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QUARTERLY REPORT # 09 (APRIL TO JUNE 2013) **USAID-ACCESO**



June 2013

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Cover photo: The Osorio brothers, of La Paz, were able to access financing for their lettuce plot after working with USAID-ACCESO technicians.

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

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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 ninth quarterly report for USAID-ACCESO, summarizing the principal activities carried out from April through June 2013. Activities this quarter focused on: completing recruitment of client households with interest and ability to participate in market-based production and nutrition activities; strengthening and expanding the delivery of technical assistance and training to client households on production technologies to increase productivity in corn, beans and coffee, to introduce high value horticultural crops, and to expand market driven calendarized production programs, including contract production of yellow corn for the local industry; developing new products; increasing productivity and reducing unit production costs for new and existing micro, small, and medium sized on- and off-farm enterprises; increasing access to markets, buyers and logistics; opening new and expanding existing finance options for project clients; completing existing and establishing new renewable energy and natural resource management projects among production and nutrition client households; continuing data collection and ensuring data quality; implementing strategies to improve the nutritional status of children under two years of age; and integrating project components at the household and community level to ensure impact of project activities on family livelihoods.

Highlights this quarter include:

- 3,443 new client households joined the program during the reporting period for a total of **34,920 client households** with more than **188,000 family member beneficiaries**. Based on the demographic and income data collected in 18,746 client household profiles, 89 percent of the clients are categorized as extreme poor and poor, and 11 percent as non-poor. 89 percent of households are male and female headed households and 5 percent are headed by women only.

- A total of **81,998 technical assistance visits** were conducted during the quarter, for a total of 305,756 to date. 4,028 new individuals participated in training activities during the quarter, for a total of 36,688 individuals to date. In addition to basic field practices, field technicians and managers increased activities in coffee for prevention of leaf rust (*roya*) and coffee borer (*broca*). Activities also focused on promoting planned production of crops to ensure sustained production that responds to market and buyer demands throughout the year. In addition, basic grain, horticulture, and small-scale coffee producers received technical assistance and training on best production practices, integrated pest management, harvest, postharvest, marketing, logistics, and certification. Technical assistance visits and trainings also covered other areas of project focus, including nutrition and health, forestry products and management, natural resource management and disaster mitigation, processing and value addition, rural finance and business development services, and renewable energy.
- As part of the market-driven production program, **4,573 new hectares** were planted this quarter. Of the current total of 34,150 hectares receiving project technical assistance, 17,946 are coffee, 13,277 are basic grains, and 2,927 hectares are high-value fruit and vegetable production.
- As of June 2013, 1,044 improved stoves, 253 solar dryers, 82 bio-digesters, 34 solar energy systems, and 1 hydraulic ram pump for a total of **1,414 renewable energy systems** had been installed among project client households and MSMEs. Total investment in renewable energy systems to date is \$220,042. Five additional solar energy systems were installed in USAID-ACCESO nutrition training centers through a collaborative effort with the University of Florida under the Trilateral Agreement-USAID, Government of Brazil, and Government of Honduras, for an overall total of **1,419 renewable energy systems installed**.
- With project assistance, **680 new clients accessed loans of \$920,278** this quarter. The total loan portfolio to date includes 3,127 project clients with loans from 210 different providers for \$4,722,483 (total number of loans of 4,345).
- **Private sector investment for the quarter totaled \$939,807**. Of this, USAID-ACCESO clients' investment represents a total of \$658,281 (64%) and other partners \$281,525 (27%). Client and other investments made to date total \$5,602,066 (excluding project investments). Project investment during the quarter totaled \$89,288, with the overall total investments as of June 2013 standing at \$5,930,662.
- During the quarter, the nutrition and health technicians focused the delivery of technical assistance and training to mothers and caregivers, on topics related to preparation and administration of a nutritional rehabilitation therapy to help malnourished children less than two years of age to increase weight. During the month of June, **4,299 children less than two years old attended growth monitoring sessions** in the 99 nutrition and health targeted municipalities, of which 15 percent were underweight (compared to 19% of underweight children in these same groups in June 2012). Of these underweight children, **51 percent are growing adequately** compared to 34 percent in June 2012.
- 37 brokers continued to provide market linkages to project clients during this reporting period (using indicator definition); **189 new producers and MSMEs have accomplished the goal of meeting market standards** enabling them to access new markets (using indicator definition) for a total to date of 1,824.
- Under the natural resource management component, 18 additional local municipal governments began implementing natural resource management policies, for a total of 28 municipalities to date.

A survey conducted this quarter with project coffee farmers to determine the effects of leaf rust on productivity and income during the 2013/2013 harvest season indicated a reduction in yields of 35 percent, equivalent to 172,769 quintals. This, together with a reduction in market prices, is expected to result in \$25.4 million less gross sales income against targets for September 2013. This is expected to negatively affect the number of families moving above the poverty line for September 2013.

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 western 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 results in poor yields, depleted soil nutrients, and frequently leads 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 under which the objectives 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 western 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, coffee, corn and beans, as well as by expanding off-farm microenterprise and employment opportunities.

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 June 2013 PMP Excel file presented in association with this report.

3. HIGHLIGHTS OF ACTIVITIES AND RESULTS

This section highlights 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*).

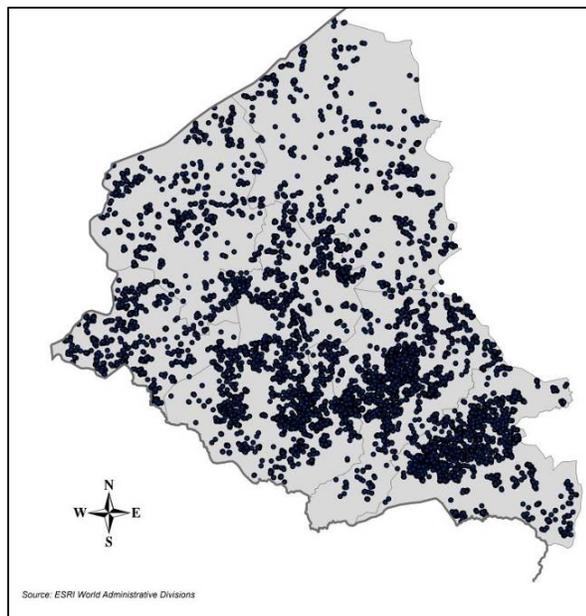
The project is working in 2,782 villages within 130 of 131 municipalities in the six departments (the municipality of Santa Lucia, Intibucá, is the only municipality that does not receive project services). Details on clients by income level, type, and department are given in Annex III. A GPS map of client households is provided in Figure 1.

In addition to consolidating, expanding, and intensifying the delivery of technical assistance and training to client households during the quarter, technicians also focused efforts on completing the recruitment of new clients to ensure all client households have the opportunity to receive sufficient technical assistance and training during the remaining life of the project to achieve a positive effect on their productive activities and incomes. 3,443 new client households joined the project during the quarter, for a total of 34,920 households. 861 off-farm MSMEs and an additional 1,945 nutrition and health households are receiving assistance (the latter are not currently receiving technical assistance in economic development activities). In summary:

Demographic and income data has been collected for 18,746 client households; of these, 89 percent are living in extreme poverty and poverty, and 11 percent are non-poor. More than 188,000 family members are benefitting from project support. 89 percent (30,901) client households are male and female headed households and 5 percent (1,795) are women only headed households.

6,078 other clients are also enrolled in the project, including business development service providers, Community Child Integral Health Care groups (AIN-C), other community based associations or organizations, counterpart organizations, municipalities, and buyers.

Figure 1: Geographical coverage (06/2013)



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

Activity/Target – April to June 2013	Status – June 2013
Demonstration plot development and commercial production operations for basic grains, horticulture, and tree crops in all six departments.	4,573 hectares planted during the period for a total to date of 34,150 hectares planted under technical assistance from the project.
5,000 individuals will have received agricultural sector productivity or food security training, of which at least 500 will be women.	4,028 new individuals received training this quarter for a total of 36,688 individuals receiving training to date; 1,138 (28%) of the new individuals were women for a total of 10,922 to date (29.8%).
27,000 technical assistance visits to project-assisted households will have been executed during the quarter.	81,998 technical assistance visits to beneficiary households during the period, for a total of 305,756 technical assistance visits to date.
Off-farm and processing MSMEs receiving technical assistance from the project during the quarter.	861 off-farm and processing MSMEs receiving project assistance of which 30 joined the project during the quarter
\$2 million of new private sector investment in the agriculture sector or value chain leveraged by FTF implementation.	\$939,807 in investments during the quarter, for a total of \$5,602,066 to date.
1,000 MSMEs will have accessed new market opportunities through a broker.	189 MSMEs accessed new market opportunities, for a total to date of 1,824 to date.
60 brokers will be providing market linkages to MSMEs.	1 new broker providing market linkages (at least 10 clients selling at least 2 times) for a total of 37 brokers to date.
10 new technical materials will be produced for use and distribution by project staff and counterparts during this quarter.	Nine technical materials were produced during the quarter for a total to date of 245.
250 MSMEs will have accessed market-based financing as a result of the project's assistance during the quarter.	714 MSMEs accessed financing during the quarter, for a total to date of 3,127.
A total of 9 public-private partnerships.	No public-private partnership alliances were developed during the quarter; total to date of 36.

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

USAID-ACCESO's main activities and interventions are targeted toward achieving MSME growth (client households with agricultural production are included as MSMEs). 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 help reduce food insecurity in western Honduras and 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 occurs when 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, the project undertakes a range of activities. This principally involves technical assistance and training for on- and off-farm MSMEs to implement technology; updated production practices; best manufacturing practices that reduce cost and improve product quality; expanding direct links with markets and buyers; working with groups of growers to introduce market-led production programs and logistics; and developing private sector alliances. Other activities include introducing and developing new products; increasing the technical capacities of local NGOs, agricultural schools, and the private sector in the technology transfer process; and working with input/equipment suppliers to ensure access for small growers in remote rural areas.

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: 4,028 new individuals recorded as receiving training for a total of 36,688 individuals trained to date (target 38,349). Below target due mainly to under-reporting as a result of delayed data entry.
- Number of extension visits to program beneficiaries: 81,998 during the reporting period (target 27,000); total to date 305,756 (target 229,411).
- Number of technical materials produced (bulletins, manuals, presentations and tools): 9 (target 10); for a total to date 245 (target 240).
- Number of MSMEs (off-farm and processing) assisted by project: 30 new MSMEs assisted during this quarter for a total to date of 861 (target 852).
- Value of new private sector investment in the agriculture sector or food chain leveraged by FTF implementation: \$939,807 in investments during the quarter (target \$2.0 million); total to date \$5,602,066 (target \$8.1 million).
- Number of female individuals in training activities: 1,138 women trained during the quarter; for a total of 10,922 to date (target 8,931).

The project continued to promote new income generating opportunities for each region through crop development, lowering production costs, and increasing the availability of and proximity to logistics and markets. However, 89 percent of growers are extreme poor and poor with extremely low levels of exposure to non-traditional crops, technology, and good agriculture practices. This requires project staff to invest a high percentage of their time in providing motivation and step-by-step guidance throughout the production process. 83 percent of all technical assistance visits conducted during this reporting period were to deliver know-how and guidance to farmers in relation to good agricultural practices to increase yields, improve product quality, reduce costs, diversify crop production, and improve postharvest practices.

Of the 4,573 hectares planted during this quarter, 3,985 hectares planted were basic grains (87%), 298 hectares (7%) were fruits and vegetables and 290 hectares (6%) of coffee (Table 1).

Table 1. Hectares Assisted as of June 2013

Value Chain	Accumulated as of March 2013*	April- June 2013	TOTAL
Fruits and Vegetables	2,629	298	2,927
Coffee	17,656	290	17,946
Grains	9,292	3,985	13,277
TOTAL	29,577	4,573	34,150

**Numbers reported in Table 1 for March 2013 presents 1,116 hectares in addition to total hectares under cultivation for all three value chains reported in Quarterly Report # 8. This is due to late data entry by field technicians.*

The 4,573 new hectares this quarter were planted by 7,307 growers, for an average plot size per household of 0.63 hectares. Of the plantings during this quarter, 3,985 were basic grains of which 93% (3,691 hectares) were corn (yellow corn, white corn, corn on the cob, corn for seed).

Among the fruits and vegetables with the most planting area during the quarter were watermelon, potato, cabbage, tomato, passion fruit, carrot, malanga, lettuce, papaya, and onion. Additional data on planted area is provided in Table 2 and in Annex III (Table 13).

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 production costs. As the data in Table 2 indicates, the project continues to work with both basic grains and high-value vegetables using a similar approach, focusing on 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. Technicians emphasize to new growers entering the program that the application of basic production practices, such as land preparation, seed selection, planting densities, weed control, and the introduction of improved fertilization where feasible, enables a doubling or tripling in yields of basic grains with minimal or no increases in total cost.

