



FEED ^{THE} FUTURE

The U.S. Government's Global Hunger & Food Security Initiative



QUARTERLY REPORT # 01 **MERCADO** JUNE 2015



USAID
FROM THE AMERICAN PEOPLE

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I. EXECUTIVE SUMMARY

Feed the Future MERCADO builds on the strong results and best practices that Fintrac and its partner organizations have delivered in Honduras for USAID, the government of Honduras, farmer clients, households, and private sector clients for the past 15 years. MERCADO is a direct follow-on activity to the USAID-ACCESO project, and will continue to deliver successful interventions in agriculture, health, and nutrition for at least 15,000 client households in the dry corridor of Honduras.

MERCADO focuses on three departments in western Honduras characterized by some of the highest levels of poverty and malnutrition in the country: Santa Bárbara, Copán, and Ocotepeque. These departments constitute three of the six dry corridor (*Corredor Seco*) departments that USAID has targeted for development, which are collectively referred to as the Zone of Influence (ZOI).

Six key components will be implemented to enable economic growth and nutrition improvements at the household level:

1. Technical assistance and training to enhance the capacity of poor and extreme poor households in production, postharvest, management, and marketing.
2. Market access through linking smallholders with input suppliers and buyers to realize new supply opportunities, with emphasis on local anchor firms.
3. Rural financial services through existing and new financial intermediaries including *cajas rurales*; cooperatives; commercial banks; buyers and input suppliers offering credit; and other service providers.
4. Policy assistance in eliminating constraints that impede rural households from accessing market opportunities.
5. Malnutrition prevention by enhancing the capacity of rural households to improve utilization and consumption of healthy food; improving living conditions; and reducing health problems.
6. Health and nutrition services to increase outreach and effectiveness of community health and volunteer services.

MERCADO is implemented by the US agribusiness firm Fintrac Inc., in association with Fundación Hondureña de Investigación Agrícola (FHIA), Escuela Agrícola Panamericana (EAP-ZAMORANO), the Global Village Project (PAG), the Organismo Cristiano de Desarrollo Integral de Honduras (OCDIH), and Proyectos e Iniciativas Locales para el Autodesarrollo Regional de Honduras (PILARH).

This is the first quarterly report for MERCADO, summarizing the principal activities carried out from April to June 2015. In the first quarter MERCADO carried out essential mobilization activities, including the selection and transition of household clients and communities from USAID-ACCESO, the transition of selected members of the USAID-ACCESO technical team, and the administrative procurement of equipment and vehicles. Five implementing partners were subcontracted to provide services starting in the first quarter.

Activity management reports prepared and submitted included the branding and marking plan, the environmental mitigation plan, the gender integration strategy, the sub award manual, the work plan and PMP, the monitoring and evaluation plan, and the baseline survey. A security plan was also drafted. Meetings and presentations were held with USAID on the work plan, indicators, implementation strategies and proposed partners.

MERCADO will continue to utilize and expand the whole-systems approach developed under USAID-ACCESO at farm, household, and community levels to target multiple causes of poverty, food insecurity,

and health issues to improve the overall well-being of both directly-assisted households and entire communities. After client household and community selection had been carried out, in-field technical assistance and training began immediately as a continuation from USAID-ACCESO. A total of 8,279 household clients were transitioned from USAID-ACCESO to MERCADO. An additional 108 new household clients were incorporated during the first quarter.

MERCADO is working in 76 municipalities, 495 villages (*aldeas*) and 843 communities (*caseríos*). In order to receive routine and regular technical assistance and training, specific travel routes and group visits for each day have been developed for all agronomy technicians. A total of 223 routes have been developed to date to provide agronomy technical services to 685 groups of household clients. At present the majority of groups range from 11 to 14 households. Specialist technicians coordinate with the agronomy technicians to cover additional training needs. Technical assistance and training activities included:

Production:

- Provide training in good agricultural practices to field technicians and producers to improve productivity and reduce unit of cost of production
- Introduction of improved technologies and integrated crop management
- Introduction of new and /or improved varieties to increase yields, sales price and profitability
- Selection of specific crops for more intense support
- Improve animal feeding, handling and hygiene to generate additional household income
- Add value on-farm with improved postharvest handling and selection systems
- Farmer visits to other farmers to accelerate adoption
- Identification/installation of water sources/irrigation districts

Marketing:

