local municipal governments effectively implementing natural resource management policies: eight of the 43 municipalities identified are effectively implementing natural resource management policies.

During the quarter, the USAID-ACCESO natural resource management and disaster mitigation team continued activities with 34 selected municipalities and 48 communities. These municipalities were originally selected based on existing project presence, rates of poverty and child malnutrition, and high vulnerability to environmental disaster. Many NRM practices have been implemented by these municipalities and community involvement is high. As per the indicator's precise definition, a community with adequate disaster prevention and mitigation capacity is counted once implementation of four out of six NRM practices have begun. Assisted communities' municipalities have made significant progress and are in different stages of the process, from awareness to implementation. Selected results achieved in the present quarter include:

- A total of 35 coffee mills are now properly treating their effluents and pulp with beneficial micro-organisms.
- Trainings on the use of beneficial microorganisms for coffee pulp treatment and organic fertilizer production was conducted for participants from 29 communities of eight municipalities.
- Four beneficial microorganism production banks were installed and are operating in four municipalities: one in Lempira and three in Intibucá.
- Two MSMEs were constituted for the management of solid effluents. Operations were initiated during the quarter with support from the corresponding municipalities of Yamaranguila and San Isidro in Intibucá. These MSMEs have been assisted by NRM and marketing specialists through technical assistance and links to local markets.
- Technical support and training on the use of hypo-chlorinators to six communities for improvements of supply of their potable water.
- Field assessment and data collection for the development of five natural resource management projects for funding through small grants. These projects will benefit more than 150 communities in all six departments.
- During the quarter, 50 training events were carried out with 737 participants, of which 139 were women; in addition, 86 technical assistance visits were carried out.

3.3. IR 2.3. CAPACITY TO MITIGATE AND ADAPT TO CLIMATE CHANGE STRENGTHENED

3.3.1. SUB-IR 2.3.3: DISASTER VULNERABILITY REDUCED

Results to date on performance indicators in the PMP under this component are as follows:

- Number of communities in high vulnerability municipalities with adequate disaster prevention and mitigation capacity: 14 of the 77 communities identified have adequate disaster prevention and mitigation capacity (three in the current quarter).
- Number of rural micro-generation clean/renewable energy projects established: 780 to date (52 in the current quarter).

Work under this component includes support to communities with high vulnerabilities in disaster prevention, mitigation, and preparedness. As with all other components, reducing communities' disaster vulnerabilities will ultimately put USAID-ACCESO-assisted households in a position to

increase their incomes. USAID-ACCESO is utilizing the small grants mechanism for selected projects.

Development and implementation of disaster mitigation plans

Activities under this component are targeted to reduce vulnerability to disasters both at the farm-level (introducing good agricultural practices that minimize potential losses), and by strengthening or forming at least 40 community-level disaster emergency committees (CODELs) in the most vulnerable target communities. A community is counted to the target when they are implementing six of eight activities of the technical assistance package.

Select activities during the period included:

- Three of the communities identified have adequate disaster prevention and mitigation capacity; five new communities have completed the development of their Local Plan for Disaster Prevention and Response (LDPR) and one is in process of development.
- One EDAN course conducted in coordination with COPECO for 11 CODEMs in the department of La Paz, training a total of 30 participants.
- One Training of Trainers for the EDAN course was conducted with the participation of 19 participants who are now recognized as instructors to continue the development of EDAN courses throughout the departments.
- First Aid training was conducted for six CODELs and one CODEM during this quarter.
- Management of Temporary Shelters training was conducted for two CODELs and one CODEM during the quarter.
- One Training of Trainers course utilizing COPECO's curriculum and training programs in risk assessment, mitigation, preparedness, and response and recovery (based on USAID/OFDA-LAC materials) conducted for 21 participants from six CODEMs and municipal corporations of the departments of Copán and Santa Barbara, NGOs, and representatives from the public entities in these two departments.
- One CODEL was organized and trained in Santa Catarina, Intibucá.
- Box culvert construction in Santa Catarina, Intibucá was completed during the quarter. The total investment in this project was \$28,480 of which \$9,743 was from USAID-ACCESO, \$3,254 from project clients and \$15,483 from partner contributions. This box culvert will mitigate annual flooding, which currently affects neighboring communities' capacity to market their produce during the rainy season.
- Field assessment and data collection for the development of seven disaster mitigation projects for funding through small grants. These projects will benefit more than 100 communities in all six departments.
- During the quarter; 28 training events were carried out with 635 participants, of which 173 were women; in addition, 167 technical assistance visits were carried out.

Installation of renewable energy technologies

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 economic activities, health clinics, and schools, in addition to individual households.

Results to date on performance indicators in the PMP under this component are as follows:

- Number of rural micro-generation clean/renewable energy projects established: 780 to date (52 in the current quarter).

The installation of small-scale renewable energy systems and training of beneficiaries of these systems continued this quarter. The project assisted and performed the installation of 52 renewable energy systems this quarter with an investment totaling \$9,885. For the 780 systems installed to date

and a total investment has been made of \$129,803, of which 37 percent was financed by USAID-ACCESO, 42 percent by the beneficiaries, and 21 percent by project counterparts. Activities this quarter centered on the installation of improved stoves, solar dryers, and biodigesters. 105 training events were carried out with 825 participants, of which 99 were women. Training topics consisted of installation and operation of improved stoves, installation, and maintenance of solar dryers and bio-digesters construction and maintenance. 305 technical assistance visits were performed to provide guidance and respond to concerns on renewable energy topics and systems.

The high leverage of investment from beneficiaries and other counterparts will allow a large amount of renewable energy projects in the upcoming periods. The fact that end beneficiaries are making a large contribution reflects the acceptance of these technologies and, therefore, their sustainability. In all cases, local micro-enterprises are receiving training in building and maintaining these technologies.

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

Meetings focused on renewable energy were held with the trilateral agreement between Honduras, Brazil, and the US. USAID-ACCESO is receiving support in technical assistance and work plan compilation from this partnership; the new project is expected to begin next quarter.

STATUS OF ACTIVITIES TO DATE

- 544 improved stoves installed in client households. This will continue to increase during the following quarters.
- 56 polyethylene bio-digesters built.
- 145 solar drying units installed to date. These units, initially designed for coffee drying, are now being used by project clients for drying allspice, basic grains and basil.
- 34 solar panels installed.

3.4. IR 4.1. USE OF QUALITY MATERNAL AND CHILD HEALTH AND FAMILY PLANNING SERVICES INCREASED

USAID-ACCESO has integrated the nutrition and health activities in the component's target communities with other technical areas to promote overall health of family and community members. These other technical areas include 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 nutrition and health component of the project is working in 217 communities in 51 municipalities. The coordination network includes 58 Ministry of Health units, 217 AIN-C groups, and 434 health volunteers, with most of the volunteers now also involved in the project's economic development activities.

Implementation of improved health and nutrition practices at the household level

- USAID-ACCESO beneficiaries in communities where the nutrition and health component is implemented continued receiving training in health and nutrition-related activities during the reporting period. In addition, complementary assistance continued in production systems for family plots and economic development initiatives. Both men and women are receiving basic training in child care, prevention of illnesses, nutrition practices, feeding practices for children less than two years of age, exclusive breastfeeding, keeping a healthy household, and family planning. During this quarter, the project held 217 training events in nutrition and health, with 3,310 participants (263 male, 3,047 female). Training topics included exclusive breastfeeding for children under six months, good personal and household hygiene practices, safe water for human consumption, family planning, and the consumption of vitamin- and nutrient-rich foods.

- During the quarter USAID-ACCESO health and nutrition technicians provided a total of 1,402 technical assistance visits to households and community Nutritional Training Centers in 210 communities in 53 municipalities.
- As part of the healthy household activities, 544 eco-stoves have been installed to date in prioritized communities and in households with children under the age of two. This activity will continue expanding in the upcoming quarter. Other activities initiated during the present quarter included improvement of floors, walls, and roofs; land fill construction for solid waste management in households; and 18 projects for residual water treatment.
- The project is supporting activities to improve the availability of nutritious foods at the household level, selecting those families with the highest risk for severe malnutrition. To date, a total of 827 family plots have been established. Crops promoted and used in the family plots ensure the availability of nutritious foods year round, and ensure production of its own planting materials. Some crops used for family plots are carrots, beets, moringa, sweet potato, cassava, malanga, and fruit trees.
- Food preparation training for nutrition and health volunteers continued in all six departments. Technicians continued to deliver food preparation workshops. The main focus of these workshops was diet diversity and the preparation of foods high in important nutrients.
- To date, a total of three Nutrition Training Centers have been equipped, installed, and are operational. These centers are also used for monthly growth monitoring sessions conducted by health volunteers and for training activities with mothers and other caregivers. Other centers are in the process of construction and installation.

Strengthening of health center services

- Project health and nutrition technicians continued with the coordination of activities with 20 health centers and community health volunteers to deliver the primary health care services to 50 communities. Primary health care services provided include the delivery of a basic package that includes administration of dietary supplements, vaccines, prenatal care, and training of mothers and other caregivers in family planning, nutrition, and breastfeeding.

3.5. SUPPORTING ACTIVITIES

3.5.1. 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 the first quarter, with the initial five subcontractors operating six of the 12 local field implementation teams by the end of the second quarter. In the third quarter, contract mechanisms were developed with six local NGOs for five local implementation teams. By the end of 2011, 11 of the 12 CTUs were operational. The final CTU was finalized in January 2012.

During the reporting quarter Antonio Coello, sub-director of USAID-ACCESO, left the program to take a position outside of Honduras. In December 2012, Carol Elwin was recruited to fill this position.

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

- The M&E team has completed more than 17,500 profiles among all household and MSME clients; 15,636 are for current active client households representing 71 percent of the clientele registered in CIRIS as of December 2012.