In order to introduce subsistence level farmers to technology and contract production systems, the project has developed a yellow corn production program with local industry buyers. The yellow corn production program initiated plantings during the quarter with 1,581 growers planting a total of 603 hectares. More than 1,700 growers have entered into formal contract agreements with the agroindustry for the production of yellow corn. The project has also developed financial products and facilitated access to inputs, for example, working with financial institutions and input providers such as BANADESA, COMLESUL, and DISAGRO. With project assistance, growers have also accessed financial assistance

SELECTED PRODUCTION SNAPSHOTS

- 6,300 quintals of coffee were sold to BonCafé under the market alliance with gross sales incomes to 163 growers of approximately \$650,000. Growers earned an additional \$5 to \$10 for drying their coffee. 3,587 quintals were sold as micro-lots to determine cupping quality.
- The Municipality of San José, La Paz, financed the construction of a road connecting the community of La Culebrina with access to local markets. This road was agreed upon during a USAID-ACCESO event in December 2012 in recognition of the highest corn yields in the department of La Paz. The road was completed in May, providing 200 families with access to neighboring markets and public and private services.
- To ensure volume requirements of supermarkets and other local markets are met, 1,103 project growers are currently involved in 339 hectares of programmed production plantings such as sweet corn, carrot, lettuce, cabbage, cucumber, tomato, pepper (nately), Tabasco pepper, radish, beet, passion fruit, plantain, sweet potato, green bean, red onion, French bean, and potato.
- Four growers in Ocotepeque have 2.14 hectares under production of French bean through an agreement with UNISPACE, an exporter from Guatemala. Income for the four growers was up to \$4,455 per hectare in profits and up to 84 individuals to harvest one hectare of plantings. During the quarter, these growers exported more than 50,000 pounds of French beans at \$0.41/pound.
- A total of 1,875 new growers throughout all six departments have 822 hectares under drip irrigation technology.
- Six *agrotiendas* were established in Lempira and one in Santa Barbara this reporting period.

from municipalities with the donation of seeds and other inputs. Planting area is expected to reach 822 hectares of yellow corn production through the beginning of the next reporting period. This is lower than originally expected, but is considered acceptable given that the USAID-ACCESO type grower has never had access to formal buyers nor credit. This activity will not generate significant increases in income, but will be used as a first step to introducing basic technologies prior to moving to higher value crops. Collection centers for weighing, testing for aflatoxins and levels of humidity, and transportation to buyers will be established in the six departments.

Other key activities include:

- Five of the six departments initiated a cashew planting program during the quarter. Seeds were distributed for the creation of nurseries primarily among women's groups. Grafting of plantlets was initiated and transplanting will take place during the upcoming quarter.
- 67,841 of the 81,998 technical assistance visits during this period, were provided to client households in production, 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.
- Project field staff held a total of 8,685 training events for 81,779 participants (56,382 men and 25,397 women) during the quarter. New individuals trained during the quarter totaled 4,028 of which 28 percent (1,138) were women. Training subjects 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.
- Other selected activities include:
 - Installation of irrigation conduction systems and drip irrigation at the farm level.
 - Local processing of passion fruit pulp.
 - Exports of sweet potato from Ocotepeque to Canada.
 - Planting of jicama for increasing planting material availability.
 - Trials of stevia production and processing.
 - Formal training of new input stores employees by CropLife.
 - Training in safe use of pesticides.
- Project processing specialists provided technical assistance and training in processing to 30 new MSMEs this reporting period for a total of 861 MSMEs currently receiving project services. Technical assistance provided by the processing and value addition team during the

Table 2. Area Planted, April to June 2013, by Selected Crops

Crop	Hectares
Corn	3,691
Coffee	290
Beans	257
Watermelon	121
Potato	54
Rice	28
Cabbage	17
Tomatoes	16
Passion Fruit	14
Carrots	13
Malanga	8

SELECTED VALUE ADDED SNAPSHOTS

- This quarter a family-owned poultry farm in La Entrada, Copan, increased the numbers of birds sold weekly from 1,800 to 2,500, which represents a 39 percent increase in weekly gross sales and the generation of six new processing jobs.
- With the technical assistance and training provided by project specialist, "Granja El Rosario" in Macuelizo, Santa Barbara has improved poultry management resulting in net incomes increasing from \$245 to \$588 per each lot of 3,000 birds processed.
- Product development training and technical assistance to a woman owned dairy microenterprise in Santa Rita, Copan, resulted in increased productivity and sales. "Chabelita" now processes more than 1,000 litters of milk daily and has obtained a sanitary license. With project assistance, the owner plans to obtain sanitary registrations and barcodes for three of her most popular products. This change in legal status will allow her to access lucrative new markets in San Pedro Sula.

period covered: production processes to reduce cost and improve quality; improve shelf life and packaging; best manufacturing practices; business plan development; and access to credit. Clients also received training in processing and product development for baked goods, dehydrated fruits, fruit pulp, and animal production, as well as technical assistance in legalization of businesses.

- USAID-ACCESO clients continued investing in value-added off-farm and animal production activities. During the quarter, clients registered investments in value added off-farm and animal production totaling \$134,292.
- 212 value-added off-farm training events were carried out with 1,363 participants, 79 percent of whom were women. 2,565 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:
 - *Panela*: specialists continued to assist panela producers to improve productivity, reduce cost, and increase quality. The first two export trials to the US took place in May and another shipment is scheduled for next quarter.
 - *Stevia*: the production team carried out plantlet production trials with a nursery in Valle de Angeles on 0.2 hectares to calculate more accurate production costs and project profitability. Production trials are being carried out by four growers with 0.02 hectares under production. A local buyer is financing the plantlet production.
 - *Honey*: new packaging options in response to buyer requirements are being explored for honeycombs and pollen.
 - *Cattle production*: the market alliance with El Corral for cattle production continued though no additional purchases have taken place during the quarter due to increases in cost for the purchase of live animals. As of June, the program continues with the initial 30 head of cattle distributed to six client households. Client households continued to receive training and technical assistance on specific care and treatment of cattle to ensure appropriate nutritional management and weight gain monitoring of animals. Actual weight gain per animal is one pound daily.
 - *Cow milk program*: project technicians in the department of La Paz continue to promote the cow milk program among client. As of June 2013, the program has expanded to 81 client households, with an average milk production per cow up from 5 to 13 liters per day, which results in a monthly income per family of \$230.
 - *Animal production*: project animal production specialists continue to support existing and promote new animal production initiatives among client households in Santa Bárbara and Copán. As of June, 100 families are now enrolled in porcine production, producing their own feed, and generating up to \$73 in profits per animal. Including the poultry production, these off-farm productive activities complement agriculture production in generating additional income for the household.
- Several events were held by project staff during the quarter that involved participation of project clients, the agroindustry, input and equipment suppliers, and financial institutions, including:
 - Field days on production of coffee, corn, tomato, granadilla, peach, eggplant in Santa Bárbara, La Paz, Lempira and Copán.
 - Field days on animal production in Lempira.
 - Field days on yellow corn production programs in all six departments.

Coffee production problems

Problems with coffee rust in the 2012-2013 season are projected to result in a 35 percent reduction in productivity, total sales income, and net income for project clients with coffee. The rust has also reduced coffee cupping quality. Overall, this has been compounded by a reduction in the international coffee prices, which fell by around 35 percent during 2012. With coffee borer also expected to be problematic, the 2013-2014 season is projected to be worse still.

For the September 2012 project targets, coffee made up 42 percent of total net incomes and 52 percent of total sales. While these percentages were expected to reduce for September 2013 targets (as other income sources develop), the effects of the rust disease and reduced coffee prices will be negative on project targets. In addition, coffee clients taken on after March 2012 will have their baseline income from the 2011-2012 higher yielding harvest and sales incomes.

During the past two reporting periods, USAID-ACCESO has participated in coffee industry training events and meetings related to addressing the problem of rust control at the national level. The original basic production practices recommended by the project (before the rust outbreak) is being continued and expanded with project clients. Coffee growers are now more open to the basic production practices recommended by technicians. Some growers have diversified their coffee production areas with programmed plantings of cucumber, green bean, and cabbage, and are experiencing successes with these new crops.

As of June 2013, 15,488 (55 percent) growers of the 28,061 project clients with plantings were coffee growers; 8,162 of these coffee growers only grow coffee (53 percent). Despite the success experienced as a result of technical assistance in the production of horticulture crops, many of these project clients will show negative growth for the September 2013 targets. This will not only affect the number of clients moving above the poverty line, but also reduce the net income value and total sales value (both high level targets). Another negative effect is the reduction in income for families who harvest coffee for larger farmers. With reduced yields, variable maturities, and a shorter harvesting period, harvesters pick less coffee than usual and therefore earn less for their labor. This will also affect project results and targets for September 2013.

USAID-ACCESO's response has been to expand training activities on the basic production practices to minimize the effects for the upcoming season. In addition, leaf rust last season will cause an increase in coffee borer problems next season as fallen coffee was not collected from the soil and is a host for the borer. A recent survey indicated that 62 percent of USAID-ACCESO clients have fumigated, 82

COFFEE LEAF RUST AND MARKET PRICES

A June 2013 survey of more than 1,000 coffee clients in 93 municipalities in six departments studied the effects of coffee leaf rust and market prices during the 2012/2013 harvest season. In summary:

- USAID-ACCESO households with coffee production: 15,488 (44 percent of clients).
- Productivity dropped from 28.0 to 18.3 quintals per hectare, or 35 percent, compared to the 2012/2013 season.
- Average coffee production area per client: 1.15 hectares.
- 15,488 households x 1.15 hectares x 9.7 QQ/hectare = 172,769 quintals less coffee this season.
- Assuming price of \$100 per quintal, \$17.3 million was lost in total gross income (market price of \$160).
- With 15,488 households the "lost" gross sales income is \$1,115 per household.

The lead rust problem was compounded by a **reduction in market prices**, which means gross sales income was lower from the coffee that was harvested and sold.

- Market prices dropped by 25 percent, from \$160 to \$120 per quintal. Farm gate prices dropped to around \$75 to \$80 per quintal.
- Total quintals harvested: 325,945, with an original gross sales income value of \$32.6 million.
- Prices 25 percent lower resulted in an \$8.2 million reduction in gross sales income, equivalent to \$526 less per household.

In total, the leaf rust problems have resulted in an estimated reduction in gross sales income of \$1,641 per household for the 15,488 project households involved with coffee, equivalent to a total \$25.4 million less in gross sales income.

USAID-ACCESO has 8,162 households whose only source of income is coffee and many of these farmers work for larger coffee farms to supplement their income.

- Income from salary usually averages \$985 per household per season; total income from salaries equivalent to \$8.04 million.
- Over the last season these families have earned half of what they normally earn due to the reduction in harvests. This is equivalent to a reduction in total labor income of \$4.02 million, or \$492 per household.
- This group has suffered triple effect of income reduction from productivity, prices, and from reduced labor opportunities, and is the most vulnerable in upcoming seasons.

This is significant for the USAID-ACCESO targets of income generation and poverty reduction and will negatively affect the September 2013 high level targets.

Survey questions relating to the 2013/14 season indicated that 25% of the area under production underwent severe pruning (*resepa*) and replanting. This implies that the area under harvest for the 2013/14 season will be reduced and could be compounded by further problems with leaf rust, coffee borer, and lower prices.

percent have fertilized, and 43 percent have applied lime; of these, 40 percent applied lime and fertilized and 34 percent carried out all three basic practices.

USAID-ACCESO has also been involved in several industry and donor meetings to help determine and establish responses to the rust problem, including financing options. Credit scores of more than 2,000 project coffee growers have been consulted at the credit bureaus to determine their eligibility for financing that will allow them to recover their coffee farms after the impact from the leaf rust. Financing is available through BANCAFE and Banco Continental so far. The process of disbursement is still being fine-tuned by IHCAFE and the financial intermediaries.

Private sector investment

Private sector investments for the quarter totaled \$939,806, more than double that made during the previous reporting period. Of this, USAID-ACCESO client investments represents \$658,281 (64 percent) and other partners \$281,525 (27 percent), for a total of \$4,801,552 to date (excluding project investments). Project investment during the quarter totaled \$89,288, with the overall total investments as of June 2013 standing at \$5,930,662. Most of the investments this quarter were in agriculture production (\$682,588), natural resource management and disaster mitigation (\$105,530) animal production (\$69,297), processing (\$64,995), nutrition and health (\$57,366) and renewable energy (\$33,793). It is important to note that 1,698 project clients were responsible for 65 percent of the investments in agriculture production during the quarter. Of these project clients 562 are women (33 percent).

Public-private sector alliances and integration of private sector equipment, input and service providers

Status of activities under this component for current quarter:

- Number of organizations or companies providing business development or extension services to MSMEs: 84 (target 50) during this reporting period; total to date 169 (target 193).
- Number of public-private partnerships formed: 0 (target 9); total to date 36 (target 47). One additional letter of agreement was signed with the National Registry of Persons.

Grower organization and the development of market-driven production programs

During the reporting quarter, the project continued to expand activities to enroll and organize growers. Growers and processors are being assisted and organized around buyer purchasing requirements. In addition, the project continues to work with groups of client households to improve access to input supplier and credit programs. Project marketing experts continued to pursue marketing opportunities MSMEs (including growers) assisted by the project in all six departments.

Of the total number of buyers, 37 can be counted as providing market linkages to MSMEs, one of which was 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 70 new buyers were added, for a total of 1,978 buyers purchasing from project clients.

A total of 1,824 producers and MSMEs are now registered as accessing new market opportunities through a broker (buyer), of which 189 were added during the quarter.