- Introduction of new and /or improved varieties to increase yields, sales price and profitability
- Link farmers with buyers and markets to obtain high sales prices and volumes to minimize logistics costs
- Identification of markets and buyers interested in working with Activity clients
- Develop directory of buyers and products
- Identification of buyers requiring market standards
- Training of growers in utilizing and meeting standards
- Identification of buyers purchasing under formal conditions and terms

Business Skills:

- BDS provider identification, support and linkages with clients
- Training to MSMEs in good business practices
- Build rural financial services including increasing capacity of *cajas rurales* through bulk purchase and warehouse receipt programs
- Promote non-traditional lenders by assisting lower tier groups to access finance for on-lending
- Development of alliances with financial institutions and NGO loan programs
- Develop directory of lenders and products

Nutrition and Health:

- Identification of communities to receive project support (based on coordination with the economic development activities)
- Training of health volunteers, service provider and MoH technicians

- Incorporate ingredients with high micronutrients into diets
- Implementation of healthy household program for illness prevention
- Establish household plots for dietary diversity
- Direct training of mothers and caregivers in Activity communities
- Focused attention given to HHs with underweight children, including home visits

During the first quarter of implementation:

- 7,070 individuals received agricultural sector productivity or food security training. These consisted of 4,657 men and 2,413 women. Production accounted for the highest percentage (63 percent), followed by nutrition and health (18 percent), and animal production (6 percent). For reference purposes, during the reporting period a total of 4,286 training events were carried out with 31,985 participants, including 24,663 male and 7,322 female.
- 30,189 technical assistance visits were made. The majority of these were under the production component (88 percent), business skills (4 percent) and processing (4 percent).
- 86 household clients accessed new market opportunities
- 138 household clients sold to buyers requiring quality standards
- 266 individual investments in fixed assets were made totaling \$299,852, including \$189,773 by Activity clients and \$110,080 from “others” as part of joint investments.
- Three formal public-private sector partnership alliances were signed.
- Seven agricultural and nutritional enabling environment policy related activities are now underway and at varying stages of development.
- New or expanded business opportunities at the household and farm levels are being assessed and developed. These include the production of plantain and cassava chips, toasted coffee, and dairy products, where the family members (mainly women) utilize production from their own household farm and purchase raw materials from neighboring farms. This is being promoted, initially to add income to the household, and eventually to generate employment opportunities.
- A shortlist was developed of 16 ZOI-based anchor firms that may have the potential to increase purchases from MERCADO clients and eventually offer increased employment opportunities.
- Initial discussions were held with representatives from 21 municipalities on economic development planning, including 8 from Copan, 4 from Ocotepeque and 9 from Santa Barbara.
- Meetings were held with representatives from *mancomunidades* in each of the three departments to present MERCADO activities and the possibility of joint investments in hiring agricultural and/or nutritional technicians to work alongside as form part of the MERCADO activity
- A total of \$433,270 in 212 loans was obtained by MERCADO clients. Calendarized production programs with collection centers and input suppliers made up the majority of these loans. A total of 202 individuals were assisted in obtained loans of which 9 were women (4.5 percent).
- Nutrition and health technicians carried out assessments in 123 communities in 30 municipalities in the 3 departments to identify those that had at least 15 children less than 2 years old and with existing organized AIN-C groups or the potential for organizing one.
- Data on all nutrition related indicators was collected for 120 communities. In addition, data was also collected on conditions of the households (existence of eco-justa stoves, latrines, other infrastructure), access to water for human consumption, access to land for household plots, and needs of the community health volunteers in relation to the condition of their homes as well as their needs for training.
- Project staff conducted a total of 159 training events in nutrition and health during the first quarter of implementation, with a total of 3,690 participants of which 3.1 percent were men.

In addition to the planned technical assistance and training MERCADO staff also responded to the DEI requirement for RTN tax numbers, formal invoices and delivery notes for all clients selling products. Meetings and workshops were held with DEI representatives and growers throughout the ZOI to facilitate this process. Support was also provided to SAG on technical responses to the current drought situation affecting the country, including the ZOI.