- Data collected from sampling clients was reviewed, registered, and analyzed to determine annual performance advance compared to baseline data.
- Monthly, quarterly, and annual reports were prepared based on performance indicators sheets.
- Feed the Future (FTF) indicator results were registered and updated into FTF M&E system together with USAID staff.
- The project's PMP monitor was updated; several new indicators were added.
- Activity, results, and status reports were prepared for subcontractor's feedback and follow-up.
- A new CIRIS version was installed in November 2012 and users were trained on the new features of the system.
- Ongoing feedback was provided to the home office IT department regarding features of the new CIRIS to improve and make it more user-friendly.
- The third sampling phase was randomly selected at the end of November 2012; a total of 1,025 clients were incorporated to complete a sampling size of 2,540 clients.
- As of December 2012, a total of 229 new baseline forms were completed with the third random sampling clientele and more than 50 end of harvest forms were collected.
- Data entry technicians continued registering baseline form data into CIRIS.
- M&E specialists have participated at all department-level meetings, presenting CIRIS reports and providing critical feedback on project progress.
- Ongoing training was provided as needed on M&E systems and data collection.
- Continued performing maintenance of the CIRIS database.

3.5.3 .SMALL GRANTS, SUBCONTRACTS AND ALLIANCES PROGRAM

Small grants funds have continued to develop this quarter, with new activities beginning, others continuing their process, and others closing. The overall status to date is provided in Table 3.

Table 3. Small Grants Status

| Name | Description | Status |
|---|---|-----------|
| Renewables Fund | | |
| Photovoltaic systems | Installation of 37 solar panels in Intibucá for project client households | Completed |
| Solar dryers | 37 solar dryers installed | Ongoing |
| Eco-stoves | 267 eco-stoves for client households installed and functioning; 500 more to be installed in health and nutrition households | Ongoing |
| Bio-digesters | 20 Bio-digesters installed and functioning | Ongoing |
| Smallholder & MSME Technology Fund | | |
| Marketing | 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 & MSME in Sta. Bárbara installed and operating | Completed |
| Irrigation | Irrigation systems restoration, installation, and capacity building | Approved |
| Snow pea packing plant conveyer | Conveyer equipment for snow pea packing plant in La Esperanza, Intibucá- installed | Completed |
| Weather stations | 6 weather stations to monitor climatic events and | Approved |

Table 3. Small Grants Status

| Name | Description | Status |
|--|--|---------------|
| | provide data. | |
| Bean seeds | 5,585 Lbs. of beans distributed among 334 smallholders for bean program | Ongoing |
| New crop and product development | Support for smallholders starting new crops and products | Ongoing |
| Irrigation phase II | Irrigation systems restoration, installation, and capacity building (31 projects) | Installing |
| Gourmet <i>katracho</i> | Promotional activities for MSME products in San Pedro Sula | Closed |
| Biological controls | Biological agents for use in 120 hectares of small coffee farms | Closed |
| <i>Agromercados</i> (FUNDER) | Assistance to trade fair by project clients and marketing staff, organized by FUNDER | Closed |
| Yellow corn seeds | Seeds to start up yellow corn program for the Honduran agroindustry | Approved |
| Crop competitions | Organization and logistics for crop competitions among project clients | Approved |
| Disaster Planning & Mitigation Fund | | |
| Box culvert | Box culvert in Intibucá to maintain communities communicated | Approved |
| EDAN training | Training in EDAN per USAID/OFDA guidelines for trainers | Ongoing |
| NRM project studies | Studies, designs and budgets for 4 NRM projects in Lempira, Intibucá and Santa Bárbara | Closed |
| Mitigation project studies | Studies, designs and budgets for 10 Mitigation projects | Ongoing |
| Water system improvements | Studies, infrastructure, and lab tests for potable water in 120 rural communities | Approved |
| EDAN training | Training in EDAN per USAID/OFDA guidelines for trainers | Ongoing |
| Community Health Fund | | |
| Nutritional Training Centers (equipment) | Equipment for nutritional training centers where beneficiaries will receive training | Approved |
| Improving rural health centers | Equipment to increase rural health volunteers capacity for assistance | Approved |
| Improved diet diversity (1,000) | Over 600 home plots started for nutritional access by households | Ongoing |
| Household water filters | 325/600 individual water filters for households with high incidence of disease installed | Closed |
| 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 |
| EAP Zamorano research | Research in nematode distribution in soil and irrigation systems | Approved |

Activities focused on the development of technology and partner funds in marketing, production, postharvest, and nutrition and health. Grants with an approved status will start implementation this upcoming quarter.

3.5.4. 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 include:

- 18 percent of the project's client households are registered as women clients.
- 8,270 (32.8 percent) of the 25,248 individuals that have received project agricultural sector productivity or food security training are women.
- 1,266 (81.8 percent) of the 1,548 individuals that have received nutrition and health training are women.

3.5.5. OTHER

Supporting Honduran and US government-related activities included:

- Various field visits by USAID/Honduras representatives to project clients in La Paz, Intibucá, and Santa Bárbara.
- Field visit by USAID/Honduras and USAID/Washington representatives to project clients in La Paz (November 2012).
- Field visit by USAID/Honduras, USAID/Washington, and State Department representatives to project clients in Santa Bárbara (December 2012).
- Two-day training event provided to WFP technicians on corn and bean product, postharvest and marketing (December 2012).
- Training event for Ministry of Agriculture technicians in drip irrigation, Choluteca (October 2012).

4. PLANNED ACTIVITIES FOR NEXT REPORTING PERIOD

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

- Continue the client household recruitment processes both on and off-farm.
- Initiate new and continue the development of existing market-led production programs in all six departments for high-value cash crops with high market potential, including potato, carrot, broccoli, cauliflower, peppers, garlic, Asian vegetables, plantain, onion, and cucumbers. A new cattle production program will also commence.
- Continue procurement and installation of irrigation infrastructure for producers in all six departments.
- Develop market-driven production programs to meet local and regional demand.
- Continue to pursue opportunities for obtaining the equipment for resin collection and processing. Continue the promotion of this activity among identified clients in order to meet market demands.
- Increase the number of off-farm MSME clients by 225 during the quarter: 50 in Santa Bárbara, Copán, and Ocotepeque; and 25 in Lempira, La Paz, and Intibucá.
- Promote the wood production business among a group of selected project clients as a MSME opportunity.
- Continue assistance to honey producers in response to market demands.
- Implement a pilot project in each of the six departments based on the business plan developed for connecting clients in animal production with local processors.
- Continue activities related to organic fertilizer production from coffee pulp in all six departments.
- Expand the *panela* (unrefined sugar) production in the pilot project in Copán and among new producers in Lempira to meet the market demand.
- Market survey to determine the feasibility for all spice and cardamom essential oils project.
- Identify markets and prepare business plan for pepper mash.
- Preparation for the planting of up to 3,000 hectares of yellow corn under contract with local processors.
- Continue promotion and assistance of dried coffee operations to improve sales prices for farmers.
- Continue implementing technology investment fund small grants projects for productive infrastructure.
- Continue delivery of technical assistance to off-farm MSME's to improve efficiencies and reduce production cost.

Rural MSMEs access to new market opportunities increased

- Consolidate, formalize, and promote the local farmers' fairs in new locations in all six departments.
- 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.
- Expand the allspice exporters through growers groups.

Barriers to competitiveness of rural MSMEs reduced

- Documentation to formalize local market fairs.
- Continue the assistance and collaboration with SENASA for the simplification of export permit processes for the regional (Central American) markets.
- Continue the assistance and collaboration with SENASA for the simplification and decentralization of services to obtain sanitary licenses and permits for imports and exports.
- Expand implementation of project clients' access to financial products developed with input providers and exporters, including Del Campo Soluciones Agrícolas, CADELGA, Original Maya, and others.
- 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 and continue 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 four potable water projects with support from FHS and USAID.
- Continue to use the small grant program for disaster mitigation, potable water and basic sanitation projects.
- Continue testing alternatives for coffee pulp treatment with natural microorganism (Biowish).
- Implement three pilot effluent treatment projects in Santa María de Planes in La Paz, Jesus de Otoro in Intibucá, and Dolores Merendon in Ocotepeque.
- Continue the rehabilitation of chlorinators.
- Continue assistance to water boards and community and municipal leaders in effluent treatment projects and management of water chlorinators.

Disaster vulnerability reduced

- Continue implementation of mitigation plans in 20 communities.
- Continue the implementation of 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.
- Continue the organization and strengthening of at least 30 Local Emergency Committees.

Renewable energy projects

- Continue to install and train on the concepts and critical points of design and installation of eco-stoves, bio-digesters, and solar crop dryers in the six departments.
- Continue to train users and owners on the use and maintenance of improved stoves, bio-digesters, and solar dryers.
- Initiate activities with the trilateral program USA/Honduras/Brazil in renewable energy activities.

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 500 households.
- Install at least 500 safe water systems for families with children under the age of two.
- Provide assistance to 827 family plots for increased food availability.
- Equip and initiate operations of three food preparation centers.
- Equip and initiate operations of 20 centers for management of acute undernutrition.
- Continue promoting family planning, reproductive risk, and quality maternal and child health practices through basic messages.
- Expand training events for training in food preparation and diet diversity to ensure nutrient uptake.
- 500 households in targeted area with at least one household improvement.
- Continue and expand household visits to provide direct technical assistance to those families with children less than two years of age.
- Continue coordinating field activities with the health units to improve access to the family planning methods.
- Continue coordination with World Food Programme for the development of Community Health Volunteer training manual.