Given the limitations of farmers in the region, the project also provides support in 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.

More than 1,700 growers involved in the yellow corn production program initiated plantings during the quarter and expect to have at least 822 hectares of production under contract with the agroindustry. USAID-ACCESO marketing staff facilitated the development of more than 1,700 formal agreements between growers and members of the agroindustry for the marketing of this crop. It should be noted however that many of these 1,700 growers or buyers will count toward the marketing targets (PIRS #22 and WP #5) as only growers selling more than twice to the same buyer

and buyers buying more than twice times can be counted. In this case, most of the small-scale yellow corn growers will sell one crop in one transaction. Postharvest specialists are working with department managers to establish proper postharvest practices, product collection sites, required testing for humidity and aflatoxins, and transportation to the buyers.

The experience with BonCafé has motivated coffee growers and the ground work is being done to double the number of growers that will sell coffee directly to BonCafé during the next harvest. 6,300 quintals of coffee were sold under the market alliance with BonCafé during the 2012/2013 season (163 growers with total gross sales income of \$650 thousand). While this activity was carried out under a partner fund to identify special coffees, similar activities are being carried out with other buyers in each region.

Select opportunities to initiate new or expand existing market-driven production programs addressed during the quarter include:

- Samples of *panela* (pure cane sugar) were prepared and distributed to exporters, resulting in two shipments of 162 boxes to the US in May. Another shipment is scheduled for July for an additional 250 boxes. The exporter has distributed samples to promote the product in Washington and New York and responses are expected during the upcoming quarter.
- Samples of *honey*, *dulce de leche* and *dried herbs* were distributed by exporters to buyers in the US. Results of this marketing activity are expected in July.
- Field visits to allspice and cardamom growers in Santa Bárbara were conducted with the general manager of OLAM, a Guatemalan coffee buyer interested in diversifying exports.
- The general manager of EYL Commercial Field visited Tabasco pepper growers in Santa Bárbara to explore their interest in the purchase of a hot pepper paste. Samples of the paste were delivered to EYL representatives for microbiological and quality analysis.
- A local exporter visited oriental vegetable growers in Santa Bárbara and Copán to negotiate terms for new plantings.
- New markets in the US are being explored for fruit concentrates including cashew, and pickled vegetables including onions, carrots and peppers.
- New planting programs are being negotiated with Cultivos del Norte, EYL Commercial, and Casa García. Negotiations are also ongoing with DIPROM for the sale of fruits and vegetables.
- Sale agreements were finalized with IMPOFRUT, a supplier of PriceSmart for potatoes and strawberries. Discussions for other vegetable supply, including tomatoes, carrots, and peppers, is ongoing.
- Negotiations for increasing delivery volumes of fruits and vegetables to supermarkets are ongoing, including La Colonia, La Economica, Los Andes, La Antorcha and Hortifruti (Wal-Mart).
- Meetings between USAID-ACCESO and the basic grain agroindustry covered developing formal marketing agreements and harvest schedules, developing transportation plans, and defining standardized quality criteria.
- Marketing specialists continued discussions with a US buyer and plantain growers (a cooperative in Santa Barbara) to begin exporting one container of plantains every two weeks beginning in August.
- Discussions continued with the Department of School Meals from the Ministry of Development and Social Services on supplying produce for school meals in the departments of Intibucá, Santa Bárbara, Copán, and Ocotepeque. Once the municipalities of these departments have completed the process of organizing their procurement committees, project market specialists will facilitate linkages with project growers for the development of formal agreements.
- Market specialists continued communications with exporters contacted during the Agritrade Show held in Guatemala in March. During this quarter, representatives from UNISPIECE visited growers in Ocotepeque to assess trial plantings of French beans. Growers agreed to plant up to 17.85 hectares through the end of September at a sales price of \$0.41/pound.

During the reporting period, close to 50,000 pounds were exported to Guatemala through UNISPACE.

Production to meet demands for **supermarkets** such as La Colonia, La Economica, Los Andes, La Antorcha, and Hortifruti, through distributors such as ASOFAEL-CICOM, ECARAI, APROCEL, CAEOL, APRAILIN, COPRAL, COPRAUL, ODECO, Hermandad de Honduras and Aldea Global has also been maintained during this quarter. Emphasis continues to be 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 programs, including programmed plantings of sweet corn, carrot, lettuce, cabbage, cucumber, tomato, nataly pepper, Tabasco pepper, radish, beet, passion fruit, plantain, sweet potato, green bean, red onion, French bean, and potato continued to expand during the quarter.

In April, five of the six departments initiated a market driven **cashew planting program**. In Lempira groups of women and individual growers have initiated nurseries for the production of cashew seedlings for up to 70 hectares of planting area. To date, close to 6,000 plantlets has been grafted and it is expected that all plantlets will be grafted and transplanted by the end of the following quarter, for a first harvest in September 2015.

USAID-ACCESO continued 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 June 2013, a total of 1,198 organizations are enrolled as USAID-ACCESO clients (104 enrolled during the reporting period). These include 15 grower organizations and 175 water and irrigation boards. In addition, the project is working with 338 business development and financial service providers (cooperatives, village banks), 382 community child care groups, and 198 counterpart organizations.

Department managers work closely with **municipalities** to support community projects and farming activities of poor and extreme poor growers. During this quarter, through close coordination and collaborative efforts with five municipalities, three agriculture schools, local NGOs and buyers, and cash and in-kind donations were contributed for the establishment of irrigation systems, procurement of seeds, and plantlets benefitting more than 450 client households.

Organization and promotion of **local agriculture fairs and “green markets”** continued. This activity has proven to be most successful in Ocotepeque where three markets are consistently functioning on a weekly basis in San Francisco de Valle, San Marcos, and Mercedes. Similar results have been obtained in Copán. This quarter, project staff began planning for launching a “green market” in the community of San Sebastian, Lempira, which involves coordination and support from the local municipalities. In some cases, new MSMEs have been established and new income generated. This activity will continue to expand.

Increasing the technical capabilities of agricultural schools and local NGOs

Coordination with local organizations continued this period. NGOs, local governmental organizations, and agricultural, technical, and social promotion schools continue to participate in the many project training events, field days, agriculture fairs, and other activities held in all six departments, and in some cases, specialized training courses have been developed to meet their needs.

USAID-ACCESO continued close working relationships with more than 10 technical schools in Intibucá, Copán, Lempira and La Paz. A total of 85 students from schools, technical institutes and

TREE PLANTING

USAID-ACCESO is actively promoting and supporting the planting of long-term crops including coffee and fruit trees such as cashew, avocado, and allspice. Cashews are a good option for growers in dry zones and avocados thrive on hill side plots. These high-value crops will generate additional income for rural farmers but this new income will not be achieved during project implementation. Select municipalities and NGOs are also offering support for these activities.

Fintrac activities with Hass avocado planted under the MCC/MCA-H EDA project in 2006 are now achieving gross sales incomes of up to \$12,500 per hectare six years after planting.

universities are doing internships with the project in areas such as social promotion, applied research, production, monitoring and evaluation and health and nutrition. More than 430 students have worked with USAID-ACCESO to date as interns. Incorporation of new students from additional technical schools and universities is planned for the upcoming quarter in Ocotepeque and Santa Barbara.

As of June 2013, more than 40 NGOs, donor institutions and schools have participated in project-sponsored activities. These include: 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 Banhafe, Fundahmicro, Fundación Vida, Funder, Heifer, IHCAFE, OCDIH, ODECO, Veco-MA, Oxfam, PILARH, Save the Children, SOCODEVI, Swiss Contact, World Food Programme, and World Vision.

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: 189 (target 1,000); 1,824 to date (target 3,938).
- Number of brokers providing market linkages to MSMEs: 1 (target 60); 37 to date (target 169).
- Number of market surveys conducted: 0 (target 4); 6 to date (target 12).

The results presented are below target, due mainly to problems with the level of detail necessary for reporting and the fact that many links and sales do not meet the definition. A clear example is with the yellow corn production activities previously described. New buyers for project clients are added each quarter and currently stand at 1,978. Changes made to field data collection, should improve the way data is recorded for these indicators thus reflecting improvement in targets met in upcoming quarters.

USAID-ACCESO marketing specialists continued to monitor market opportunities, as well as recommending crops, varieties, and value-added products for commercial trials. Calendarized production programs have expanded significantly during this reporting period, and will continue to expand during upcoming quarters. In addition to fresh produce, the project emphasized developing new markets and improving logistics for MSME products. Due to low production volumes and difficulties competing in large markets in main and secondary cities, USAID-ACCESO continued to develop local farmers' markets and distribution routes for sales to *pulperias* (home shops) in the same zones where they are produced. This has minimized transport cost, increased sales, and sped up payment time.

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, although this is extremely time consuming and therefore not always given priority.

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 953 MSMEs are meeting market standards for their products. This is lower than in the previous

reporting period where an error was made in the calculations as each buyer has to be categorized manually to determine their level of “formality,” including product specifications.

To date the number of MSMEs that have entered formal supplier or contract agreements with brokers is 448. The buyers in these cases included collection centers, cooperatives, supermarkets, processors, and exporters. This is lower than in the previous reporting period where an error was made in the calculations as each buyer has to be categorized manually to determine their level of “formality,” including whether they issue contracts.

USAID-ACCESO is working with selected buyers to develop quality standards for several crops. In previous quarters this has included passion fruit, selected vegetables for distributors and supermarkets, allspice for North American markets, fresh herbs and oriental vegetables for export to the US, a range of fresh products for El Salvadoran buyers, cardamom for a European importer, and baby corn for the processing market. The range was expanded during this quarter, to include coffee for a variety of buyers, yellow and white corn for the local grain industry, stevia for a local processor, and *panela* for export.

Given the informal nature of local markets, there are few buyers with specifications for fresh produce. For this reason, postharvest specialists, working with marketing specialists, have focused on supporting project clients in meeting buyer quality standards so they can enter more reliable formal markets. This is an ongoing process. Support has been provided to local wholesale market buyers in the development and use of basic product standards. Additional activities have been carried out 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 continue to assist vegetable growers to meet the quality standards required by formal markets and obtain farm and product certifications. Project specialists have assisted 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.

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. 684 new clients accessed financing during this quarter for a value of \$920,278. 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: 684 during the reporting period for a total of 3,127 to date (target 2,592).
- Value of agricultural and rural loans made to MSMEs: \$920,278 during the quarter for a total to date of \$4,722,483 (target \$2.96 million).
- Proportion of female participants with access to productive economic resources: 16 percent.

Project clients obtained loans from 220 different loan sources during the quarter. Average loan size to date is US\$2,242 with a minimum loan size of US\$6.00 and a maximum of US\$142,599. 17 percent of the total

SELECTED BUSINESS SKILLS & FINANCE SNAPSHOTS

- Technical assistance to cooperatives, *cajas rurales*, and grower associations in Lempira, Santa Bárbara, and Intibucá in the development of business plans for accessing financing from COMRURAL has proven a success. To date a total of 15 business plans have been approved for a total value of more than \$2.9 million.
- The legalization documents for 17 *cajas rurales* were processed and approved and the nine additional *cajas rurales* compiled and submitted their documentation.
- With project support, six *agrotiendas* (input stores) were constituted in four municipalities of Lempira and Santa Bárbara through collaborative agreement with Del Campo and COMPROIL. The value of inventory of these *agrotiendas* ranges from \$785 to \$13,700.
- Established new alliances with financial service providers BANPAIS, PROGRESA, and Fondo de la Mujer Municipalidad de Marcala to provide access to financial services for project client households.

number of loans is less than US\$100 while 38 percent are loans of less than US\$250. More details on loans and lenders are provided in Annex I and Annex III, Tables 14 to 16.

Other related activities included:

- Development of finance options for yellow corn plantings with BANADESA, Monsanto (Visión 2020), Duwest and DISAGRO.
- Support to obtain several hundred RTNs from the DEI for growers (a requirement for loans).
- Elaboration of “constancias” for growers receiving technical assistance from the project to access finance.

USAID-ACCESO has worked with the World Bank COMRURAL project in different areas, including training of technicians and growers, but particularly through the business skills technicians providing support to project client preparing profiles, business plans, cash flow projections, and counterpart sources. USAID-ACCESO has assisted clients to obtain COMRURAL funding totaling \$3.8 million, including:

- ECARI, Intibucá: L. 30 million
- ASOFAIL, Intibucá: L. 14 million
- APROCEL, Ocotepeque: L. 3.8 million
- COPRAUL, Ocotepeque: L. 3.02 million
- APANESA, Ocotepeque: L. 1.06 million
- Mi Tazita, Copán: L. 0.65 million
- CAEOL, Copán: 2.2 million
- INDUNOSA, Copán: L. 2.3 million

In addition, in Lempira and Santa Barbara, 17 organizations have received USAID-ACCESO assistance with COMRURAL proposals, 11 of which have approved funding totaling L. 20 million.