Planned activities for the upcoming quarter include:

- Based on USAID feedback finalize the PMP, work plan, M&E plan, gender plan, branding plan, and security plan; preparation of the year 2 work plan; coordination with USG-funded projects and INVEST-H/ACS activities; develop seven formal public-private sector alliances.
- Develop alliances to expand embedded technical assistance services and joint training activities; Recruit new Activity household clients, buyers, MSMEs, input suppliers, etc.
- Develop market-driven production programs to meet local and regional demand; maximize production area of current irrigation districts based on water availability; expand all aspects of the cattle production program; provide product options to growers based on water availability; continue to identify possible water sources and irrigation districts.
- Establish calendarized production programs for local market buyers; carry out an assessment of possible ZOI-anchor firms; promote MERCADO clients with established non-ZOI exporters and processors for investment and supplier opportunities.
- Determine the feasibility of new or expanded crop insurance programs; determine the feasibility of mobile money options; activities related to the DEI and client RTNs and formal invoices.
- Establish coordination mechanisms with Ministry of Health; provide training government promoters and community health volunteers in basic practices in hygiene, disease identification and prevention, dietary diversification and water quality; expand training activities to government *Vida Mejor* representatives; identify interested service providers to receive MERCADO assistance.
- Documentation review for joint cost sharing technical assistance activities with *mancomunidades*; review of proposals from private sector companies for joint cost sharing of technical assistance activities.

2. BACKGROUND

Feed the Future MERCADO builds on the strong results and best practices that Fintrac and its partner organizations have delivered in Honduras for USAID, the government of Honduras, farmer clients, households, and private sector clients for the past 15 years. MERCADO is a direct follow-on activity to the USAID-ACCESO project, and will continue to deliver successful interventions in agriculture, health, and nutrition for at least 15,000 client households in the dry corridor of Honduras.

MERCADO focuses on three departments in western Honduras characterized by some of the highest levels of poverty and malnutrition in the country: Santa Bárbara, Copán, and Ocotepeque. These departments constitute three of the six dry corridor (*Corredor Seco*) departments that USAID has targeted for development, which are collectively referred to as the Zone of Influence (ZOI). The three MERCADO departments form the Northern ZOI (NZOI), while the three departments of Intibucá, Lempira, and La Paz are known as the Southern ZOI (SZOI). A separate activity implemented by Honduran government agency INVEST-H will target the SZOI.

The MERCADO activity was signed in late December 2014 and will run for five years, concluding in December 2019. Due to the request from USAID, the USAID activities in the three departments continued until the end of February 2015. Activities carried out under MERCADO were initiated in March 2015. As agreed with USAID, a quarterly report was not prepared for March 2015 as it would have covered only one month of implementation during which time key documents were being prepared. This document presents the first MERCADO quarterly report and covers the initial implementation up to June 2015.

In the implementation sections, the report follows the structure of USAID/Honduras' Country Development Cooperation Strategy (CDCS) in terms of Development Objectives (DO), Intermediate Results (IR), and Sub-Intermediate Results (Sub-IRs). As the activity operates on a fiscal year (FY) basis, targets and activities for the first year cover a nine month period, concluding at the end of September 2015.

MERCADO is implemented by Fintrac Inc. with sub-contractors Fundación Hondureña de Investigación Agrícola (FHIA), Escuela Agrícola Panamericana Zamorano (EAP Zamorano), Proyecto Aldea Global (PAG), Organismo Cristiano de Desarrollo Integral de Honduras (OCDIH) and Proyectos e Iniciativas Locales para el Autodesarrollo Regional de Honduras (PILARH).

3. GOALS AND OBJECTIVES

The activity has the following high-level targets¹:

- Bring 15,000 households living in poverty above the poverty threshold.
- Generate a per capita income of at least \$5,000 for 15,000 families.
- Attain at least 25 percent female participation in increased access to productive economic resources (assets, credit, income, or employment).
- Reduce the prevalence of stunted children under 5 by 20 percent.
- Reduce the prevalence of underweight children under 5 by 20 percent.

Achieving these goals will contribute directly to USAID's DO2: Extreme poverty sustainably reduced for vulnerable populations in Western Honduras. The implementation and work plan framework draws from the results framework in the CDCS and organized down to the specific tasks to be carried out at each Sub-IR level. Under DO2, MERCADO will support the following IRs and Sub-IRs:

IR 2.1: Resilience of livelihoods increased

- Sub-IR 2.1.1 Natural resource management and biodiversity protection improved
- Sub IR 2.1.2 Adaptation of poor households to climate risks increased

IR 2.2: Incomes increased

- Sub-IR 2.2.1 Agricultural productivity improved
- Sub-IR 2.2.2 Market demand and access increased

IR 2.3: Human capital improved, with a focus on children

- Sub-IR 2.3.1 Basic education and nutrition service delivery improved
- Sub-IR 2.3.2 Local service management systems improved

MERCADO has two purposes geared toward achieving these IRs. Each purpose contains outputs that collectively provide the basic framework for implementation:

Purpose 1: Increased inclusive agriculture sector growth

- Output 1.1 – Agricultural productivity improved
- Output 1.2 – Market demand and access increased
- Output 1.3 – Increased investment in agriculture and employment opportunities
- Output 1.4 – Access to financial services improved

Purpose 2: Nutrition status improved

- Output 2.1 - Improved access to diverse and quality food and nutrition-related behaviors
- Output 2.2 – Improved community and household sanitation and hygiene
- Output 2.3 – Improve utilization of maternal and child health and nutrition services
- Output 2.4 – Improved long-term sustainability of these systems in coordination with the Ministry of Health.

These purposes and outputs are directly supported by the specific interventions included in the MERCADO Performance Management Plan (PMP) with the list of indicators, descriptions, and selected tasks.

¹ The targets are notional and are to be revised based on USAID approval of the Year 1 work plan and the baseline report.

4. IMPLEMENTATION APPROACH

MERCADO will increase sales and incomes in three departments of the Honduran dry corridor by introducing basic, market-driven production and postharvest practices for high-value crops and expanding off-farm microenterprise development and employment. Health and nutrition interventions will improve household diets, feeding practices, and sanitation while strengthening community health center and volunteer services.

4.1 COMPONENTS

Six key components will be implemented to enable economic growth and nutrition improvements at the household level:

7. Technical assistance and training to enhance the capacity of poor and extreme poor households in production, postharvest, management, and marketing.
8. Market access through linking smallholders with input suppliers and buyers to realize new supply opportunities, with emphasis on local anchor firms.
9. Rural financial services through existing and new financial intermediaries including *cajas rurales*; cooperatives; commercial banks; buyers and input suppliers offering credit; and other service providers.
10. Policy assistance in eliminating constraints that impede rural households from accessing market opportunities.
11. Malnutrition prevention by enhancing the capacity of rural households to improve utilization and consumption of healthy food; improving living conditions; and reducing health problems.
12. Health and nutrition services to increase outreach and effectiveness of community health and volunteer services.

4.2 POVERTY REDUCTION

Households in extreme poverty and poverty do not generate a daily income over \$1.81 and \$2.42, respectively, for each family member. To move households above the poverty threshold, client households must generate a minimum annual income of \$883 for each family member. A family of six requires an annual income of \$5,300 to classify as above the poverty line. Under MERCADO, on- and off-farm activities and employment will achieve this target income.

MERCADO implementation is based on the following elements:

- Integrating interventions in agriculture and health (and other technical components).
- Market demand and market requirements drive the production activities and the introduction of basic practices and technology.
- Agriculture as a business – with diversified markets, crops, products, and services to reduce risks.
- The client household beneficiaries require consistent technical assistance and training to ensure they adopt and maintain the required production technologies and household practices.
- Local capacity development to increase outreach and contribute to sustainability.
- Collaboration among key public and private actors to maximize resources.
- Technical assistance and training follows the needs and requirements of the client household while also considering gender and youth.

MERCADO aims to work in the following value chains:

- **Horticulture:** vegetables, root crops, non-tree fruits, and smallholder flowers/plants.
- **Coffee:** particularly specialty, but including all differentiated coffees that earn price premiums with improved quality and productivity.
- **Small-scale animal production:** particularly dairy cows.
- **Tree fruits:** high- and low-altitude varieties.
- **Basic grains:** maize and beans.
- **Processing:** processed fruits and vegetables, and dairy products.
- **Off-farm microenterprises:** bakery products, tortillas, crafts, farm services, and others.

In the first phase of implementation, MERCADO will continue USAID-ACCESO supported commercial production programs linking smallholder producers with local, regional, and international buyers. This program will expand as new clients join over the course of implementation. As part of a whole-farm system, MERCADO will work to increase productivity and add value to traditional crops (corn, beans, and coffee) on beneficiary farms. Additionally, MERCADO will focus on high-value horticulture crops, roots and tubers, fruit, and coffee (with basic production practices), while promoting animal production, added-value services and products, and off-farm income and employment opportunities to increase overall household incomes. The whole-farm systems approach emphasizes maximizing income opportunities, developing new and diversifying income sources for all productive family members; reducing risks through crop and income diversification; reaching a balance in the use of natural resources; improving nutrition and increasing access to health services; and promoting renewable energy technologies.