Gender mainstreaming

- Continue to promote and follow up on gender inclusion activities in the day-to-day implementation of USAID-ACCESO.
- Monitor project activities' consistency with recommendations highlighted in the gender mainstreaming plan.
- Ensure training events and technical assistance delivery schedules and methodologies are promoting participation of women and youth.

Project management and administrative activities

- Continue developing formal alliances with selected counterpart institutions and private sector companies.
- Monitor PMP indicator and high level target results for preparation of reports and guidance to implementation plans for the following quarter.

Monitoring and evaluation activities

- Prepare reports based on annual results indicators for managerial meetings.
- Participate in meetings with technical production staff to evaluate performance against results and to prepare strategies for the achievement of project goals.
- Prepare new CIRIS version reports.
- Prepare inputs for monthly and quarterly reports.
- Update the PMP monitor.
- Prepare 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.
- Complete sampling client's baseline data forms collection.
- Continue collecting end of harvest forms from sampling clients.
- Continue registering baseline and end of harvest data on CIRIS.

Small grants, subcontracts and alliances program

- Continue the support and assistance in the procurement and distribution of services, equipment and supplies under the existing activities.

- Continue the design and approval process for new initiatives identified in the areas of production, health and nutrition, processing and value addition, and natural resource management and disaster mitigation.
- Ensure proper close-out procedures and documentation for closed projects.
- Monitor projects' implementation in concurrence with small grants operational manual.

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 now separated by IRs and sub-IRs to meet USAID reporting requirements. Note: data for selected indicators are collected on an ongoing basis while others will be collected via annual surveys.

| ACTIVITY | YEAR 1 (FY 2011) | YEAR 2 (FY 2012) | STATUS | YEAR 3 TARGETS (Oct. 2012 to Sept. 2013) | | | | Total Year 3 Target | Total Year 4 Target | Total END OF Year 4 | TOTAL EXPECTED LOP (Feb. 2015) | DELIVERABLE / UNITS | Year 3 Target Breakdown | | Previous Reported Status (09/2012) | Additional Reported for Previous Quarter | Current Quarter (12/2012) | Updated Status (12/2012) |
|----------|--|-------------------------------------|--------|--|----------|----|----|---------------------|---------------------|---------------------|--------------------------------|---------------------|-------------------------|------|------------------------------------|--|---------------------------|--------------------------|
| | ACHIEVED Apr. 2011 to Sept. 2011 | ACHIEVED Oct. 2011 to Sept. 2012 | | Sept. 2012 | Q1 | Q2 | Q3 | | | | | | Q4 | Male | | | | |
| 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 | 1 | | | | | | | | | | | | | done | |
| 1.11 | Monthly Reports | 6 | 12 | 18 | 3 | 3 | 3 | 3 | 12 | 12 | 42 | 46 | Reports | | | | 3 | 21 |
| 1.12 | Quarterly Reports | 2 | 4 | 6 | 1 | 1 | 1 | 1 | 4 | 4 | 14 | 15 | Reports | | | | 1 | 7 |
| 1.13 | Annual Workplan | 1 | 1 | 2 | 1 | | | | 1 | 1 | 4 | 4 | Workplans | | | | 1 | 3 |
| 1.14 | Final Report | | | | | | | | | | | 1 | Reports | | | | | |
| 1.15 | Steering committee meetings | | 2 | 2 | 1 | | 1 | | 2 | 2 | 6 | 7 | Meeting Minutes | | | | 2 | 2 |
| 2 | Project Monitoring & Evaluation Activities | | | | | | | | | | | | | | | | | |
| 2.1 | Fintrac M&E System (CIRIS) customized and installed | done | | | | | | | | | | | | | | | done | |
| 2.2 | Staff trained in M&E methodology and CIRIS | done | | | | | | | | | | | | | | | done | |
| 2.3 | M&E Plan / PMP Developed and Submitted | 1 | | | | | | | | | 1 | | Plan | | | | done | |
| 2.4 | Baseline Data on Program Clients Collected | | | | | | | | | | | | Data | | | | | on-going |
| 2.6 | Follow-up indicator data collected and verified | | | | | | | | | | | | Data | | | | | |
| 2.7 | Performance Indicator Review | | 1 | 1 | 1 | | | | 1 | 1 | 3 | 4 | | | | | | |
| 2.8 | Success Stories Produced and Disseminated | 2 | 18 | 20 | 3 | 3 | 3 | 3 | 12 | 12 | 44 | 40 | Publications | | | | 20 | 5 |
| 3 | Small Grants Program | | | | | | | | | | | | | | | | | |
| 3.1 | Technology Fund (households) | | 5,160 | 5,160 | | | | | - | | 5,160 | | | | | | 5,160 | |
| 3.2 | Nutrition / Health | | 4 | 4 | | | | | 0 | | 4 | | | | | | 4 | |
| 3.3 | Disaster Mitigation / NRM | | 4 | 4 | | | | | 0 | | 4 | | | | | | 4 | |
| 3.4 | Renewable Energy | | 728 | 728 | 25 | 25 | 25 | 25 | 100 | 62 | 890 | 890 | | | | | 728 | 52 |
| 3.5 | Number of grants awarded by community small grants mechanism | | 5,896 | 5,896 | 25 | 25 | 25 | 25 | 100 | | 5,996 | | | | | | 5,896 | |

| ACTIVITY | YEAR 1 (FY 2011) ACHIEVED | YEAR 2 (FY 2012) ACHIEVED | STATUS | YEAR 3 TARGETS (Oct. 2012 to Sept. 2013) | | | | Total Year 3 Target | Total Year 4 Target | Total END OF Year 4 | TOTAL EXPECTED LOP (Feb. 2015) | DELIVERABLE / UNITS | Year 3 Target Breakdown | | Previous Reported Status (09/2012) | Additional Reported for Previous Quarter | Current Quarter (12/2012) | Updated Status (12/2012) |
|--|--|---------------------------|--------|--|----|----|----|---------------------|---------------------|---------------------|--------------------------------|---------------------|-------------------------|-------|------------------------------------|--|---------------------------|--------------------------|
| | Apr. 2011 to Sept. 2011 | Oct. 2011 to Sept. 2012 | | Sept. 2012 | Q1 | Q2 | Q3 | | | | | | Q4 | Male | | | | |
| High Level Targets | | | | | | | | | | | | | | | | | | |
| GOAL: Increased Rural Household Incomes | | | | | | | | | | | | | | | | | | |
| PIRS # 1 | Number of households living in poverty moved above the poverty line | 1,183 | 1,183 | | | | | 15,000 | 27,500 | 27,500 | 30,000 | Households | 12,000 | 3,000 | 1,183 | | | |
| PIRS # 2 | Number of rural households living in extreme poverty moved above the poverty line ¹ | 834 | 834 | | | | | 9,000 | 16,500 | 16,500 | 18,000 | Households | 7,200 | 1,800 | 834 | | | |
| PIRS # 3 | Value of new net income of participant rural farmers and MSMEs | 7.10 | 7.10 | | | | | 25.00 | 66.50 | 66.50 | 73.95 | US\$ Million | 22.50 | 2.50 | 7.10 | | | |
| PIRS # 4 | Number of jobs attributed to FTF implementation | 2,332 | 2,332 | | | | | 5,200 | 9,500 | 9,500 | 10,425 | FTEs | 4,160 | 1,040 | 2,332 | | | |
| Increased Agricultural Productivity | | | | | | | | | | | | | | | | | | |
| PIRS # 5 | Value of incremental sales (collected at farm/firm level) attributed to FTF implementation | 12.40 | 12.40 | | | | | 56.00 | 122.50 | 122.50 | 133.65 | US\$ Million | 50.40 | 5.60 | 12.40 | | | |

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 | 18,349 | 23,394 | 5,000 | 5,000 | 5,000 | 5,000 | 20,000 | 10,000 | 53,394 | 55,500 | Individuals | 16,131 | 3,869 | 23,394 | -580 | 2,434 | 25,248 |
| WP # 2 | Number of extension visits to program beneficiaries | 34,400 | 114,011 | 148,411 | 27,000 | 27,000 | 27,000 | 27,000 | 108,000 | 108,000 | 364,411 | 378,400 | Extension Visits | | | 148,411 | 247 | 18,498 | 167,156 |
| WP # 12 | Number of technical materials produced (bulletins, manuals, presentations and tools) | 50 | 155 | 205 | 10 | 15 | 10 | 15 | 50 | 45 | 300 | 225 | Technical materials | | | 205 | | 7 | 212 |
| WP # 10 | Number of MSMEs (off-farm and processing) assisted by project | 161 | 541 | 702 | 50 | 50 | 50 | 50 | 103 | 0 | 805 | 805 | MSMEs | 41 | 62 | 702 | -26 | | 676 |
| PIRS # 6 | Value of new private sector investment in the agriculture sector or food chain leveraged by FTF implementation | 0.079 | 3.02 | 3.097 | 1.50 | 1.50 | 2.00 | 2.00 | 7.00 | 10.00 | 20.10 | 21.60 | New private sector investment (Millions) | | | 3.097 | 0.017 | 0.171 | 3.284 |
| WP # 11 | Number of female individuals in training activities | 1,800 | 6,131 | 7,931 | 500 | 500 | 500 | 500 | 2,000 | 1,000 | 10,931 | 8,300 | Female Individuals | | | 7,931 | -210 | 549 | 8,270 |
| PIRS # 7 | Number of farmers and others who have applied new technologies or management practices as a result of USG assistance | | 4,592 | 4,592 | 1,750 | 1,750 | 1,750 | 1,750 | 7,000 | 9,000 | 20,592 | 22,050 | MSMEs | 5,600 | 1,400 | 5,479 | | | |