- Cooperativa Agrícola y Ganadera Valle Escondido Limitada (COAGAVEL), Petoa, Santa Bárbara.
- CR “La Finca”, Azacualpa, Santa Bárbara.
- CR “Agricultores de Azacualpa”, Azacualpa, Santa Bárbara.
- CR “Unión y Esperanza”, Macuelizo, Santa Bárbara.
- Cooperativa Agropecuaria San Francisco Unión Limitada (CASFUL), San Marcos, Santa Bárbara.
- Asociación de Agricultores y Ganaderos de San Marcos (AAGASM), San Marcos, Santa Bárbara.
- Empresa Asociativa Campesina Los Cocos, Gracias, Lempira.
- Cooperativa Mixta de Productores Integrados Limitada (COMPROIL), Lepaera, Lempira.
- Cooperativa de Servicios Agropecuarios Gualcinse Limitada (COSAGUAL), Gualcinse, Lempira.
- Cooperativa de Productores Agro-forestales de Erandique Limitada (COPRAFEL), Erandique, Lempira.
- Cooperativa Cafetalera Belén Limitada (COCABEL), Belén, Lempira.

It should be noted that not all of those receiving funding are direct USAID-ACCESO clients. In many cases, the project has assisted the institutions/organizations “certified” by COMRURAL to prepare the business plans.

Note, only \$197,256 of the \$3.8 million COMRURAL loans are included in the individual loans that USAID-ACCESO is reporting against targets. These are in addition to the \$4.722 million reported directly by USAID-ACCESO.

Policy and value chain sector constraints identified and eliminated

USAID-ACCESO contributions to eliminate barriers affecting access to credit for agriculture and rural enterprises continue to demonstrate important impact in benefits to end clients. Three barriers have been addressed and eliminated to date – simplification of export permit processes to regional markets of agriculture products; modifications to Agriculture Trust Fund Policies to expand intermediaries and provide broader access to rural MSMEs; and the Establishment of the Agriculture Sector Mutual Guarantee Fund (ASMUGF) to facilitate sector growth.

The project's policy specialist continued to work on multiple barriers during the reporting period. Activities related to the removal of barriers are progressing at a slower rate than expected due mainly to the length of time required in building consensus, negotiating, and preparing technical and legal documents. Results of activities implemented to remove or reduce constraints in the specific prioritized areas during this quarter are summarized below.

- **Simplification of processes to constitute and operate Community Water Boards:** throughout the country, thousands of communities have constituted Water Boards for the purpose of managing water supply and sanitation issues for the community. These Boards are not legally constituted and registered, and therefore lack the authority and ability to initiate processes of ownership of resources, or request financial or technical support from private or public sector entities as per the Law of Potable Water and Sanitation Sector. During the quarter, the policy specialist worked closely with ERSAP (Regulatory Entity for Potable Water and Sanitation Services), the Ministry of Interior, and the legal office of UNITEC to develop procedures and documentation for the legalization of Water Boards. Results to date are: procedures and documentation for Legalization of Water Boards defined and approved by the Ministry of Interior; request for legalization of 11 water boards were submitted to the Ministry of Interior for approval.
- **Simplification of processes to constitute and operate a micro or small business:** following the procedures for establishment, registration, and operation of MSMEs developed and implemented during the previous quarter, 45 MSMEs received their official constitution document in addition to the previous 57 for a total of 102 to date. Nine new applications were submitted during this quarter for a total of 87 applications pending approval for the following quarter.
- **Simplification of regional market export permit processes for agriculture products:** USAID-ACCESO worked closely with the Ministry of Agriculture and SENASA to equip the office and select and train personnel to begin operations at the custom point in El Poy for the issuing of import and export sanitary license and registrations. The custom point of El Poy was identified for initiating this simplification process and services begun on June 17. The custom point will be officially inaugurated by the Minister of SAG in July.
- **Accreditation of individuals and entities for the delivery of sanitary and phytosanitary services:** SENASA's coverage of sanitary and phytosanitary services is extremely low, cumbersome, and inefficient, resulting in high cost to clients that in turn contributes to a lack of interest to invest in the agriculture sector. In addition, the quality of service delivery offers little if any contribution to improving or maintaining the product pest certification required by the destination countries. During the quarter the policy specialist met with officers and technicians from SENASA to review a draft document of "Bylaws for the Accreditation of Individuals and Entities for the Delivery of Sanitary and Phytosanitary Services." A revised version of the draft document will be submitted to the technical committee, constituted with representatives from the private and public sector (SENASA, COHEP, FENAGH, Colegios, and USAID-ACCESO) for review and approval of the Bylaws. The committee will be meeting to discuss, review, and approve the Bylaws next quarter.
- **Finance:** the performance of the MCA-H/ACA Agriculture Trust Fund administrated by the Ministry of Finance continues to improve in facilitating access to credit to rural clients after modifications were approved to its policies and procedures. During the reporting period,

the policy specialist in collaboration with the coordinator of the technical unit of the Secretariat of Finance responsible for the management and support of the trust fund, worked with several *cajas rurales* and cooperatives in Lempira y Santa Bárbara to promote the trust fund policies, identify their interest in accessing resources and assist them in the preparation of documentation for prequalifying as intermediaries of the fund. As a result of this activity, two *cajas rurales* and two cooperatives have been pre-approved to apply for lines of credit from the fund to lend to rural clients in project target area.

The trust fund performance reported as of April 30 was as follows: 11 financial intermediaries, allowing access to trust fund resources of \$5.6 million among 1,825 clients in 16 departments including all six USAID-ACCESO target departments. The outstanding portfolio was \$4.98 million with a default rate of 4.11 percent. Of the more than 60 activities currently funded, the top five activities are tomato, potato, coffee, agriculture equipment including irrigation, and corn. Pepper, animal production-related activities, plantain, sales of agriculture inputs and watermelon are among the top 10 activities financed by the trust fund.

- **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. This is a USAID-ACCESO initiative. A technical-scientific committee was created to review the technology packages and ensure their proper and appropriate application. During this reporting period the policy specialist continued to work with DICTA on the corn and bean production manuals. Final versions have been completed and will be submitted to the technical-scientific committee for approval during the upcoming meeting to be held in the second week of July. During this meeting the IHCAFE coffee production manual will be submitted to the committee for discussion and review using similar procedures.
- **Facilitate access to credit for agricultural MSMEs-Agriculture Sector Mutual Guarantee Fund:** during the reporting period USAID-ACCESO policy specialist worked closely with representatives of COHEP, FENACH, AHIBA, SAG, and Ministry of the Presidency to define strategies for the participation of national and international individuals and entities in the creation and development of Administrative Societies of Mutual Guarantee Funds for the Agriculture Sector Mutual Guarantee Fund” (ASMUGF).

Meetings were held with 73 representatives of 14 financial intermediaries in Lempira, Ocotepeque, Copán, and Santa Bárbara to discuss the objectives, roles and responsibilities, mode of operations and timeframe for implementation of the ASMUGF recently approved by the National Bank and Insurance Commission (CNBS), and promote participation in the creation and development of Administrative Societies of Mutual Guarantee Funds. Ten institutions from the private and public sector - Banco de Occidente, Banco Atlántida, Banco Coveló, Cooperativa Pespirence, Cooperativa Taulabe, BANPROVI, Ministry of Industry and Commerce, FENACH, ANAVIH, AGROBOLSA - have invested L.14.0 million (US\$693 thousand) in shares in the ASMUGF to date, giving them the status of fund protector membership.

- **Socialization of the objectives, use and mode of operation of the Movable Property Registry (MPR):** only 15 percent of agriculture producers are estimated to have access to financial services through formal financial institutions due to the lack of access to formal and acceptable guarantee mechanisms. On the other hand, The Movable Property Law (carried out with US government support under the MCC/MCA-H program) which entered into effect January 2010 allows for farming equipment, crops, livestock, and inventory, among others, to be used as guarantee to access credit once these items are recorded in the MPR. The majority of the population is not informed or aware of the

benefits offered by registering their movable property in the MPR. During this reporting period, the policy specialist met with officers of the Chamber of Industry and Commerce of Tegucigalpa (CICT) to discuss and define an information/communication plan to promote the Law and Movable Property Registry.

Meetings were held in Lempira, Ocotepeque, Copan, and Santa Barbara with 14 financial intermediaries to inform of the objectives and operational mechanisms of the MPR. As a result of these meetings, registry forms were distributed and collaborative agreements were developed between financial intermediaries and CICT for the registration of movable property following a monthly plan. Two additional meetings were held with the CNBS to discuss the possibilities of the inclusion of movable property as a mechanism of guarantee for credit portfolios.

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 and EAP-Zamorano. 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, the *Research in Nematode Distribution in Soil and Irrigation Systems* project proposal with EAP Zamorano was initiated.

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 at the farm and farm group level. In addition, under this component, two dedicated USAID-ACCESO specialists work at the macro community level 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.

SELECTED NRM & DISASTER MITIGATION SNAPSHOTS

- Seven water sources benefitting 3,629 individuals in San Isidro, Intibucá are officially under protection as a result of project technical assistance.
- Eight wells were improved and 23 water filters distributed in response to the state of emergency declared by COPECO in Llano Largo, Lempira, due to the quality and quantity of the water source. This response benefitted 46 families. In addition, the CODEL and COPECO assisted with the distribution of hygiene kits, food ratios, and blankets while community members worked to improve road conditions.
- Reforestation of five hectares with timber species such as oak, mahogany, granadillo, in three municipalities of Santa Barbara. An additional 4 hectares were planted with pine in Palisal, Intibucá.

Implementation of natural resource management practices on farm

The project continues to incorporate on-farm natural resource management activities to maintain healthy soils, prevent contamination, and conserve water. The following practices are promoted on a regular basis among client households 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), planting of live barriers, 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: 28 of 65 municipalities identified are effectively implementing natural resource management policies (18 during the reporting period).

During the quarter, the USAID-ACCESO natural resource management and disaster mitigation team continued activities with 41 of 65 identified municipalities. Municipalities were 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 assisted municipalities and community involvement is high.

Per the indicator's precise definition, a municipality is counted as effectively implementing natural resource management policies when four out of six NRM policies are effectively implemented. Assisted communities' municipalities have made significant progress and are in different stages of the process, from awareness to implementation. The life of project target for this activity has been met, but support will continue to be provided. Selected results achieved in the present quarter include:

- Project specialists continued the implementation of activities related to the use of efficient microorganisms (EM) in the management of coffee pulp to reduce negative impact on the environment while producing organic fertilizer that can be used by growers on their farms. During this reporting period two EM production banks were developed in COACANHOL, Aradas, Intibucá and COSAGUAL, Gualcinca, Lempira. Trainings on the process of collecting and storing these EM continued during the quarter in 13 municipalities in Santa Bárbara, Copán, Lempira and Intibucá. Two demonstration sites have been established for training purposes with project clients in Lempira.
- Technical assistance and training on improvement of water quality and quantity, management of effluents and solid waste, and preparation of prevention and mitigation plans, continued.
- Water boards in municipalities of MAVAQUI, MUNASBAR, MANCOMUNIDAD SUR, and MANCORSARIC received direct technical assistance and training from project specialists during this quarter.
- During the quarter, 92 training events were carried out with 1,482 participants, of which 394 were women; in addition, 1,724 technical assistance visits were carried out in communities of 65 municipalities.

During the quarter, a social promotion university student worked with the NRM component as part of graduation requirements. The student was involved in activities related to disaster mitigation, training, and support to community groups and water boards. One particularly important activity was the documentation of the overall conditions of water sources, including legalization, quality, quantity, geographical limitations, and identification of needs of repairs and reforestation. The project specialist will work with universities to secure participation of these types of students for future quarters.

Other activities included the participation of USAID-ACCESO specialists in the USAID-organized workshop on Regulation 216 and the update of the project PERSUAP with ICM plans for 38 individual crops.

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: 13 of the 86 communities identified have adequate disaster prevention and mitigation capacity (0 achieved the minimal of six technical activities in the current quarter).
- Number of rural micro-generation clean/renewable energy projects established: 1,419 to date (294 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 select projects to reduce community vulnerability to disasters.

Development and implementation of disaster mitigation plans

Activities under this component reduce vulnerability to disasters both at the farm level by introducing good agricultural practices that minimize potential losses and at the community level by strengthening or forming at least 40 community 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:

- One EDAN course conducted in coordination with Catholic Relief Service for 29 participants from regional offices throughout the country. These 29 technicians can now provide training to municipalities in risk analysis.
- In coordination with ICADE, COPECO, and Proyecto Mitigar, a drill was carried out in Santa Rita, Copan, with the participation of 74 members of one CODEM and two CODELS.
- Implementation of works on two community water systems in the communities of Copante and San Marquitos, Lempira, benefiting a total of 103 families who will be contributing 65 percent of the total cost of these projects.
- 31 training events reached 653 participants, of which 192 were women; in addition, 807 technical assistance visits were conducted by project specialists.

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 investment in individual households to assist the nutrition and health activities (efficient stoves) and that provide energy for economic activities, health clinics, and schools.

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: 1,419 to date (294 projects during the current quarter, including 5 systems installed by the University of Florida in USAID-ACCESO nutrition training centers).

The installation of small-scale renewable energy systems and training of beneficiaries of these systems continues. Emphasis was placed on the installation of improved stoves, solar dryers and biodigesters. The project assisted and performed the installation of 289 renewable energy systems this quarter with an investment totaling \$33,793, of which 66 percent was financed by USAID-ACCESO, 32 percent by the beneficiaries, and 2 percent by other project counterparts. For the 1,414 renewable energy systems installed to date by the project, the total investment is \$220,042.