4.3 CLIENT SELECTION

MERCADO client households and communities will be identified for support based primarily on: willingness to work as demonstration clients in their communities, including moving from traditional subsistence practices to commercial production; possession or access to adequate land and water for producing high-value and nutrient-rich crops on commercial plots; and the presence of malnourished children less than 2 years of age. Of the client households to be supported by the activity, an anticipated 90 percent are currently below the poverty line.

Other clients include health and nutrition volunteers, larger-scale growers, financial intermediaries, and business owners and their employees (mostly micro, small, and medium enterprises (MSMEs)) operating in key agricultural value chains. Although some clients in these categories will be above the poverty line, their participation is critical for generating broad-based economic growth and employment opportunities for client households below the poverty line. Other beneficiaries of training activities will include extensionists, technicians, and volunteers working or collaborating with the Ministry of Agriculture, Ministry of Health, non-governmental organizations (NGOs), municipalities, *mancomunidades*, community health centers, and students.

In MERCADO the beneficiary is the household client and not just the male (grower), female (nutrition or processing), or the children (nutrition and health). In most cases, the whole family will be involved in the technical assistance activities in one or multiple components, as the family needs to be lifted above the poverty line, not the individual person. In some components the activities will be implemented at the community level.

Up to 10,000 clients will transition from USAID-ACCESO and begin immediately receiving technical assistance from MERCADO. Additional clients will be recruited from the communities where the USAID-ACCESO transitioned clients live and operate. The selection of communities (and household

clients) for MERCADO activities will be based on the location of former USAID-ACCESO clients continuing under MERCADO who were chosen according to the criteria below:

- Client (and community) attitude and interest to change production systems by implementing basic practices.
- Client Impact and Results Information System (CIRIS) training, technical assistance (TA), investment, and planning reports.
- Presence of irrigation conduction systems (districts and individual).
- Communities/groups of growers with water availability, for new conduction or districts.
- Communities/groups of growers with a minimum of five clients close to the main logistics route for technical assistance delivery.
- Potential for crop diversification and animal production.
- Coffee clients with interest to make changes in basic practices and the ability/interest to diversify.
- The involvement of women growers and/or women in the household interested in income generating activities.
- The number of household members and the potential/interest to achieve income and poverty targets.
- The number of participant or potential household clients associated with the existing groups of growers.
- Organizational level of the growers.
- Road access to the communities to deliver technical assistance and to transport goods and services.
- Support from local municipalities and NGOs.
- Exclude communities/routes with high crime risk potential/record.

Health and nutrition clients will form part of the 15,000 client families below the poverty line; this component will operate principally in communities with high levels of malnutrition. If necessary to ensure the child coverage, additional nutrition communities outside of the economic development activities may be added. All other supporting activities will assist the 15,000 client households and communities, including natural resource management (NRM), postharvest, on- and off-farm MSMEs, business development services, finance, and municipal development.

4.4. CRITICAL ASSUMPTIONS

The success of activity outputs, purposes, and goals rely on the following critical assumptions beyond the scope of MERCADO:

- International commodity prices hold and do not fluctuate substantially.
- No major outbreaks of pests or diseases occur.
- No significant damage caused by climatic changes (e.g. excessive rain, drought, hail, strong winds) occurs.
- Other donors address food insecurity issue in urban areas.
- Food insecurity is primarily an issue of lack of income, not availability of food.
- Foreign exchange rate is not held artificially low.
- Government of Honduras enforces environmental policies and regulations.

5. PARTNERS

Fintrac's primary implementing partners for MERCADO are Fundación Hondureña de Investigación Agrícola (FHIA) and the Escuela Agrícola Panamericana (EAP-Zamorano). Other local partners that will be subcontracted during the first quarter of implementation include Proyecto Aldea Global (PAG), Organismo Cristiano de Desarrollo Integral de Honduras (OCDIH), and Proyectos e Iniciativas Locales para el Autodesarrollo Regional de Honduras (PILARH).

Subcontractor technical staff are an integral part of the MERCADO implementation team. All subcontractors are responsible for the administrative management of the community-based technical unit teams and selected long- and short-term specialists providing support in a number of technical areas.

Subcontractor staff are trained, technically managed, and supervised under Fintrac's programmatic guiding principles, technical approach, and operational procedures to ensure full integration of the different technical components, uniform service delivery, and accountability.

In order to expand outreach, ensure commercial sustainability, and strengthen embedded technical and other services, MERCADO will also develop partnerships for technical assistance and training delivery with both the private and public sectors, including selected municipalities, *mancomunidades*, small community groups, public programs, local and international NGOs, brokers, input and equipment suppliers, financial intermediaries, and commercial banks.