| ACTIVITY | YEAR 1 (FY 2011) | YEAR 2 (FY 2012) | STATUS | YEAR 3 TARGETS (Oct. 2012 to Sept. 2013) | | | | Total Year 3 Target | Total Year 4 Target | Total END OF Year 4 | TOTAL EXPECTED LOP (Feb. 2015) | DELIVERABLE / UNITS | Year 3 Target Breakdown | | Previous Reported Status (09/2012) | Additional Reported for Previous Quarter | Current Quarter (12/2012) | Updated Status (12/2012) | |
|--|---|-------------------------------------|--------|--|---------------------|-----|-------|---------------------|---------------------|---------------------|--------------------------------|---------------------|---|-------|------------------------------------|--|---------------------------|--------------------------|--------|
| | ACHIEVED Apr. 2011 to Sept. 2011 | ACHIEVED Oct. 2011 to Sept. 2012 | | Sept. 2012 | Q1 | Q2 | Q3 | | | | | | Q4 | Male | | | | | Female |
| 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 | 55 | 78 | 25 | 40 | 50 | 60 | 175 | 200 | 453 | 465 | organizations / companies providing services to MSMEs | | | 78 | | 4 | 82 |
| PIRS # 32 | Number of public-private partnerships formed | 1 | 11 | 12 | 6 | 6 | 6 | 6 | 24 | 15 | 65 | 50 | PPP formed | | | 26 | | 2 | 28 |
| PIRS # 33 | Number of private sector alliances developed | 2 | 12 | 14 | merged to PIRS # 32 | | | | | | | | PSA's Formed | | | | | | |
| 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 | 170 | 190 | 5 | 5 | 5 | 5 | 20 | 0 | 210 | 210 | Organizations / associations / CBO's receiving assistance | | | 190 | -7 | | 183 |
| WP # 3 | Number of small farmer associations formally established as businesses | | 0 | 0 | 50 | 50 | 25 | 25 | 150 | 25 | 175 | 55 | Associations formally established as businesses | | | 0 | | | |
| 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 | 1,220 | 1,438 | 750 | 750 | 1,000 | 1,000 | 3,500 | 5,000 | 9,938 | 10,932 | MSMEs | 3,150 | 350 | 1,438 | | 109 | 1,547 |
| PIRS # 12 | Number of brokers providing market linkages to MSMEs | 10 | 19 | 29 | 40 | 40 | 60 | 60 | 200 | 250 | 479 | 500 | Brokers providing market linkages to MSME's | | | 29 | | 4 | 33 |
| WP # 6 | Number of market surveys conducted | 1 | 5 | 6 | 2 | 3 | 4 | 3 | 12 | 6 | 24 | 24 | Market Surveys | | | 6 | | | 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 | | 550 | 550 | 175 | 225 | 250 | 275 | 925 | 1,500 | 2,975 | 2,996 | MSMEs | 786 | 139 | 550 | | 20 | 570 |
| Implementation of business certification programs | | | | | | | | | | | | | | | | | | | |
| PIRS # 13 | Number of MSMEs that have been verified to meet market standards for their products | | 917 | 917 | 100 | 100 | 150 | 150 | 500 | 583 | 2,000 | 2,000 | MSMEs | | | 917 | | 190 | 1,107 |

| ACTIVITY | YEAR 1 (FY 2011) | YEAR 2 (FY 2012) | STATUS | YEAR 3 TARGETS (Oct. 2012 to Sept. 2013) | | | | Total Year 3 Target | Total Year 4 Target | Total END OF Year 4 | TOTAL EXPECTED LOP (Feb. 2015) | DELIVERABLE / UNITS | Year 3 Target Breakdown | | Previous Reported Status (09/2012) | Additional Reported for Previous Quarter | Current Quarter (12/2012) | Updated Status (12/2012) | |
|---|--|-------------------------------------|--------|--|-------|-------|-------|---------------------|---------------------|---------------------|--------------------------------|---------------------|---|-------|------------------------------------|--|---------------------------|--------------------------|--------|
| | ACHIEVED Apr. 2011 to Sept. 2011 | ACHIEVED Oct. 2011 to Sept. 2012 | | Sept. 2012 | Q1 | Q2 | Q3 | | | | | | Q4 | Male | | | | | Female |
| 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 | 1,677 | 1,892 | 200 | 250 | 250 | 300 | 1,000 | 1,206 | 4,098 | 4,314 | MSME's accessing finance | 800 | 200 | 1,892 | | 105 | 1,997 |
| PIRS # 15 | Value of Agricultural and Rural Loans made to MSMEs | 0.273 | 1.482 | 1.754 | 0.31 | 0.42 | 0.48 | 0.52 | 1.73 | 2.53 | 6.011 | 6.33 | Value of loans (millions) | 1.38 | 0.35 | 1.754 | 0.029 | 0.269 | 2.053 |
| PIRS # 11 | Number of MSMEs implementing sound business management practices | | 695 | 695 | 500 | 750 | 1,000 | 1,500 | 3,750 | 4,000 | 8,445 | 8,482 | MSMEs | 3,000 | 750 | 695 | | | |
| PIRS # 16 | Number of value chain / sector constraints identified and resolved | | 1 | 1 | 5 | 5 | 7 | 7 | 24 | 15 | 40 | 40 | Constraints | | | 1 | | 1 | 2 |
| PIRS # 17 | Number of policy reforms, regulations, administrative procedures passed for which implementation has begun with USG assistance | 1 | 2 | 3 | | 1 | 1 | | 1 | | 4 | 4 | Policies, regulations or administrative procedures passed | | | 3 | | 0 | 3 |
| PIRS # GNDR-2 | Proportion of female participants in USG-assisted programs designed to increase access to productive economic resources (ADDED FY 2012-2013) | | | 15.0% | | | | | 17% | 19% | 19% | 20% | Percentage | | | 15% | | | |
| Applied research and development programs developed | | | | | | | | | | | | | | | | | | | |
| XX | R&D projects and Activities Identified | 1 | 8 | 9 | | 1 | | | 1 | | 10 | | | | | 9 | | 2 | 11 |
| 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 | | 8,321 | 8,321 | 750 | 750 | 750 | 750 | 3,000 | 2,583 | 13,904 | 14,904 | Hectares | 2,700 | 300 | 8,321 | | | |
| PIRS # 10 | Number of companies (including farms) that have made conservation-friendly changes in their business practices | 0 | 356 | 356 | 1,500 | 1,750 | 2,500 | 3,000 | 8,750 | 10,000 | 19,106 | 22,050 | Companies (including farms) | 7,875 | 875 | 356 | | | |
| Implementation of NRM practices at community and municipality levels | | | | | | | | | | | | | | | | | | | |
| PIRS # 9 | Number of Local Municipal Governments effectively implementing natural resource management policies | | 7 | 7 | 3 | 3 | 2 | 2 | 10 | 3 | 20 | 20 | Local Municipal Governments | | | 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 | | 11 | 11 | 5 | 5 | 5 | 5 | 20 | 9 | 40 | 40 | Communities with adequate disaster prevention and mitigation capacity | | | 11 | | 3 | 14 |
| Installation of renewable energy technologies | | | | | | | | | | | | | | | | | | | |
| PIRS # 29 | Number of rural micro-generation clean/renewable energy projects established | 10 | 718 | 728 | #REF! | #REF! | #REF! | #REF! | #REF! | #REF! | #REF! | #REF! | Projects established | | | 728 | | 52 | 780 |

| ACTIVITY | YEAR 1 (FY 2011) | YEAR 2 (FY 2012) | STATUS | YEAR 3 TARGETS (Oct. 2012 to Sept. 2013) | | | | Total Year 3 Target | Total Year 4 Target | Total END OF Year 4 | TOTAL EXPECTED LOP (Feb. 2015) | DELIVERABLE / UNITS | Year 3 Target Breakdown | | Previous Reported Status (09/2012) | Additional Reported for Previous Quarter | Current Quarter (12/2012) | Updated Status (12/2012) |
|--|--|-------------------------------------|--------|--|----|----|----|---------------------|---------------------|---------------------|--------------------------------|---------------------------|-------------------------|-------|------------------------------------|--|---------------------------|--------------------------|
| | ACHIEVED Apr. 2011 to Sept. 2011 | ACHIEVED Oct. 2011 to Sept. 2012 | | Sept. 2012 | Q1 | Q2 | Q3 | | | | | | Q4 | Male | | | | |
| 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 | -23.9% | -23.9% | | | | | -5% | -5% | | -20% | % reduction from baseline | -5.0% | -5.0% | -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 | 4.5% | 4.5% | | | | | 5% | 5% | | 20% | % increase over baseline | | | 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 (REMOVED for FY 2012-2013) | | | | | | | | | | 20 | Health Facilities | | | | | | |
| PIRS # 27 | Modern contraceptive prevalence rate | | 11.2% | 11.2% | | | | | 2.5% | | 10% | % Increase over baseline | 2.5% | 2.5% | 11.2% | | | |

ANNEX II: SNAPSHOTS & MONTHLY BULLETINS



SNAPSHOT

Affordable Home Improvements Create Healthier Conditions

Thanks to USAID-ACCESO activities, hundreds of rural Hondurans are seeing better health conditions thanks to low-cost, simple home improvements.



Photo by Fintrac Inc.

María López and her husband stand in their restored kitchen. María says she has already noticed improvements in her health. The family is now providing their son Elvin with a healthier home.

“I feel happy with the upgraded floors and walls. They are easier to clean and I don’t get sick.”

— María López

Improved health depends on more than just a well-balanced and nutritious diet; household sanitation levels play an important role in determining overall health. USAID-ACCESO enhances beneficiaries’ quality of life through a comprehensive approach that integrates agricultural production practices, training in value addition and market access, and improved nutrition and health practices. Under the nutrition component, the project promotes low-cost and environmentally-friendly household improvements.