Coordination is being carried out with the University of Florida (UoF) in the US-funded trilateral renewable energy program. This includes the five solar systems installed during the current quarter. Training was provided to UF technicians in the installation at the household level of eco-friendly stoves, solar dryers, and biodigesters. During the next quarter UF technicians will begin installing renewable energy systems with USAID-ACCESO household clients (under project supervision and coordination). Representatives from USAID/Honduras, the US Embassy, UF, and ABC Brazil visited USAID-ACCESO field sites and activities in renewable energy.

Thirty-six training events were carried out with 225 participants, of which 24 were women. Training topics consisted of installation and operation of improved stoves, installation and maintenance of solar dryers, and construction and maintenance of biodigesters. 258 technical assistance visits provided guidance on and responded to concerns on renewable energy topics and systems.

During this period USAID-ACCESO began working with communities in Intibucá to assess the needs and potential for other renewable energy systems such as micro and nano hydro energy, hydraulic ram pumps and solar photovoltaic (PV) systems. The needs for these types of systems will be addressed in coordination with UF.

STATUS OF RENEWABLE ENERGY INSTALLATIONS TO DATE

- 245 improved stoves installed in client households for a cumulative total of 1,044.
- 82 polyethylene biodigesters installed to date.
- 253 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 cashew.
- 39 solar panels installed (5 installed by the UoF in USAID-ACCESO nutrition training centers.)
- 1 hydraulic ram pump installed.

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

Where possible, USAID-ACCESO continues to integrate nutrition and health activities with other technical areas to promote the overall health of target communities. 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 is working in 217 communities in 99 municipalities, directly reaching a total of 1,945 households. The coordination network includes 58 Ministry of Health units, 382 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 household clients and beneficiaries in communities where the nutrition and health component is implemented continue receiving training in health and nutrition-related activities. In addition, complementary assistance continues in production systems for family plots and economic development initiatives. Both men and women receive basic training in child care, prevention of illnesses, good nutrition practices, good 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 671 training events in nutrition and health, with 9,868 participants (463 male, 9,405 female). Training topics emphasized this reporting period were feeding practices of the undernourished children less than two years old, preparation of high caloric foods, 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 3,720 technical assistance visits to households and community nutritional training centers in 217 communities in 99 municipalities. Technical assistance visits focused on training mother and caregivers at the home level in the preparation of a high caloric porridge based on a blend of corn, soy and beans, or a corn based porridge, and its administration to children less than two years of age.
- As part of the healthy household activities, 1,044 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 continued during the present quarter included potable water connections in kitchens, improvement of floors, walls, and the installation of transparent roof sheets to enable light entry; and, land fill construction for solid waste management in households.
- 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 930 family plots have been established (28 during the quarter). Crops promoted and used in the family plots ensure the availability of nutritious foods year round, and ensure production of its own planting materials. Crops used for family plots include moringa, sweet potato, cassava, malanga, fruit trees, and, in some cases, carrots and beets.
- Technicians continued to deliver food preparation workshops in all six departments. The main focus of these workshops during this quarter was diet diversity and the preparation of high caloric and nutrient-rich foods.
- To date, a total of 18 nutrition training center 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 equipping. Many of the centers (and the food preparation techniques taught) are also used daily for the preparation of school meals with ingredients donated by the WFP and USDA (USDA in Intibucá by CRS).
- Field activities were coordinated and carried out with the community health centers in the project target area including those equipped as Centers for Management of Acute Malnutrition (CMAM). With the equipment of these centers, project health and nutrition technicians, community health centers staff and community health volunteers continued the delivery of the primary health care services to targeted communities. Primary health care services include administration of dietary supplements, vaccines, prenatal care, and training of mothers and other caregivers in family planning, nutrition, and breastfeeding.

Due to the normally slow nutritional status recovery of undernourished children, the health and nutrition component began during this reporting period the implementation of Nutrition Recovery Therapy (NRT) for a target group of 229 (currently) malnourished children in 26 communities (approximately 34 percent of the total number of (currently) malnourished attended by the project). The NRT consists of the incorporation of high caloric porridge based on CSB (corn, soy and beans) or on corn (depending on the availability of CSB) to the regular daily intake of foods available at the household level. CSB is distributed through community health centers to families with malnourished children in approximately 50 percent of the 26 communities where the NRT is being implemented. Project field technicians are conducting weekly household visits to the households of 229 children to ensure the NRT is being implemented properly by mothers and caregivers, and to monitor the weight of the children.

The household visit is the primary mechanism used by the project to deliver hands-on training and technical assistance to mothers on the basic health knowledge and practices for good nutrition of children, personal hygiene, household hygiene, and food production and consumption. Household visits are primarily conducted by the project field staff with approximately 30 to 40 percent conducted by the community health volunteer (CHV). The importance of the household visit is much higher in the case of families with malnourished children for whom recommendations and training provided during the monthly growth monitoring sessions are not sufficient to result in

behavior change. USAID-ACCESO will continue to train and motivate CHVs to prioritize and conduct household visits on a regular basis and work with staff from community health centers to improve supervision and support to CHV in their activities.

No update is available on the status of activities of Bono 10,000 – a Ministry of Health that will likely expand the project’s nutrition and health activities to additional municipalities and communities within the six departments. Beginning in July 2013, Bono 10,000 is expected to provide eight supervisory level staff and 47 field technicians for five of the six departments of USAID-ACCESO target departments (Santa Bárbara not included). These individuals will be trained by USAID-ACCESO staff in the project’s approach.

Discussions were also held with UNICEF, following an earlier field visit from US representatives, to identify areas of possible collaboration. UNICEF Honduras does not have any field staff. A proposal was prepared for UNICEF to finance nutrition and health field technicians to support USAID-ACCESO activities.

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 Community Technical Units (CTUs) were operational. The final CTU was finalized in January 2012.

Project staff turnover remains high, particularly at the junior level. With relatively low salaries and low annual increases, it is difficult to retain staff; after they have been trained by the project, they are frequently taken up by other organizations who offer improved salaries and less work pressure to accomplish targets. During the reporting period, project management continued to work closely with subcontractors to identify reasons for staff turnover and ensure proper measures are put in place to address the issues. During the quarter 13 field staff had to be replaced. Some initiatives to improve staff motivation and promote job satisfaction among all levels of staff will be expanded during the upcoming quarter.

Internal audits of the five main subcontractors and eight small subcontractors were carried out by Fintrac home office staff, together with local administrators. Invoices, documentation and bank reconciliations were reviewed in all cases. Observations and recommendations were provided.

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

- New CIRIS reports were prepared.
- Quarterly reports were prepared based on performance indicators sheets.
- PMP monitor updated to include achievements for Q2 FY 2013.
- Activity, results and status reports were prepared for subcontractor’s feedback and follow-up.
- Continue providing feedback and training on CIRIS, especially for new hired people.
- Fourth sampling list of clients was selected using the cluster approach, 90 percent of clients were interviewed and data collected has been entered into CIRIS.

- 700 additional clients were selected using the cluster approach to maintain a representative sampling size of the project population (sampling loss for any reason such as clients' death, emigration, etc.)
- Emphasis has been made to collect FY2013 EOH forms, more than 2,200 forms have been collected on field and 74% of them have been entered into CIRIS.
- Data entry technicians continued registering BL and EOH forms data and trainees 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 required by project employees on M&E systems and data collection.
- Participation in the USAID Gender GLEE meeting in Washington DC, for measuring gender impact in FTF projects.
- Continuous performing maintenance of the CIRIS database.
- Participate in meetings with technical production staff to evaluate performance against results, and to prepare strategies to improve data registering on CIRIS.
- Inputs for monthly and quarterly reports were prepared.

During the previous reporting period, USAID-ACCESO began planning activities for the implementation of a communication mechanism that would allow massive messaging from field technicians to clients on a regular basis. Service providers were contacted for quotes and negotiations were conducted without satisfactory results. In addition, a request was made by IFPRI for the project to add an activity relating to text messages. This has not been done as the local systems are limited to individual carriers and messaging costs are high. Other opportunities for this activity are currently being explored with TIGO, but there is no indication of a successful result that can be reported. A conclusive position regarding this activity will be reported in the upcoming quarter.

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 33 solar panels in Intibucá for project client households	Completed
Solar dryers	195 solar dryers installed	Ongoing
Eco-stoves-Follow-up	447 of 580 eco-stoves for client households installed and functioning.	Ongoing
Eco stoves	500 eco-stoves installed in client households	Completed
Bio-digesters	72 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

Table 3. Small Grants Status

Name	Description	Status
Irrigation	16 of 16 Irrigation systems restored,	Ongoing
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 provide data installed and functioning.	Completed
Bean seeds	32,576 Lbs. of beans distributed among 1575 smallholders for bean program	Ongoing
New crop and product development	Support for smallholders starting new crops and products	Ongoing
Irrigation phase II	29 of 31 Irrigation systems restored,	Ongoing
Gourmet <i>katracho</i>	Promotional activities for MSME products in San Pedro Sula	Completed
Biological controls	Biological agents for use in 120 hectares of small coffee farms	Completed
BonCafé	Establishment of market linkages between coffee producers and BonCafé, a local exporter of Specialty Coffee	Ongoing
Market Associations	Strengthening market associations to promote and sell produce	Ongoing
Cattle Production	Partnership between Agroindustria del Corral and 40 client households for cattle production (30 calves delivered to 6 client households to date)	Ongoing
Agromercados (FUNDER)	Assistance to trade fair by project clients and marketing staff, organized by FUNDER	Completed
Yellow corn seeds	Seeds to start up yellow corn program for the Honduran agroindustry	Completed
Training Workshops	Collaboration with BDS providers for vocational training to MSMEs	Ongoing
Bakery Workshops	Collaboration with INFOP for Vocational Training in Bakery	Completed
The Trainer at Home-Greenhouses	Procurement of materials for the construction of two greenhouses for on-site training to growers on the production of high value horticulture crops (materials procured and delivered)	Ongoing
Crop competitions	Organization and logistics for crop competitions among project clients	Ongoing
NRM & Disaster Planning & Mitigation Fund		
Box culvert	Box culvert in Intibucá to maintain communities communicated	Completed
EDAN training	Training in EDAN per USAID/OFDA guidelines for trainers	Ongoing
NRM project studies	Studies, designs and budgets for 4 NRM projects in Lempira, Intibucá and Santa Bárbara	Completed
Mitigation project studies	Studies, designs and budgets for 10 Mitigation projects	Completed
Water system improvements	Studies, infrastructure, and lab tests for potable water in 120 rural communities (11 to date)	Ongoing
Topography Studies (SB)	Studies for Irrigation systems	Cancelled
CODEL Equipment	Procurement of equipment for up to 60 CODEL	Ongoing
Community Health Fund		
Nutritional Training Centers (equipment)	Equipment for nutritional training centers where beneficiaries will receive training	Completed
Improving rural health centers	Equipment to increase rural health volunteers capacity for management of acute malnutrition	Completed
Improved diet diversity (1,000)	Over 900 home plots started for nutritional access by households	Ongoing
Household water filters	535 of 600 individual water filters for households with high incidence of disease, installed	Ongoing

Table 3. Small Grants Status

Name	Description	Status
Kitchen water connections	Making water available inside the house for poor households	Ongoing
Home Improvements	Floor and Wall improvements for 341 of 1000 HHs	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	Ongoing

New activities during this period focused on the development of technology funds in production, value added and processing, and nutrition and health. Five new projects are pending approval and are expected to begin implementation in the next quarter.

3.5.4. GENDER MAINSTREAMING

USAID-ACCESO continues 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 in the target area. Key activities implemented by USAID-ACCESO include ensuring direct invitation to both women and men to participate in project training and technical assistance events; conduction of training and technical assistance events in time and place appropriate for both women and men; promotion of productive activities consistent with women's needs such as crops that require smaller areas of land for cultivation, fruit tree production and garden-grown vegetables that generate food for the family; and other off-farm income generating activities. Activities highlighting women's participation during the reporting period included

- 5 percent of the project's client households are registered as women only headed households, while 7 percent are male only headed households and 88 percent are male and female headed households.
- 33 percent of clients responsible for private investments this reporting period were women, accounting for 14.4 percent of total value of client investments (\$939,807 for the quarter).
- To date, 10,922 women individuals are registered a receiving training of a total of 36,688 (31.6 percent).
- Under the finance component, women have received loans of \$732,796 of a total of \$4,722,483 (16 percent) and accounted for 692 of the total 4,345 loans (16 percent).

The Deputy COP and the M&E Director participated in the USAID-organized Gender Global Learning Experience Exchange in Washington, DC in May. The presentation of the results report of the Women's Empowerment in Agriculture Index assessment conducted in early 2012 on USAID-ACCESO by USAID should identify gaps where lessons learned and guidance provided during the event can be utilized to improve implementation and ensure the issues contributing to these gaps are being addressed.

However, much is already being done by project technicians in the field to increase women's participation in productive activities. Promotion of group formation among growers' wives is resulting in the formation of group enterprises. Project specialists provide them with technical assistance and training to jumpstart income generating activities that generate income that contributes to the overall household income. More details on these initiatives will be available for the upcoming reporting period.

3.5.5. COMMUNICATIONS

The communications department developed four snapshots during the quarter on outstanding experiences of accomplishments of client households. Production of manuals, invitations for events, banners, and other promotional and educational material were prepared.

During the quarter, the project continued the press coverage, with daily repetition of information spots on a morning Channel 5 news program. Spots cover various technical areas and results through interviews with clients, project technicians, and video footage. On request from the Minister of SAG, multiple live interviews with USAID-ACCESO managers aired on Channel 8. Video clips can be found on the project internet and intranet sites.

3.5.6. OTHER

Supporting Honduran Public and Private Sector, and US government-related activities included:

- Field visit to project clients in Intibucá by the USA Ambassador, USAID Mission, Donors from the International community, Ministers from SAG, Ministry of Education, Ministry of Development and Social Services, and FHIS.
- Field visit by USAID/Honduras and the USAID/LAC/RSD Environmental Officer to project clients in Santa Bárbara to assess environmental compliance.
- Participation in USAID Gender Glee meeting in Washington DC, including a presentation of USAID-ACCESO activities.
- USAID-ACCESO staff participation (production specialist, postharvest specialist and department managers) as presenters on drip irrigation and onion production conducted by FHIA in Comayagua.
- Training provided by project specialists in USDA organized training events in Comayagua and Lempira on drip control.
- Participation as trainers in University of California training event on postharvest handling (Feed the Future Innovation Lab for Collaborative Research on Horticulture).
- Provision of an EDAN training course to technicians of CRS and Caritas.
- Collaboration with USAID-NEXOS on training activities of community water boards and NEXOs technicians.

HONDURAN MINISTERS VISIT FEED THE FUTURE PROJECT SITES

On May 6th four Honduran Ministers, Ambassador Lisa Kubiske, USAID Mission Director James Watson, representatives from the Canadian International Development Agency, the European Union, the World Food Program, Catholic Relief Services, USAID staff, and numerous press outlets (television and print) travelled to the department of Intibucá to see USAID-ACCESO in action. The participating ministers included the Minister of Agriculture Jacobo Regalado, the Minister of Social Development Hilda Hernandez, the Minister of Education Marlon Escoto, and the Minister of the Honduran Social Investment Fund (FHIS) Miguel Martinez. The Ministers viewed the integration of nutrition, household sanitation, and production activities. They explored potential linkages between the work of their respective ministries and the Feed the Future program. For example, the Ministers and the US Ambassador discussed greater support for the rural school system, linkages with the school feeding program, and integrating nutritious, high-value produce into the system. To conclude the trip, the Director of the Civil Registry Jorge Arturo Reina Garcia signed an agreement with ACCESO to support the registration and identification of project clients, especially children.

Source: USAID

4. PLANNED ACTIVITIES FOR NEXT REPORTING PERIOD

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

- 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.
- Continue procurement and installation of irrigation infrastructure for producers in all six departments.
- Develop market-driven production programs to meet local and regional demand.
- Expand the *panela* (unrefined sugar) production in the pilot project in Copán and among new producers in Lempira to meet the new export market demand.
- Market survey to determine the feasibility for allspice and cardamom essential oils project (pending from previous quarter).
- Continue activities for planting yellow corn under contract with local processors.
- Expand training and technical assistance to coffee growers on basic production practices, with particular emphasis on prevention and control of coffee rust.
- 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 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.

Barriers to competitiveness of rural MSMEs reduced

- Documentation to formalize local market fairs.
- Continue with SAG on the standardization of the technical production packages for corn and beans.
- Expand implementation of project clients' access to financial products developed with input providers and exporters, including Del Campo Soluciones Agrícolas, CADELGA, Original Maya, DUWEST, and others.
- Continue 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.
- Identify barriers that limit client households' access to health services.

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

- Continue the implementation of projects funded under the small grants program.
- Continue to use the small grant program for disaster mitigation, potable water, and basic sanitation projects.
- Continue promoting and implementing alternatives for coffee pulp treatment with natural microorganisms.
- 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 a small grant program for disaster mitigation projects (roads, flood prevention, landslide prevention, disaster mitigation capacity building).
- 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, biodigesters, and solar crop dryers in the six departments.
- Continue to train users and owners on the use and maintenance of improved stoves, biodigesters, and solar dryers.
- Continue the coordination of 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.
- Continue the installation of eco-stoves to additional households.
- Continue the installment of safe water systems for families with children under the age of two.
- Continue providing assistance to client households for family plots for increased food availability.
- Continue equipment and operations of Food Preparation Centers.
- Continue operations of 20 centers for management of acute malnutrition.
- Continue promoting family planning, reproductive risk, and quality maternal and child health practices through basic messages.
- Expand training events 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.

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.
- Continue providing support, supervision, and oversight to implementation activities.
- Monitor PMP indicator and high level target results for preparation of reports and guidance to implementation plans for the following quarter.
- Follow up on implementation of recommendations from internal audit of sub-contractors.
- Identify and provide human resource development and motivational activities.

Monitoring and evaluation activities

- Continue collecting baselines for last group sampling selected.
- Collecting baseline follow-up and EOH forms from all sampling clients.
- Continue registering collected baseline and EOH data on CIRIS.
- Prepare inputs for monthly, quarterly, and annual reports.
- Update the PMP monitor.
- Follow up to meetings with technical production staff to evaluate performance and data entering.
- Prepare activity and status reports for subcontractors.
- Provide management reports on all project components to department and zone managers for performance evaluation and decision making.

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 as well as new activities proposed such as:
 - Solar driers phase II: installation of 600 new solar driers for coffee, corn and beans.
 - Irrigation systems phase III: pending USAID authorization.
 - Access to animal protein for client households (goats and hens).
 - MSME technological and legal support to increase market access.
 - Disaster mitigation projects and CODEL support.
- 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.
- Renew local subcontractor agreements with OCDIH, Hermandad de Honduras, PILARH, CASM, Save the Children, COPRAFEL and IHCAFE.
- Implement recommendations from Fintrac's internal audit to subcontractors.
- 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 June 2013. 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 (03/2013)	Additional Reported for Previous Quarter	Current Quarter (06/2013)	Updated Status (06/2013)	
	ACHIEVED Apr. 2011 to Sept. 2011	ACHIEVED Oct. 2011 to Sept. 2012		Sept. 2012	Q1	Q2	Q3						Q4	Male					Female
1	Program Administrative Activities																		
	Start-Up Activities																		
1.1	Key Personnel Fielded	done															done		
1.2	Grants Manual Submitted	1															done		
1.3	Project Intranet/Internet Sites Designed & Launched	2															done		
1.4	Vehicle/Equipment Procurement	cars/motorbikes			on-going	on-going											done		
1.5	Local Project Team Fielded	done			on-going	on-going											done		
1.6	Local staff trained in Fintrac implementation methodology	done			on-going												done		
1.7	Remaining team hired and fielded				on-going												done		
	Communications & Reporting																		
1.8	Branding & Marking Plan Prepared & Submitted	1															done		
1.9	PERSUAP	1															done		
1.10	EMP		1	1													done		
1.11	Monthly Reports	6	12	18	3	3	3	3	12	12	42	46	Reports				24	3	27
1.12	Quarterly Reports	2	4	6	1	1	1	1	4	4	14	15	Reports				8	1	9
1.13	Annual Workplan	1	1	2	1				1	1	4	4	Workplans				3		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				29	4	33
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					1,125	294	1,419
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)	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 (03/2013)	Additional Reported for Previous Quarter	Current Quarter (06/2013)	Updated Status (06/2013)	
	ACHIEVED Apr. 2011 to Sept. 2011	ACHIEVED Oct. 2011 to Sept. 2012		Sept. 2012	Q1	Q2	Q3						Q4	Male					Female
High Level Targets																			
GOAL: Increased Rural Household Incomes																			
PIRS # 1	Number of households living in poverty moved above the poverty line	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	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	32,660	4,028	36,688	
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			222,828	930	81,998	305,756
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			221	15	9	245
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	831	30	861	
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)			3.862	0.800	0.940	5.602
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			9,784		1,138	10,922
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 (03/2013)	Additional Reported for Previous Quarter	Current Quarter (06/2013)	Updated Status (06/2013)	
	ACHIEVED	ACHIEVED		Q1	Q2	Q3	Q4						Male	Female					
	Apr. 2011 to Sept. 2011	Oct. 2011 to Sept. 2012		Sept. 2012															
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			85		83	168
PIRS # 32	Number of public-private partnerships formed	1	11	12	6	6	6	6	24	15	65	65	PPP formed			36		0	36
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			187		20	207
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		102	102
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	1,635		189	1,824
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 MSMEs			36		1	37
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	875		-427	448
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			1,319		-366	953

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 (03/2013)	Additional Reported for Previous Quarter	Current Quarter (06/2013)	Updated Status (06/2013)	
	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	MSMEs accessing finance	800	200	2,270	177	680	3,127
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	3.131	0.671	0.920	4.722
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				
PIRS # 16	Number of value chain / sector constraints identified and resolved		1	1	5	5	7	7	24	15	40	40	Constraints			3		0	3
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%		16%	16%
Applied research and development programs developed																			
xx	R&D projects and Activities Identified	1	8	9		1			1		10					11			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				
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				
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			10		18	28
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			13		0	13
Installation of renewable energy technologies																			
PIRS # 29	Number of rural micro-generation clean/renewable energy projects established	10	718	728	25	25	25	25	100	62	890	890	Projects established			1,125		294	1,419

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 (03/2013)	Additional Reported for Previous Quarter	Current Quarter (06/2013)	Updated Status (06/2013)
	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											-20%	% reduction from baseline						
PIRS # 19		-23.9%	-23.9%				-5%	-5%			-20%	% reduction from baseline	-5.0%	-5.0%				
PIRS # 20											-20%	% reduction from baseline						
PIRS # 21											30%	% increase over baseline						
PIRS # 22		4.5%	4.5%				5%	5%			20%	% increase over baseline						
PIRS # 23											-5%	% reduction from baseline						
PIRS # 24											-20%	% reduction from baseline						
PIRS # 25											30%	% Change in HDDS						
PIRS # 26											20	Health Facilities						
PIRS # 27		11.2%	11.2%					2.5%			10%	% Increase over baseline	2.5%	2.5%				

ANNEX II: SNAPSHOTS & MONTHLY BULLETINS

Single Mother's New Produce Business Transforms Family

USAID-ACCESO promotes income generation for women through the creation of job opportunities across the agricultural chain.



Photo by Fintrac Inc.

Teresa Reyes sells produce from project-supported smallholders in a local market. Her new business has helped her increase her monthly income by more than 7,000 percent.

“They gave me an idea and helped me grow a better business.”

Teresa Reyes

—Single mother and entrepreneur

In Honduras, 52 percent of rural residents are women. Most of these women have little hope of escaping poverty because of few economic opportunities outside the home for women. One of USAID-ACCESO's goals is to promote income generation for women through job creation across the agricultural value chain. In Cabañas, Copán, the project helped link a group of smallholder farmers to a struggling single mother, creating a lucrative value chain for both parties.

In October 2011, USAID-ACCESO production specialists began working with a group of 12 producers in Cabañas, introducing both good agriculture practices and high-value vegetable crops to increase the farmers' yields and incomes. The farmers are earning an average of \$410 per 0.06 hectare, all of which is new income. After witnessing the success of the producer group, the local project specialist approached a local woman with a business plan.

Teresa Reyes, a single mother of three, was struggling to put food on her family's table by selling cooked meat in the streets. She was earning a maximum of \$25 a month through this venture.

In February 2012, with assistance from the project specialist, Reyes bought vegetable crops from the producer group. Her first purchase was on credit, which she paid back after her first sales. Reyes new produce stand was the first horticulture marketplace in Cabañas, offering healthy and fresh vegetables such as onions, radishes, peppers, cucumbers, and carrots to local residents.

The improvement in the Reyes' family's quality of life has been astronomical: she is now earning an astonishing \$1,806 per month, 72 times her previous monthly income. Her daily sales average around \$77, with some noticeable increases during special occasions and holidays.

“On Christmas Day I made \$206, I had never made that amount of money in one day. I bought food and celebrated Christmas with my daughters,” she said.

Reyes' success has motivated other local women to set up market stand next to hers, creating a proper market in Cabañas. Two local farmers began growing radishes and cilantro specifically to sell to Reyes. Recently, the mayor offered her and the other shop owners a market shed to help formalize their businesses and provide a permanent location for commerce.

“USAID-ACCESO helps people a lot,” Reyes said. “They gave me an idea and helped me grow a better business.”

With her improved financial situation, Reyes is ready to keep growing both in volume and vegetable diversity by supporting more local producers. She wants to provide a better life for her daughters, especially through access to education. The girls can now afford school fees, supplies, and transportation.

Specialists continue working with women in other communities, looking for new ways to involve women in economic and agricultural growth. To date, the project has helped create thousands of jobs in the rural communities of western Honduras.

Reducing Risks Through Volunteerism

Thanks to USAID-ACCESO, volunteers in rural areas have been trained to plan for and manage risks associated with natural disasters.



Photo by Fintrac Inc.

EDAN volunteers put their acquired knowledge to test during a simulation activity facilitated by project natural disaster specialists.

“We reacted quickly and were able to provide the families with the zinc sheets...and wood they needed to rebuild.”