USAID-ACCESO is currently working in 2,000 rural communities in western Honduras where the vast majority of poor households are constructed of adobe (material made from mud, wood, and dung), use traditional stoves to prepare food, and do not have access to clean drinking water. Adobe walls and dirt floors pose a health threat to occupants, especially to young children, since they are not easy to clean and can harbor mice, gnats, ticks, fleas, and other disease-carrying parasites.

Project specialists began introducing affordable solutions – cement-based floors, eco-stoves, and water filtration systems – to reduce the incidence of preventable disease. To date, more than 550 families have made at least one of these home improvements.

Cement floors and whitewashed walls are easily cleaned and serve as a barrier against pests, dust, and dirt. Studies have found that replacing dirt floors with cement floors significantly improves the health of young children. Eco-stoves direct the smoke outside the home, reducing the incidence of respiratory disease.

Access to clean water is often a struggle for many rural families. In cases where the water supply is currently in the garden, the project is assisting households to bring water into the kitchen and taking the dirty water safely outside the home. Where no potable water exists, a basic water filtration system to enable safe consumption is being promoted.

María Ernestina López, of Ocotepeque, learned of USAID-ACCESO’s home improvement activities after attending project food preparation trainings. With the help of technicians, she and her husband installed cement-based floors and walls, an eco-stove, and a water filtration system.

Before the improvements were made, López had chronic illnesses associated with her living conditions. “Every eight days I would compact the mud in the walls and floors...and I would always get a fever,” she said. “[Now] I feel happy with the upgraded floors and walls. They are easier to clean and I don’t get sick.”

With support from USAID-ACCESO, the López family also planted a family plot with nutritious fruits and vegetables. They plan to attend future project workshops and help their neighbors implement project-supported practices. The project expects to improve household conditions for 2,000 families, benefiting more than 12,000 people in 237 communities demonstrating the highest levels of poverty and malnutrition.



USAID | ACCESO

FROM THE AMERICAN PEOPLE

SNAPSHOT

Financing Food Security

With project support, a group of vegetable producers forms a savings bank, accessing credit that helped them double yields and negotiate formal buying contracts.



Photo by Fintrac Inc.

Members of the *Planting the Future* savings bank receive technical advice on cabbage production from a project specialist.

“I had never received any type of credit, now we have the opportunity to work better, and more organized.”

Ignacio Dominguez, smallholder farmer

Access to credit and inputs can be a major obstacle for smallholder farmers trying to move into commercial agriculture. To improve both incomes and food security, USAID-ACCESO focuses on improving agricultural practices and expanding access to credit and supplies for the rural poor.

In the community of Las Vegas, the project helped a group of 12 vegetable producers to better organize their plots, space their plantings for optimum growth, and use appropriate levels of fertilizer. Genaro Hernández, a smallholder producer, more than doubled his sales of beets and carrots – from \$300 to \$673 – in just a few months.

Unfortunately, even with the improved practices, purchasing the inputs necessary for continued expansion and sustained levels of production remained a challenge for the group. Perceived high risks and transaction costs make commercial banks unwilling to lend to smallholders, and many microfinance organizations do not offer loan products customized for agriculture. “Even if we had the money for the seed, we could not afford the fertilizer,” explained Hernández.

To increase their bargaining power, the group formed a rural savings bank – *Planting the Future* – that through project support is now formally registered with the Honduran government. As an officially recognized savings bank, members are able to access the credit they need to continue improving quality and yields. Once formalized, they successfully obtained a credit line up to \$6,000 for agricultural input and negotiated a 2 percent monthly interest rate.

They invested the loan in agricultural inputs, including seed, fertilizers, insecticides, and fungicides, that when coupled with good agricultural practices helped the producers double their yields. As a result of their increased productivity, the group began supplying a local vegetable distributor under a contract for weekly deliveries of 5,000 pounds of cabbage, 1,000 pounds of carrots, 600 pounds of beets, and 500 pounds of coriander, generating \$1,000 in weekly sales.

The producers are now negotiating contracts with other national and international buyers, including the Central American distributor for Wal-Mart. They plan to expand membership and continue increasing their total area of production to keep up with growing demand.

“I had never received any type of credit,” said Ignacio Domínguez, a savings bank member who specializes in coriander and broccoli production. “Now we have the opportunity to work better, and more organized.”

To date, USAID-ACCESO has helped 1,895 clients access credit, benefitting more than 9,400 rural residents in the six target departments in western Honduras.



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FROM THE AMERICAN PEOPLE

SNAPSHOT

Sweet Potato Drives Business Success

New, high-quality crop increases incomes for producers and local businesses, stimulating economic activity across an entire community.



Photo by Fintrac Inc.

Co-owners of EMDIPA with new packaging for their sweet potato candies and chips.

“Thanks to USAID-ACCESO, we have really improved our product.”

— Dora Coto, President, EMDIPA

In La Labor, Ocotepeque, USAID-ACCESO has introduced sweet potato as a new high-value crop. To date, 61,000 pounds – worth more than \$11,000 – have been exported, creating an economic boom for this community. Sweet potatoes not directed for international markets are being transformed into commercial products, generating additional income streams and employment opportunities for local women.

In April 2012 USAID-ACCESO production specialists began working with 20 producers of sweet potato, assisting them in good agricultural practices such as seed selection, raised beds, drip irrigation, and fertilization. The group started producing under agreement with a local exporter for shipment to the Canadian market, mixed with other products.

Thanks to early successes and project support, others have joined the group, making sweet potato an important local source of revenue. The group is now under contract to ship one container to Canada every 15 days. An additional 16 local residents are working in postharvest operations – cleaning, sorting and grading sweet potatoes according to international standards, and then packing them for export.

Sweet potatoes that do not meet the export criteria – but are still in good condition – are sold by the producers to local small businesses that process the raw materials into chips and sweets.

EMDIPA – a local, woman-owned business – is one such business receiving assistance from project specialists in processing plantain, cassava and taro chips and traditional candy for sale to local markets. They are now purchasing small volumes of sweet potato and with project support have developed both chips and candied products.

The women are also learning basic business skills such as cost control, recordkeeping, packaging, and market analysis. They have now targeted new local market opportunities, including high-traffic local gas stations. Weekly sales of their products, including the new ones, have reached \$470. To further expand production capacity, EMDIPA recently applied for credit to invest in an industrial stove and grill. They plan to hire additional women as their business continues to grow and they integrate with the production activities.

“We have always worked hard and we have never received any type of donation,” said Dora Coto, EMDIPA president. “Now, I want to industrialize the entire company.”

By promoting access to new income streams for both men and women, USAID-ACCESO is achieving long-term, sustainable economic growth and improved food security for entire communities. The project has helped 1,500 micro, small and medium enterprises access new, more lucrative markets, both in Honduras and on the international stage.



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FROM THE AMERICAN PEOPLE

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SNAPSHOT

From Gunpowder to Grains, Family Increases Incomes and Safety

Trading in the dangerous firework-manufacturing business, a family finds success with a processed bean enterprise.

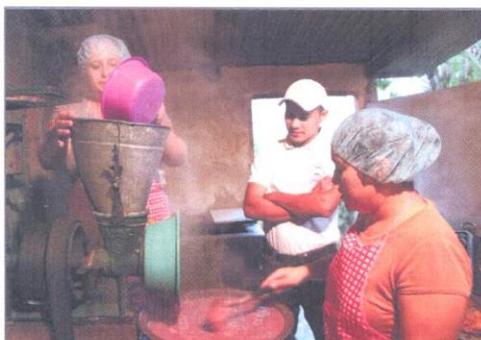


Photo by Fintrac Inc.

Sandra Carranza and an employee during the process of converting beans into a value added product. USAID-ACCESO's processing specialists provide a wide range of technical assistance and training to client companies.

“USAID-ACCESO helped us improve the product’s label and image.”

Liliana Pacheco - Frijoles Doña Lila

Small, homemade fireworks are popular at holiday celebrations in Honduras. Most of these fireworks are made from gunpowder and can be quite dangerous; in just one month, the local press reported 16 injuries stemming from mishaps with gunpowder-based fireworks. Despite the danger, this enterprise represents the sole source of income for many families like José Pacheco's, in Trinidad, Copán.

Pacheco and his wife, Sandra Carranza, had been running a small firework business for 25 years. Every year has been a struggle, as the business is only profitable four months out of the year.

Their situation began to change in February 2012 when the family started working with USAID-ACCESO after repeated visits from a processing specialist convinced them to try a new business venture: processing frozen beans. Beans are readily available year round in Honduras and by adding value through processing, the family stood to make significant and reliable year-round income.

Encouraged by the potential demand for this new product, the family began attending processing, business, and food safety trainings offered by the project. They learned to purify and add flavor to the raw materials, as well as food safety and efficient packing techniques.

In April 2012, *Frijoles Doña Lila* was open for business. The family attended a local fair and was floored by their success. The ready-to-eat, nutritious product was in high-demand by busy shoppers. After the fair, USAID-ACCESO technicians helped the family business place their products in 150 small stores in Copán and Lempira. Their monthly sales are now approximately \$1,500, representing significantly higher incomes because of consistent demand; not to mention the added safety for the family.

“With this product we can sell all year round,” said Sandra Carranza. “My husband never thought a business would be lucrative if it was not in fireworks, and now he is the most excited in the family about the business.” To meet increasing demand, Pacheco and his family expanded their processing space and hired additional staff. They hope to further expand in the coming months.

The project is also helping the small business owners improve packaging and marketing to further expand market access. With increased demand, the family hopes to hire more employees, generating off-farm opportunities.

USAID-ACCESO has already generated \$7.11 million in new net income for participant rural farmers and MSMEs and more than 2,330 jobs can be attributed to project implementation. Specialists continue working with small businesses by improving productivity, developing new products, linking them with new market opportunities and input providers, and expanding backward linkages to production operations.



USAID
FROM THE AMERICAN PEOPLE

ACCESO

SNAPSHOT

Inaugural Contest Inspires Record Production

With project support, producers increased maize production per hectare by three times the national average.



Photo by Fintrac Inc.

Armando Argueta (right) accepts his first place award from USAID-ACCESO staff at the contest closing ceremony. Argueta went from producing 20 quintals of maize per hectare to 157 quintals in one season thanks to practices introduced by project technicians.

“I am extremely happy and thankful to USAID-ACCESO, who motivated us to work better and made all this possible.”

Armando Argueta,

—First place winner, La Paz

To continue motivating and supporting USAID-ACCESO production clients, project specialists in La Paz introduced crop competitions. Producers from more than 17 communities in La Paz committed to participating in the first contest for maize, and began working with technicians to implement best practices, with the goal of winning recognition and prizes for the highest production yields.

Throughout the year, the farmers learned better soil preparation techniques; constructed raised beds; installed improved irrigation systems; and implemented appropriate pest and disease controls. The participating farmers' improved plots served as demonstration sites for neighboring farmers, further expanding the project's reach.

When the contest came to close in December 2012, the results were staggering: participants' average maize yields per hectare were more than six times higher than departmental averages and nearly three times higher than national averages.

Honduras' national maize production average is 34 quintals per hectare, which translates to average earnings of \$442 per hectare based on a sales price of \$13 per quintal. Contest participants greatly surpassed these numbers – the highest yield was 157 quintals per hectare and lowest was 45, still significantly higher than the national average. Based on these production numbers, farmers participating in this contest stand to earn nearly three times the national average from maize sales.

The winners were announced in December 2012 at a closing ceremony in La Culebrita, San Jose, where more than 200 community residents, government authorities, and USAID representatives were on hand to see Armando Argueta take first prize. Argueta's production was more than four-and-a-half times the national average, which could earn him up to \$2,000 per hectare. “I am extremely happy and thankful to USAID-ACCESO, who motivated us to work better,” he said.

The top five producers took home more than \$3,700 in cash prizes and agricultural inputs, including fertilizers and other agrochemicals, portable water pumps, and high-quality seeds. Argueta led his fellow contest participants and the award ceremony audience to his farm where he displayed his harvest and explained the good agricultural practices that made it possible.

USAID-ACCESO will continue the crop competition program in 2013, expanding to include other crops such as beans, carrots, passion fruit, plantains, potatoes, and sweet potatoes as part of its program to improve agricultural productivity. To date, the project has assisted more than 17,000 poor and extreme poor clients through technical assistance and trainings in western Honduras.



Monthly Update *October 2012*

OCTOBER HIGHLIGHTS

- USAID-ACCESO is currently assisting 19,951 client households, benefiting 82,956 people in rural communities through technical assistance in all integrated project components; 39,833 are women and 10,671 are children under 5 years old. Client households are improving their quality of life through improved yields in basic grains, cultivation of high-value crops, new off-farm businesses, better nutrition and health practices, better natural resource management, and implementation of renewable energy technologies.
- To date, the total area under project assistance is 18,376 hectares: including 9,570 hectares of coffee, 6,989 of basic grains, and 1,817 of fruits and vegetables. The crops under the largest areas of production this month included bean, corn, potato, Chinese eggplant, onion, and sweet pepper.
- USAID-ACCESO assisted 39 micro, small, and medium enterprises (MSMEs) legally register in Lempira and Santa Bárbara. An official event to hand out the legal documents took place October 26 in San Vicente, Centenario, with the Minister of Agriculture and Livestock, the municipal mayor, and other government authorities in attendance. 152 clients had the opportunity to thank USAID-ACCESO, UNITEC, and SIC for their efforts in formalizing and legalizing small businesses. These businesses now have legal status and better opportunities for credit and financing.
- Natural resource management and disaster mitigation specialists held a workshop in disaster preparedness and response for leaders and officials from organizations such as the United Nations Development Program, Firefighters of Honduras, the Development and Cooperation Institute (ICADE), the Permanent Contingency Commission (COPECO), the Secretary of Social Development, the Planning and External Cooperation Secretary (SEPLAN), and seven municipal emergency committees.

About USAID-ACCESO

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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.



All photos by Fintrac Inc.

A sweet potato farmer harvests his second crop cycle, bound for international markets.

| Department | Client Households | Beneficiaries | Other Clients* |
|---------------|-------------------|---------------|----------------|
| Copán | 3,265 | 9,671 | 637 |
| Intibucá | 3,649 | 18,697 | 790 |
| La Paz | 3,052 | 14,007 | 1,067 |
| Lempira | 4,293 | 20,902 | 1,337 |
| Ocotepeque | 3,062 | 10,467 | 439 |
| Santa Bárbara | 2,607 | 9,112 | 977 |
| Otros | 23 | 100 | 134 |
| TOTAL | 19,951 | 82,956 | 5,381 |

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



A small family business receives its legal registration, affording more opportunities for protection and investment.



Thanks to technical assistance from USAID-ACCESO, smallholder farmers are implementing good agricultural practices such as land preparation to improve yields.

TECHNICAL ASSISTANCE

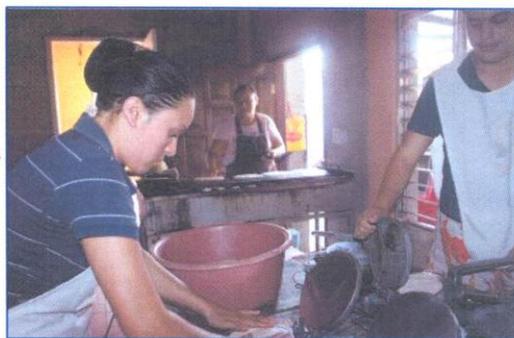
The project conducted 12,238 technical assistance visits, of which 9,962 focused on improving agricultural production and building producer capacity in technical areas such as biological pest control, fertilization best practices, installation and management of irrigation systems, weed management, livestock, nursery management, and poultry management.

Under the health and nutrition component, 735 technical assistance visits focused on food preparation and personal and household hygiene. Additional technical visits included 194 in animal production, 542 in business skills (use of log books and recordkeeping), 136 in postharvest (export regulations and processes, packaging, and product classification), 446 in value-added processing, and 186 visits on solid waste and coffee effluent management.

VALUE ADDITION

USAID-ACCESO continued expanding employment opportunities across the agricultural value chain, promoting new product development and transforming available resources into commercial goods. In October, 61 workshops with 580 participants were held. Nearly 300 clients learned improved baked goods recipes for desserts, sweet rolls, breads; 58 participants attended workshops on processing fruits and vegetables into pickled goods, jellies, dehydrated fruits, and concentrates, all for sale in local markets.

The project assisted 714 MSMEs, many of which are family-owned and operated businesses, to develop and market products such as flour tortillas and frozen beans to local markets and supermarket chains. Small businesses are key drivers of economic growth in rural communities.



La Exquisita, a family business, received technical assistance from USAID-ACCESO in reducing costs and improving efficiency in tortilla production. They are also receiving valuable support in marketing, helping to improve their sales and incomes.



Marketing specialists display project-supported goods at the Gift Fair. Large events such as these expose clients to potentially lucrative new markets.

ACCESS TO MARKETS

USAID-ACCESO participated in a regional Gift Fair in San Pedro Sula to promote 25 client businesses' products, including coffee, honey, hats, and accessories. More than 5,000 people attended the fair, providing a great opportunity for project-supported businesses to reach new potential clients.

Marketing specialists continue assisting allspice, eggplant, and sweet potato producers to export their high-quality crops. To date, export sales have totaled nearly \$360,000 in Santa Bárbara, Copán, and Ocotepeque. Sweet potato not selected for international markets is processed locally to make candy and sweet potato chips, creating employment opportunities and additional income sources.



A mother grinds iron-rich greens to fortify tortillas at a food preparation training in La Paz.

NUTRITION AND HEALTH

More than 1,600 participants received training at 105 events covering good nutrition and health practices, leading to improved conditions in client homes this month. 575 parents attended food preparation trainings, learning new recipes for nutrient-rich meals, including rice cakes, soups, and fortified tortillas. 163 participants received training on diet diversity and the impact it has on children less than two years old, especially those in the bottom nutritional percentile.

Specialists are also promoting health and nutrition education through dynamic methods, including 5,000 “educational wheels,” an interactive tool showing types and quantities of foods appropriate for children according to age. Additional creative and fun educational tools, such as puzzles with images of healthy foods (leafy greens, yellow fruits, fortified tortillas), are being distributed in target communities.

STIMULATING HEALTH AND QUALITY OF LIFE THROUGH HOME IMPROVEMENTS

In rural communities, USAID-ACCESO promotes home improvements to reduce preventable diseases. Using low-cost, readily-available resources, the project helps household clients improve their floors and walls, construct and maintain eco-stoves, construct mini composting systems, and connect their homes to water systems. Together, these activities reduce contamination from insects and bacteria, dust- and humidity-related illnesses, respiratory diseases caused by smoke-heavy traditional stoves, and illnesses, such as dengue and diarrhea, related to unhygienic living conditions. Sixty-four households (384 people) have made one or more home improvements that are directly tied to better overall health and quality of life, especially for young children.



Merari Pacheco stands with his family in their home, now featuring concrete walls and floors. An eco-stove directs smoke outside of the home, providing a healthier and more comfortable atmosphere for their young son.