Jonatan Alvarado
—EDAN volunteer, municipal employee

Residents of rural areas are often especially vulnerable to natural disaster risks such as floods, landslides, and forest fires because of a lack of infrastructure, technology, and training. To improve community response to emergency events, USAID-ACCESO natural disaster mitigation specialists train volunteers from the most vulnerable communities to conduct damage assessment and needs analyses (known as EDAN in Honduras) to effectively manage emergency situations.

Without EDAN volunteers or standardized emergency response guidelines, rural communities were more susceptible to widespread damage from natural disasters. The lack of trainings, superficial evaluations, and unreliable communications slowed response time during emergency situations, leaving many communities waiting for weeks or months for supplies.

In February 2012, USAID-ACCESO, with support from COPECO Regional 3 (Honduras’ national disaster prevention and response commission), began training volunteers in rural communities in EDAN methods and procedures.

Jonatan Alvarado, a municipal employee in Protección, Santa Bárbara, learned to assess damages, write reports, equip shelters, and identify evacuation routes. In November 2012, after a storm left 20 households roofless, Alvarado was put to test. He immediately enacted an EDAN analysis, working with local officials to respond to the community’s immediate needs.

“We reacted quickly and were able to provide the 20 families with zinc sheets for their roofs and wood they needed to rebuild,” Alvarado said.

Moisés Alvarado, deputy commissioner of COPECO in Copán, has also participated in several trainings and drills held by project specialists. He is now an instructor certified by the Office of the United States Foreign Disaster Assistance. “Thanks to USAID-ACCESO we have a stronger team with better capacities,” he said.

By building the capacity of rural residents, USAID-ACCESO has also helped improve COPECO’s effectiveness. The government body says they now have EDAN points of contact in 69 new communities. USAID-ACCESO has trained 178 EDAN volunteers in these municipalities, providing residents with access to qualified personnel who are prepared to deal with emergency situations.

The project continues training EDAN volunteers and instructors to share their skills and knowledge with other potential volunteers and national assistance authorities. USAID-ACCESO has trained 2,846 individuals in natural disaster mitigation, promoting access to information to safeguard the lives of household clients.

Fortified Meals Improve Childhood Health

Nearly half of previously underweight children in Ojo de Agua are now reporting healthy weights with the introduction of nutritious foods and improved household hygiene.



Photo by Fintrac Inc.

The Miranda-Quintanilla family is relieved and happy with Holman's recovery and weight gain. The family continues to attend USAID-ACCESO trainings to learn more ways to improve their overall health.

“Now I see my son and he is different.”

*Francisco Miranda,
Father of Holman Miranda*

In the small community of Ojo de Agua, Lempira, most of the 54 women that have children under two lack resources to provide these children with balanced meals that lead to healthy development. Most rural children live on beans and flour tortillas, which do not provide the vitamins and nutrients they need. To help families improve the nutritional value of their meals, USAID-ACCESO is introducing moringa, a leafy green plant rich in iron and vitamin A.

The community first began working with the project in November 2011 through trainings in food preparation, household improvements, and personal and household hygiene. The project also works closely with community health posts, teaching the volunteers how to monitor a child's development.

“Before we only weighed the children,” said Maria Hernandez, a health volunteer. “Now we know what to do in order to help the children improve.”

Hernandez had never even heard of moringa, let alone imagined the impact this simple green leaf could have on childhood nutrition. After attending USAID-ACCESO trainings, Hernandez learned that one small moringa plant could provide abundant sources of iron for an entire household.

Francisco Miranda and Claudia Quintanilla were worried about the health of their 10-month-old son, Holman, who was hospitalized for 14 days due to problems in his lungs. He subsequently fell under the third nutritional percentile for weight. Following the project specialists' recommendations, Claudia began mixing a spoonful of dried moringa leaves into Holman's meals. In just one month, Holman recovered his appetite and gained 2.42 pounds.

“This [moringa] is good for the family,” said Francisco. “I was worried, but now I see my son and he is different.”

Like Claudia and Francisco, Maria Benitez was worried about her six-month-old daughter's low weight and overall health. After attending USAID-ACCESO nutrition trainings, Maria also started feeding her daughter powdered moringa three times a day. Her daughter, Nayely, also gained 2.42 pounds in the first month. Maria said she is extremely happy with her daughter's health improvement; she plans to continue attending project trainings.

Both Nayely and Holman will turn two years old above the third nutritional percentile, which is critical to healthy cognitive development. 44 percent of the Ojo de Agua children who were underweight before project intervention are now reporting healthy weights.

The project is having significant success across the six departments in which it works. In the past year, malnutrition rates with assisted children in prioritized communities have decreased by three percentage points, from 19 to 16 percent.

Meeting Market Demand Through Calendarization

USAID-ACCESO introduces calendarized planting programs in rural areas to generate income and market participation year round.



Photo by Fintrac Inc.

Ruben Rodriguez shows off his healthy cucumber plants. By diversifying to this high-value crop, he is earning nearly 40 times what he did from traditional crops such as bean and maize.

“I plant every month and now understand the market.”

Ruben Rodriguez, smallholder farmer

Many rural Honduran farmers struggle to provide for their families through small plots of bean and maize. Because of low yields and market saturation, these farmers have a difficult time earning more than subsistence wages. Those farmers that do venture into high-value crops still lack business plans or relationships with buyers and typically end up selling their harvests to middlemen at unfairly low prices.

To promote market-driven production, USAID-ACCESO specialists are introducing calendarized planting programs to better meet demand year round. Working with small groups of farmers, production specialists introduce new high-value crops and devise planting schedules in which each farmer plants and harvests the crop at a different time, ensuring a constant supply to the market.

In September 2011, project specialists introduced improved agricultural practices and calendarized plantings to Ruben Rodriguez, a small-scale bean and maize farmer from La Guama, Santa Bárbara. Spurred by project support, Rodriguez planted 0.22 hectares of cucumber, which yielded 662 quintals that earned him approximately \$2,000 in sales. Compared to the \$52 he made from selling 40 quintals of beans, this is a nearly 4,000 percent increase in income.

“I am extremely grateful to USAID-ACCESO, they gave us the techniques we needed,” he said. Rodriguez now harvests cucumber four times a year and plants corn in the interim, ensuring a steady income, healthier plot, and improved food security all year.

With his additional income, Rodriguez is expanding his farm holdings, planting new crops such as green beans and peppers and purchasing livestock. After seeing their father’s success, two of Rodriguez’s older sons began implementing ACCESO-promoted practices on their coffee and cucumber plots.

Rodriguez and five other producers are the only producers in the area that provide a steady flow of cucumbers to the market. “I plant every month and now understand the market,” he said.

USAID-ACCESO helps implement good agricultural practices and organized planting programs to increase smallholder farmers’ opportunities for sustainable income generation, and helps them formalize their production strategies to establish concrete relationships with local, regional, and international buyers.

The project is assisting 32,800 household clients in production and postharvest practices, introducing high-value crops and market linkages, which has helped more than 96,400 people in some of Honduras’ most vulnerable communities to improve food security and their overall quality of life.



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FROM THE AMERICAN PEOPLE

Monthly Update *April 2013*

APRIL HIGHLIGHTS

- USAID-ACCESO is assisting 32,801 household clients in western Honduras overcome poverty and malnutrition through access to economic development opportunities and improved health and nutrition practices. The project introduces high-value crops, increases access to renewable energy technologies and finance, and works to improve diet diversity for household clients, 20 percent of whom are women. The project is benefitting more than 176,028 people in total.
- The total production area under project assistance is currently 28,775 hectares that include 17,087 hectares of coffee, 9,065 hectares of basic grains, and 2,623 hectares of fruit and horticulture crops. The crops with the largest planting areas this month included: coffee, corn, bean, potato, passion fruit, plantain, cabbage, tomato, sweet potato, and watermelon.
- To improve community response to risks such as floods, landslides, and forest fires, USAID-ACCESO natural disaster mitigation specialists continued training volunteers to conduct damage assessment and needs analyses (known as EDAN in Honduras). The project improves volunteers' capacities to effectively manage and deal with emergency situations. To date, 178 volunteers have been trained in EDAN in 68 of the most vulnerable municipalities in the country. Having qualified residents with the capacity to respond to and solve issues arising from natural disasters helps communities recover better and faster from these potentially catastrophic events.
- Small-scale producers received technical assistance to implement renewable energy technologies such as solar dryers, which increase efficiency and quality of coffee crops, adding value to the product. To date, 227 solar dryers have been constructed and installed thanks to project intervention, substantially improving crops in rural areas. The dryers are also used for basic grains, allspice, and cashew seeds.

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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.



Photos by Fintrac Inc.
EDAN volunteers practice their acquired skills in a drill organized by USAID-ACCESO partners.

USAID-ACCESO client households, beneficiaries, and other clients, April 2013

Department	Client Households	Beneficiaries	Other Clients*
Copán	5,209	11,088	813
Intibucá	5,084	22,214	713
La Paz	4,839	17,571	677
Lempira	6,633	23,486	1,151
Ocotepeque	4,568	11,831	534
Santa Bárbara	6,468	10,252	1,017
Otros	-	-	781
TOTAL	32,801	96,442	5,686

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



Producers receive technical assistance for solar dryer construction and management. These dryers increase efficiency and quality for coffee products, leading directly to increased earning potential.



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FROM THE AMERICAN PEOPLE



In Santa Bárbara, producers received training in pest and disease identification and control and in prevention systems for new crops introduced by the project.

TECNICAL ASSISTANCE

In April, USAID-ACCESO technicians made 24,437 technical assistance visits, 18,898 of which focused on the following topics: improved agricultural production practices in coffee, horticulture, and basic grains; soil preparation and management; planting and transplanting; irrigation system installation; pest and disease identification and control; soil conservation; agrochemical use; fertilization program management; nursery construction; and crop residue management.

Other visits included 400 in accessing markets; 1,056 visits on improved nutrition and health practices; 522 in livestock and poultry production; 1,495 in business skills; 237 visits in postharvest and certifications; 896 in value-added processing; and 574 visits in natural disaster management.

VALUE ADDED

USAID-ACCESO specialists promote sales and increased revenue through the expansion of off-farm microenterprises and the generation of employment opportunities. In the community of Cabañas, Copán, the project's integrated approach generated new revenue for both producers and micro-entrepreneurs. Teresa Reyes established the first vegetable stand in the community, earning new income for her household and offering residents fresh onions, carrots, cucumbers, peppers, and cabbage produced by USAID-ACCESO assisted farmers.

In April, project staff held 78 training events during which 710 participants learned to process and commercialize products derived from resources that were already part of their diet, such as dairy, corn tortillas, flour tortillas, frozen beans, plantain and sweet potato chips, dehydrated fruits, fruit jellies, and fruit concentrates.



Thanks to project intervention, Teresa Reyes, established the first horticulture market in Cabañas, Copán. The business generates greater income for her household and benefits producers in the area, who supply the fresh produce.



For the first time, *Flor del Cañal* exported 150 boxes of whole sugar cane to the United States. The business learned to meet international quality standards with project support.

ACCESS TO MARKETS

Marketing specialists continued to assist small-scale producers through workshops that strengthened their market knowledge. This month, 475 participants benefited from 39 training events where they established new market opportunities and new product delivery routes, which helped strengthen relationships between rural producers and local, regional, and international buyers.

The first shipment of processed sugar cane was sent from the community of La Zumbadora, Copán to the United States. With project assistance, the microbusiness *Flor del Cañal* exported 150 boxes (1,800 units of processed cane sugar) that met international requirements and quality standards set by the market.



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FROM THE AMERICAN PEOPLE



Children in Guayabal, La Paz enjoy meals prepared by their mothers during food preparation trainings. Diets rich in iron and vitamins are crucial for healthy childhood development and growth.

NUTRITION AND HEALTH

Nutrition and health specialists held 185 training events for 2,984 parents who acquired the necessary knowledge to improve and implement basic nutrition and health practices. In food preparation workshops, participants learned new healthy recipes such as eggs with green leaves, pumpkin cupcakes, bean tamales, and other recipes made from locally-available resources that are high in vitamins and iron.

Specialists continued motivating household clients to improve the physical conditions of their homes. The improvements promoted by the project included eco-stoves that reduce the incidence of respiratory diseases; sewage systems that discard dirty water outside the house; water filters that enable the consumption of clean water; and improved floors and walls that reduce contact with bacteria. Together, these changes improve the quality of life for assisted families, helping them prevent and reduce the incidence of unhealthy children.

DRIP IRRIGATION SAVES WATER & IMPROVES PRODUCTIVITY

Drip irrigation technology is an essential component of the updated agricultural practices promoted by USAID-ACCESO. Production specialists introduce drip irrigation to farmers to ensure year round production, increased yields, improved consistency and quality, reduced unit production costs, and increased sales revenues and net income.

Drip irrigation saves water, directing and controlling the volume of water directly to the roots of each plant. This minimizes water loss due to runoff. Thanks to project intervention, more than 2,000 small-scale farmers in western Honduras have installed drip irrigation systems on their plots. Steady access to water allows continuous production, diversification into new high-value crops, and the ability to reach new, more lucrative markets. Crops such as tomato, onion, plantain, lettuce, cabbage, and carrots increase household income, diet diversification, and food security.



To date, more than 2,000 small-scale producers assisted by USAID-ACCESO in western Honduras have installed irrigation systems in their plots.