Trainings – October 2012

| Area | Participants | Events |
|--------------------------------|---------------|--------------|
| Renewable Energy | 215 | 28 |
| Business Skills / Finance | 592 | 69 |
| Natural Resource Management | 670 | 33 |
| Market Information | 35 | 5 |
| Postharvest and Certifications | 265 | 19 |
| Processing and Added Value | 580 | 61 |
| Production | 8,304 | 1,020 |
| ACCESO project | 11 | 1 |
| Nutrition and Health | 1,601 | 105 |
| TOTAL | 12,273 | 1,341 |

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



Monthly Update *November 2012*

NOVEMBER HIGHLIGHTS

- USAID-ACCESO is currently assisting 20,266 client households, providing integrated technical assistance in production, postharvest, nutrition and health and other project components, benefitting over 84,369 people through new crop introduction, renewable technology implementation, farm certification and access to formal markets, among other activities that promote income generation. 48% of the total beneficiaries are women while 13% are children under 5 years old. The project works to improve living conditions for all client households in six Western departments in the country with high levels of poverty and malnutrition.
- The total production area under project assistance is currently 18,146 hectares which includes 9,416 hectares of coffee, 6,797 hectares of basic grains and 1,933 hectares of fruits and vegetables. The crops with the largest planting areas this month include rice, broccoli, cauliflower, Chinese eggplant and onion. Banana, avocado, peach and mango are some of the principal fruits in terms of production area. The total area reported in November decreased slightly compared to the previous month following a revision of the project's client database.
- USAID-ACCESO held a Financial Business Conference in the department of Intibucá with the participation of 115 producers and financial service providers, local banks and other organizations such as BANCO DE OCCIDENTE, BANADESA, Banco Azteca, COMIXMUL, FINACOOOP, Del Campo and PACTA. Credit products and requirements were presented to promote the benefits and opportunities of formal financing. The project actively develops relations between small-scale producers and financial service institutions. To date, 1,895 clients have accessed credit due to project intervention.
- In Santa Bárbara the project organized a plantain field day event to bring together growers, buyers, financial service organizations and plantain specialists to demonstrate production technologies and to develop market linkages, business opportunities and financing. 215 producers actively participated in the event, developing direct contacts with buyers, input providers and financial institutions.

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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.



All photos by Fintrac Inc.
As part of the technical assistance, updated technologies are introduced, such as plastic mulch and micro-tunnels, which help increase crop yield and reduce unit production costs.

| USAID-ACCESO client households, beneficiaries, and other clients, November 2012 | | | |
|---|-------------------|---------------|----------------|
| Department | Client Households | Beneficiaries | Other Clients* |
| Copán | 3,225 | 9,797 | 1,219 |
| Intibucá | 3,635 | 19,143 | 1,147 |
| La Paz | 3,117 | 15,018 | 1,324 |
| Lempira | 4,296 | 20,948 | 1,880 |
| Ocotepeque | 2,969 | 10,097 | 883 |
| Santa Bárbara | 3,000 | 9,262 | 1,308 |
| Others | 24 | 104 | 988 |
| TOTAL | 20,266 | 84,369 | 8,749 |

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



Producers, buyers and plantain specialists at a USAID-ACCESO field event in Santa Barbara, to demonstrate technologies and develop market linkages.



USAID | ACCESO

FROM THE AMERICAN PEOPLE



USAID-ACCESO provides regular technical assistance visits, developing options and establishing solutions to meet producer needs. Participants learn basic and cultural practices for vegetables production, pest and disease prevention and control and range of other production systems and techniques.

TECNICAL ASSISTANCE

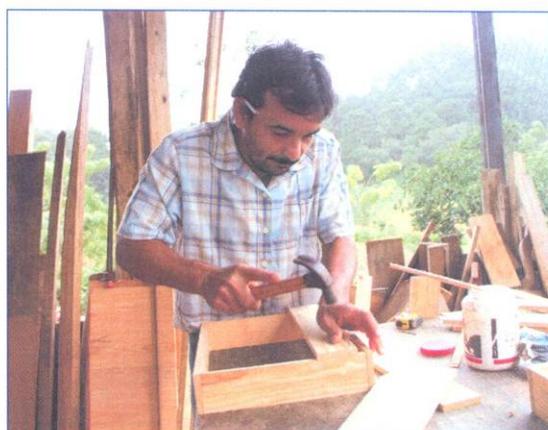
The project conducted 10,036 technical assistance visits, of which 7,572 focused on agricultural production including the use of basic and cultural practices in coffee and horticulture crops; land preparation, contour plowing and soil management; field visits among producers; installation, management and maintenance of drip irrigation systems; among many others.

494 visits to households were made in nutrition and health, focused particularly on vitamin enriched meal preparation; 339 visits in animal production were carried out by project specialists in poultry farming, livestock and bee hive management for the production of honey, pollen and other derivatives; 475 technical visits made to MSMES on business skills and financing opportunities; 294 technical assistance visits in postharvest and 419 in processing, where clients learned to add value to fruits and vegetables through wine, jams and concentrate processing as well as dairy, meat, bread and candy production; 57 technical assistance visits were made on natural resources management activities which focused on water and coffee waste management.

VALUE ADDED PRODUCTS

Project specialists held 55 training events with 430 participants, who learned to add value to available resources and transforming raw materials into commercial products. 27 bakery workshops were held, where participants learned to prepare cookies, cakes and local pastries high in demanded in local communities. Other participants received assistance in dairy, bean and wine processing, establishing relations with buyers in different areas. To date, the project has linked 1,500 MSMES to new markets and buyers.

Forestry specialists continued coordinating with selected environmental organizations to help wood transformers in legal procedures to obtain the raw materials to produce their commercial products. These and all the integrated component activities have promoted employment in assisted communities; to date more than 2,300 new jobs have been created due to project implementation.



Forestry specialists promote legal logging and eco-friendly activities, assisting wood transformers in the definition of procedures to obtain their raw materials and transform them into income generating products.



In Santa Bárbara, a buyer visits USAID-ACCESO's assisted farmers to determine product requirements for weekly deliveries of cabbage and other horticulture crops. In the visits, direct communication is established between buyers and assisted clients, where quality standards, delivery dates and market requirements are defined.

ACCESS TO MARKETS

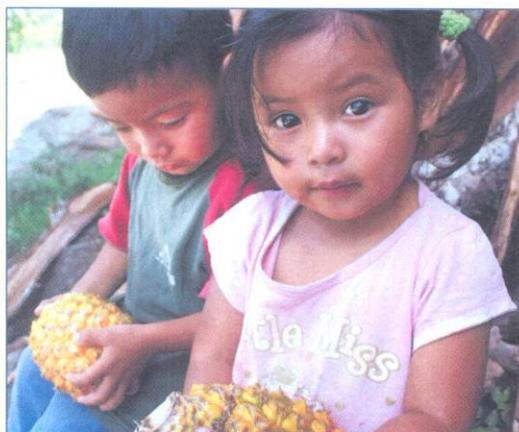
Where necessary, project-assisted producers are being organized into legal or formal working groups. This not only helps open market opportunities, but also facilitates logistics, financing and purchasing. This month, 16 participants were trained in market information, on-farm negotiations with buyers and defining specific crop quality requirements.

63 producers received technical assistance from USAID-ACCESO's specialists, contributing to formal deliveries of potato, plantain, cabbage, radish, carrot, broccoli, lettuce, etc. Approximately 9,230 hectares of the total project assisted area represents new crops.



USAID | ACCESO

FROM THE AMERICAN PEOPLE



Two beneficiary children in a meal preparation workshop in the department of Lempira. Mothers are shown to diversify diets by including fruits and vegetables rich in vitamins and nutrients necessary for optimal child growth and development.

HEALTH AND NUTRITION

During the month, 86 training events were conducted, where 1,323 community leaders, health volunteers and parents learned the health and hygiene basic practices, adequate water storage, diet diversity and home cleanliness, among other important subjects.

26 workshops were carried out on nutritive meal preparation, putting into practice recipes that include yellow fruits and green leaves, and promoting their consumption especially in children under two years of age. 13 workshops were held focused on spacing pregnancies and establishing adequate pregnancy timing, to provide better living conditions for both mothers and their children.

To date, 26 hectares of the total project assisted production area represents family plots. Each family plot includes crops such as sweet potato, cassava, plantain, and green leaves, all rich in iron and vitamins. These are used in the recipes learned in nutrition workshops.

FIELD VISITS BOOST GOOD AGRICULTURAL PRACTICES

With the objective of increasing yields in different crops, USAID-ACCESO's specialists promote exchange field visits among producers in the departments assisted by the project.

The field visits promote production technologies and new crops and they motivate new small scale producers through real testimonies from other assisted farmers. The technologies, changes and the results speak for themselves. This month 22 field visits were made, where 237 producers were able to visit other farmers and commercial farming operations. During the year, thanks to coordination between departments, more than 3,800 women and men have been benefitted from 197 exchange field visits, promoted by the production and postharvest staff.



Field visit in Intibucá, demonstrating proper implementation of basic practices such as land preparation, raised beds and planting distance, among others.

Trainings – November 2012

| Area | Participants | Events |
|--------------------------------|---------------|--------------|
| Renewable Energy | 336 | 45 |
| Business Skills / Finance | 1,287 | 102 |
| Natural Resource Management | 522 | 26 |
| Marketing | 126 | 13 |
| Postharvest and Certifications | 505 | 51 |
| Processing and Added Value | 420 | 55 |
| Production | 7,289 | 910 |
| USAID-ACCESO project | 6 | 1 |
| Nutrition and Health | 1,323 | 86 |
| TOTAL | 11,814 | 1,289 |

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Monthly Update *December 2012*

DECEMBER HIGHLIGHTS

- USAID-ACCESO is equipping 21,390 household clients in western Honduras with the skills and knowledge they need to increase incomes, food security, and overall living standards
- The project is benefitting more than 84,890 people – 44,059 of which are women – using an integrated approach, providing technical assistance and training in production and postharvest practices, basic practices in nutrition and health, business skills, market linkages, processing, and off-farm business opportunities.
- The total area under production is 18,761 hectares, including 9,881 hectares of coffee, 7,044 hectares of basic grains, and 1,837 of fruits and horticulture crops. The crops with the largest planting area this month were coffee, cocoa, corn, bean, papaya, and onion.
- Smallholder producers from more than 17 communities in La Paz participated in the first production contest for maize. All 20 participants surpassed the national average of maize production of 34 quintals per hectare, with production averages ranging from 45 to produced 157 quintals per hectare. The top five producers received cash prizes and agricultural inputs such as fertilizers, agrochemicals, knapsack sprayers, and high-quality seed. Event sponsors – including Del Campo, Syngenta, En-Hacore, Duwest, Cadelga, Bayer, BANADESA, and the municipalities of Guajiquiro, Santa Ana, Yarula, Chinacla, San José and Marcala – donated more than \$3,700 in prizes.
- To encourage local commercialization, USAID-ACCESO held a fair in the department of Lempira for its clients. Participants had the opportunity to sell their crops, including passion fruit, carrots, cabbage, chayote, parsley, and basil produced with technical assistance from the project. Tortillas fortified with leafy green to make them more nutritious were also for sale at the event. Processing micro enterprises, local artisans, and rural financing agencies also showcased their goods and services.

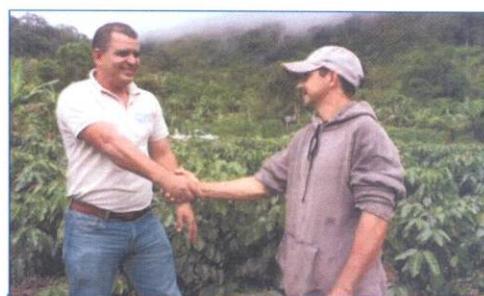
About USAID-ACCESO

USAID-ACCESO is a four-year initiative funded by the people and government of the United States of America through the US Agency for International Development (USAID). This project is part of the global Feed the Future initiative of the US government and the main investment by USAID in Honduras.

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.



Ángel Argueta, first prize winner of the maize production contest, achieved yields of 157 quintals of corn per hectare, more than quadrupling the national average yield of 34 quintals per hectare.



Producers receive direct technical assistance on their plots, making communication more effective for implementing good agricultural practices for coffee production.

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

| Department | Client Households | Beneficiaries | Other Clients * |
|---------------|-------------------|---------------|-----------------|
| Copán | 3,325 | 9,838 | 1,220 |
| Intibucá | 3,682 | 19,370 | 1,157 |
| La Paz | 3,170 | 15,118 | 1,322 |
| Lempira | 4,351 | 21,122 | 1,908 |
| Ocotepeque | 3,001 | 10,138 | 880 |
| Santa Bárbara | 3,861 | 9,305 | 1,309 |
| Otros | - | - | 770 |
| TOTAL | 21,390 | 84,891 | 8,566 |

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



Technical assistance and training in postharvest handling is an essential component for developing commercial operations. Small-scale producers learn to sample coffee beans after harvest for quality control before sending them to market.

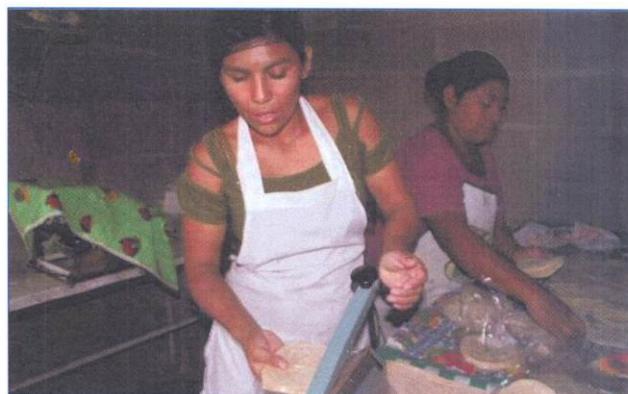
TECHNICAL ASSISTANCE

In December, project technicians carried out 3,764 technical assistance visits, 3,006 of which focused on good production practices for coffee and horticulture crops, including soil preparation and management; planting and transplanting; identification and control of disease, pests and weeds; appropriate use of agrochemicals; land conservation; fertilization program management; irrigation system installation; and coffee processing effluent treatment.

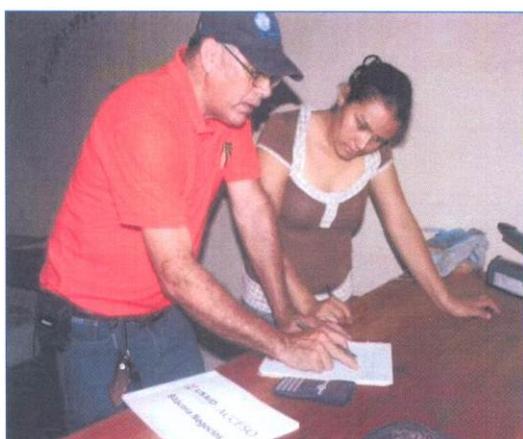
There were 98 nutrition and health technical assistance visits focused on healthy food preparation and household hygiene; 37 technical assistance visits in animal production concentrated on livestock management and commercialization; 98 in basic business skills emphasizing the importance of recordkeeping and production logs; 176 in postharvest handling, including product classification and packaging; 141 on value-added processing techniques, using locally-available raw materials; and 51 natural resource management and disaster mitigation visits.

VALUE-ADDED

Project specialists continued working with client households to add value to their crops and generate additional income. In December, 16 training events were held with 108 participants who learned how to better market value-added products, some of which were already part of their daily diets, such as corn and flour tortillas. Participants also learned how to process fruit and vegetables into products such as jellies, fruit concentrates for drinks, dehydrated fruits, and pickled goods, among other products that are in high demand in local markets.



Owners of La Tutulina, a women-managed tortilla business in Tutule, La Paz, are able to work full-time in the community thanks to project-supported improvements to their business planning and production operations.

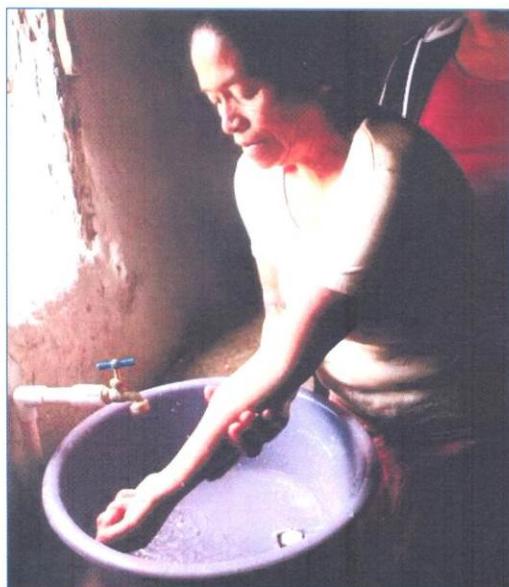


The business *Tajaditas El Buen Gusto* has received technical assistance in legal registration, allowing it to access financial services and formal markets.

ACCESS TO MARKETS

By providing access to free legal services and assistance in developing the required standard documents, the project has simplified legal registration for small businesses; reduced the time and cost associated with the process; and facilitated access to new markets. Considering that 12,848 current household clients (out of 15,636 total) live in extreme poverty, reducing administrative and policy barriers is crucial to promoting sustainable development in assisted communities.

Thanks to USAID-ACCESO, 42 small businesses, rural savings banks, and producers associations in western Honduras have been legally registered, benefitting approximately 2,100 families.



A mother implements basic health and hygiene practices, washing her hands using the water delivery and filtration system installed with project support.

NUTRITION AND HEALTH

This month, 318 parents received training in basic nutrition principles, family planning, and the advantages of exclusive breastfeeding for children under six months old during 25 training events.

Under the nutrition and health component, the project is promoting home improvements to reduce the incidence of disease and improve overall quality of life. One such improvement is covering adobe floors and walls with a thin layer of cement or plaster to reduce problems with dust, insects and bacteria. Other improvements include installing eco-friendly stoves that eliminate smoke inside the house and reduce the use of firewood, and water delivery and filtration systems, which provide easy access to clean water and dispose of dirty water outside the home. To date, 550 families have received at least one of the three improvements, reducing the incidence of diseases that primarily affect children.

The project expects to improve the living conditions of 2,000 families, benefitting more than 12,000 people in 237 communities with the highest levels of poverty and malnutrition in Western Honduras.

STRATEGIC RELATIONSHIPS

USAID-ACCESO is establishing alliances and agreements with key public and private sector organizations, including input and equipment providers, financial service agencies, and nongovernmental organizations to promote technology implementation, economic development and aspects of sustainability.

This month an agreement with BANADESA (National Bank of Agricultural Development) was officially signed. BANADESA will finance horticulture and basic grain producers in La Paz and Intibucá that are following a project-designed calendarized planting schedule. To date, USAID-ACCESO has forged 28 public-private alliances and signed 13 letters of agreement with public institutions.



Photos by Fintrac Inc.

USAID-ACCESO and BANADESA's official agreement will finance horticulture and basic crop producers in La Paz and Intibucá.

Trainings – December 2012

| Area | Participants | Events |
|--------------------------------|--------------|------------|
| Renewable Energy | 181 | 22 |
| Business Skills / Finance | 378 | 50 |
| Natural Resources Management | 165 | 12 |
| Postharvest and Certifications | 303 | 40 |
| Processing and Value Added | 108 | 18 |
| Production | 3,100 | 473 |
| Market Information | 168 | 11 |
| Nutrition and Health | 318 | 25 |
| TOTAL | 4,721 | 651 |

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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