Trainings – April 2013

Area	Participants	Events
Renewable Energy	73	13
Business Skills / Finance	1,574	152
Natural Resource Management	769	37
Postharvest and Certifications	360	32
Processing and Added Value	710	78
Production	18,230	2,039
Market Information	475	39
Nutrition and Health	2,884	185
TOTAL	25,198	2,576

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Monthly Bulletin *May 2013*

MAY HIGHLIGHTS

- USAID-ACCESO is assisting 34,273 client households in six departments in western Honduras, increasing annual sales and income through the introduction of improved agricultural practices and market-driven production programs. More than 152,000 beneficiaries, or 82 percent of client households, are currently living in extreme poverty conditions.
- The total production area expanded to 30,384 hectares this month, including 17,209 hectares of coffee, 10,451 hectares of basic grains, and 2,724 hectares of fruits and horticulture crops. The most planted crops this month were corn, coffee, bean, watermelon, tomato, rice, potato, cabbage, carrot, and plantain.
- USAID-ACCESO natural resource management specialists continued training producers in treating coffee pulp with microorganisms to break down and transform the pulp into organic fertilizer, reducing input costs and promoting environmental protection. This month, 554 participants attended 36 training events in natural resource management.
- Motivated by the results of project interventions, municipality authorities approved infrastructure investments in rural communities. In the municipality of San José, La Paz, Mayor Abel García organized a L. 200,000 (\$9,800) donation to construct a road to the community of La Culebrina. The new road will facilitate the transport of maize and other products from this project-assisted community to nearby markets.

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



Thanks to USAID-ACCESO, coffee producers learned to use microorganisms to decompose coffee pulp and transform it into organic fertilizer, reducing costs and promoting environmental protection.

USAID-ACCESO client households, beneficiaries and other clients, May 2013

Department	Household clients	Beneficiaries	Other Clients *
Copán	5,356	20,894	828
Intibucá	5,399	43,756	760
La Paz	5,392	33,945	699
Lempira	6,869	44,368	1,179
Ocotepeque	4,589	22,410	549
Santa Bárbara	6,668	20,033	1,031
Others	-	-	793
TOTAL	34,273	185,406	5,839

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



Municipal authorities in La Paz helped fund the construction of a new road to La Culebrina, a community assisted by USAID-ACCESO with increased agricultural yields.



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FROM THE AMERICAN PEOPLE



José Orellana of Chaguiton, La Paz, increased his coffee yields by more than 400 percent in one year. Orellana applied fertilizers and lime according to the techniques he learned from USAID-ACCESO.

TECHNICAL ASSISTANCE

In May, USAID-ACCESO carried out 30,263 technical assistance visits. Of these, 25,030 focused on agricultural production, including best production practices for coffee, basic grains, and vegetables; soil preparation and management; transplanting; fertilization; pest and disease identification, prevention and control; soil conservation; contour plowing; nursery management; irrigation system installation, operation and maintenance; and field tours for producers.

1,097 technical assistance visits focused on nutrition and health, principally family planning and childhood diets; 819 visits on poultry production and management; 1,335 on business and finance skills; 128 in postharvest and certifications; 904 in processing; and 593 visits in natural resource management.

VALUE ADDITION

USAID-ACCESO is working to add value to raw materials to promote income growth and off-farm employment. This month the assistance included work with the Buena Vista producer association of San Francisco del Valle, Ocotepaque, to process their peaches into jams, syrups, and sweets for sale to local markets.

Through 82 training events, 453 participants learned to make diverse products including cookies, cakes, pastries, whole sugar cane, and processed beans that diversify businesses and generate employment and new income opportunities in assisted communities.



A group of fruit producers in San Francisco del Valle learned to transform their peaches into more valuable products such as jams and sweets.



Coffee producers assisted by USAID-ACCESO work with marketing and postharvest specialists to add value, ensure quality, and opening new commercialization opportunities, all of which serve to increase incomes for assisted families.

ACCESS TO MARKETS

Market specialists held 23 events for 146 participants to strengthen their knowledge of new sales opportunities, potential links, and efficient delivery routes to increase their participation in formal markets.

Market specialists continued linking small-scale farmers with formal buyers, and at the end of the 2013 coffee season, one of the market linkages resulted in 163 producers selling more than 660,000 kilograms of green coffee for \$641,000.

Oscar BJORQUEZ, a sugar cane processor from Copán received technical assistance from USAID-ACCESO to export processed sugar cane. To date, two trial shipments of 162 boxes have been sent to Miami. He projects another shipment of 250 boxes in June.



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FROM THE AMERICAN PEOPLE



On average, a family with a traditional stove requires 2.3 loads of wood per week; with the use of eco-friendly stoves only 0.5 loads of wood are used per week. The eco-friendly stove helps save families money and reduce health problems.

NUTRITION AND HEALTH

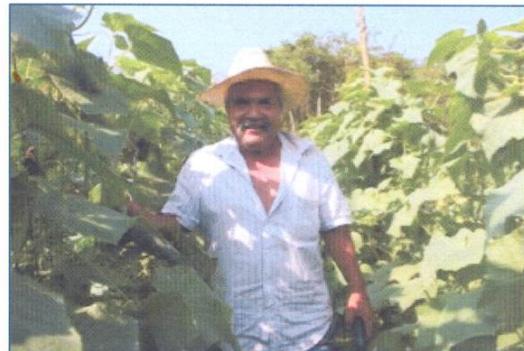
The nutrition and health specialists held 175 training events in which participants acquired the knowledge necessary to implement improved nutrition and health practices. This month, participants learned about spacing pregnancies and breastfeeding infants under six months, and food preparation trainings. The household clients also received assistance in improving the physical conditions of their homes, their children's health, and their families' overall quality of life.

Health and nutrition specialists also promoted the installation of eco stoves, which reduce both the incidence of respiratory diseases and the use of wood logs, resulting in cleaner air.

INCREASING EFFICIENCY WITH THE USE OF CALENDARIZED PLANTINGS

Generally, small-scale producers have difficulties participating in formal markets because they are producing products and volumes that do not reflect actual market demand. To solve the situation and promote market-driven production, USAID-ACCESO production specialists introduced calendarized planting programs, which allow a group of producers to plant the same crop in different periods of time, resulting in a steady supply of product to markets.

This month, 23,688 participants received training in agricultural production, increasing their knowledge of calendarized plantings and how to strengthen commercial relationships between producers and local and international buyers.



Photos by Fintrac Inc.

Rubén Rodríguez not only increased his cucumber yields, but thanks to the introduction of calendarized planting, he and five other producers are constantly supplying local cucumber markets.

Trainings – May 2013

Area	Participants	Events
Renewable Energy	94	14
Business Skills / Finance	1,269	167
Natural Resources Management	604	39
Postharvest and Certifications	457	37
Processing and Added Value	453	82
Production	23,688	2,644
Market Information	146	23
Nutrition and Health	2,770	175
ACCESO project	120	7
TOTAL	29,601	3,188

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FROM THE AMERICAN PEOPLE

Monthly Bulletin *June 2013*

JUNE HIGHLIGHTS

- USAID-ACCESO is currently assisting 34,920 client households in the most vulnerable communities in western Honduras, promoting production technologies and practices to increase income and improve overall quality of life. The project is benefitting 188,171 people, of which 90 percent live in poverty and extreme poverty conditions, through trainings in production, processing, resource management, introduction to renewable technologies, market information, and nutrition and health.
- The total production area expanded to 34,150 hectares that includes 17,946 hectares of coffee, 13,277 hectares of basic grains, and 2,927 hectares of fruit and horticulture crops. The most planted crops included: corn, bean, coffee, potato, watermelon, sorghum, rice, cabbage, grenadine, and onion.
- Thanks to project intervention, residents and technical unit coordinators of the San Isidro municipality learned to mark areas protected by legal sanctions against those who attempt to harm them. When protected areas are properly marked, specific areas can be defined to allow wood collection and legal tree felling, organizing and controlling available resources. This month, 445 participants attended 29 training events to strengthen natural resource management practices.
- Since June 17, Honduran producers have had more opportunities to export agricultural goods to El Salvador now that they can obtain their official documentation and sanitary permits from the office of El Poy, located on the border between Honduras and El Salvador. In the past, producers obtained permits in Santa Rosa de Copán, which lies two hours from the border. With USAID-ACCESO's initiative and support, the new customer service counter will save time, reduce costs, and promote agricultural commerce.

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



Residents and coordinators of the Municipality of San Isidro received qualified technical assistance to mark and protect safeguarded areas. With the use of technology the coordinators mark the protected watershed territory.



The project continues working to improve the agricultural production and commercialization of new crops such as passion fruit, loofah, and cucumber.

USAID-ACCESO client households, beneficiaries and other clients, June 2013

Department	Household clients	Beneficiaries	Other Clients *
Copán	5,419	21,532	898
Intibucá	5,486	43,851	793
La Paz	5,645	33,991	730
Lempira	6,953	45,022	1,224
Ocotepeque	4,639	23,336	576
Santa Bárbara	6,778	20,440	1,059
Otros	-	-	798
TOTAL	34,920	188,171	6,078

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



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FROM THE AMERICAN PEOPLE



Thanks to the technical assistance provided by USAID-ACCESO, the Garcia brothers of Erandique increased yields in corn from 5 quintals from 0.4 hectares up to 60-70 quintals from the same area. The brothers apply their acquired knowledge and also promote the practices with other producers of the area.

TECHNICAL ASSISTANCE

USAID-ACCESO carried out 24,166 technical assistance visits this month. Of these, 19,377 strengthened farmers' knowledge in agricultural production topics, including basic and cultural practices for coffee and horticulture crops; soil preparation and management; pest, disease and weed identification and control; transplant and planting; fertilization program management; nutrient balance; adequate use of agrochemicals; soil conservation; and contour plowing.

1,374 technical assistance visits focused on creating healthy households and personal and home hygiene; 888 on processing; 795 on business skills such as production logs and cost reduction; 523 technical assistance visits in animal production focused on poultry farming and livestock management; 489 visits were on natural resource management; and 146 on postharvest and certification.

VALUE ADDITION

USAID-ACCESO processing specialists continued working with communities to create new products from available resources to generate off-farm employment opportunities. This month, 416 participants attended 65 training events where they learned to transform resources into commercial products such as furniture, baked goods, dairy products, flour tortillas, vegetable chips, and fruit concentrate for juices.

Forestry specialists continued promoting legal tree felling, working with wood transformers in creating furniture, doors, chests, and other in-demand products for sale to local markets.



USAID-ACCESO supports legal tree felling for the creation of commercialized goods such as doors, tables, and chests to increase income in households.



Marketing specialists promote tours and visits to small-scale producers' plots, creating relationships between the market and assisted producers and increasing exposure for rural communities.

ACCESS TO MARKETS

In June, 57 participants attended five training events on market information during which they identified new market opportunities and potential clients, and studied buyer standards and regulations. These types of trainings strengthen small-scale producers' ability to participate in more lucrative commercial markets.

Marketing specialists continued coordinating tours of producers' plots to increase exposure for small-scale farmers and deliver information about market routes and buyer requirements. This month, the project organized 69 visits that facilitated sharing of market information, logistic details, and transportation coordination.



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FROM THE AMERICAN PEOPLE



Nutrition and health technicians promote spacing pregnancies in rural communities to improve the overall health of mother and child.

NUTRITION AND HEALTH

The nutrition and health team held 293 training events during which 3,818 parents had the opportunity to strengthen basic nutrition and health practices. This month, 1,470 participants were trained in spacing pregnancies, promoting the importance of maintaining a period of two years between pregnancies to provide a better quality of life for mothers and children. 609 participants increased their knowledge of healthy recipes by participating in food preparation trainings during which they prepared natural juices, rice with vegetables, tortillas fortified with green leaves, plantain cakes, yuca rolls, corn-based meals, bean soup with green leaves, and other iron and vitamin enriched meals made at low costs from readily-available ingredients.

PROTECTING NATURAL RESOURCES THROUGH TECHNICAL ASSISTANCE

In 2010, the municipality of Erandique, Lempira suffered from torrential rains and landslides that affected the watershed El Nacho, leaving the area more vulnerable to the risk of completely losing this water source for the communities of Barrio Nuevo and Carrizalito.

In response to the situation, natural resource management specialists started working with the community to restore the watershed. After numerous activities and technical assistance visits, residents of both communities came together to plant 200 yucca stakes in contoured terraces to stabilize the area. The total cost of materials and labor was less than \$1,000. The communities of Barrio Nuevo and Carrizalito now have a safe water source and the necessary knowledge to restore protected areas in case of future emergencies.



Fotos por Fintrac Inc.

More than 100 people from of Barrio Nuevo and Carrizalito actively participated restoring the watershed area of El Nacho, planting 200 yucca stakes in rows in small contoured terraces.

Trainings –June 2013

Area	Participants	Events
Renewable Energy	52	8
Business Skills / Finance	682	101
Natural Resources Management and Disaster Mitigation	755	46
Postharvest and Certifications	215	26
Processing and Added Value	416	65
Production	17,996	2,061
Market Information	57	5
Nutrition and Health	3,818	293
ACCESO project	11	2
TOTAL	24,002	2,607

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USAID-ACCESO