MERCADO will coordinate closely with the government of Honduras and USAID for the implementation of the activity, with particular emphasis on the Ministries of Agriculture (SAG), Health (SS), Economic Development (SDE, formally SIC), and Social Development (SEDIS). USAID/Honduras will also provide activity support and guidance on a continuous basis through ongoing management meetings and field visits.

MERCADO will work directly with ACS-USAID managed by INVEST-H, specifically the technical assistance in the SZOI, the water component covering the entire ZOI, and the trilateral program (with the Honduran Social Fund and Fondo Hondureño de Inversión Social (FHIS)). Where beneficial, MERCADO will also coordinate with projects funded by other donors and/or the Honduran government.

6. MANAGEMENT

6.1 TRANSITION AND MOBILIZATION

In the first quarter MERCADO carried out essential mobilization activities, including the selection and transition of household clients, staff, and field activities from USAID-ACCESO. Support was provided from Fintrac's in-house specialists in contract administration; procurement and logistics; monitoring and evaluation; gender; communications; and other areas as needed. Key MERCADO management activities carried out simultaneously with USAID-ACCESO partial close-out included the following:

- **Contract debrief.** A debrief with USAID was held in February 2015 to discuss key elements of the contract; several points were identified that would require a contract modification.

- **Finance and administration.** Fintrac systems and policies for finance and accounting, procurement, logistics, human resources, communications, and other important management areas were established for MERCADO during the first month of operation.
- **Staff hires.** Staff was contracted under MERCADO, including those individuals moving over from USAID-ACCESO as well as new hires.
- **Client selection.** In the first quarter, the USAID-ACCESO communities, household and MSME clients were identified for transition to MERCADO.
- **Partner organizations.** Five implementing partners (identified in the MERCADO proposal) were subcontracted to provide services starting in the first quarter.

6.2 STAFFING PLAN

The MERCADO staffing plan is designed to provide optimal technical assistance coverage for all targeted departments. The project is managed by a chief of party (COP), two deputy chiefs of party (DCOPs), and five component managers (on-farm productivity, value added, market development, nutrition and health, and M&E), plus three department managers. Other specialists will provide services (both internally to team members and externally to clients) in business skills/finance, NRM, postharvest, and municipal development. The department managers will work with nine zone managers (senior agronomists) who will in turn manage and supervise (initially) 36 junior agronomists. The department managers will be responsible for the coordination and integration of all of the technical components and the delivery of services to households and other clients.

Each junior agronomist will be initially tasked with providing technical assistance and training to around 300 client households. Each senior agronomist will manage, supervise, and provide continuous training to at least five junior agronomists. As indicated previously, the senior agronomists and field technicians are also supported at the household level (and in some cases at the community level) by specialists in marketing, processing, postharvest handling/certification, business skills and finance, livestock, and NRM.

The nutrition team will be made up initially of the nutrition manager, a deputy manager, and six field technicians. Activities will be carried out directly with household clients, and through health volunteers in the selected communities, decentralized service providers, and the Ministry of Health.

All members of this technical team will be equipped with vehicles/motorbikes, laptops, smart phones, GPS equipment, agronomic kits, and training tools, enabling them to spend 90 percent of their time in the field with implementing partners and household clients. Fintrac's program and department managers train and manage all technicians contracted by subcontractors and ensure clients receive uniform high quality training and technical assistance.

To reduce the number of household clients that each field agronomist and nutrition technician needs to attend, alliances will be developed with the private sector, NGOs, and *mancomunidades*. These alliances will be cost sharing grants to partially cover the technician costs in technical assistance and training delivery. To achieve the high level targets and provide a higher quality and more consistent technical assistance delivery, the project will aim for a maximum of 200 household clients per agronomy technician. Fintrac originally proposed municipalities as partners in this activity but subsequently learned via USAID that direct payments cannot be made to the government of Honduras.

6.3 MANAGEMENT REPORTS/DELIVERABLES

The management reports/deliverables prepared during the quarter included:

Branding and Marking. The Branding and Marking Plan submitted with the MERCADO proposal was prepared based on the contract, submitted, rejected by USAID, and then resubmitted after FTF guidelines were provided by USAID. Pending USAID approval. Final guidance is required from USAID based on discussions on whether the MERCADO or ACCESO project name will be used in field activities.

Environmental Mitigation Plan. Prepared, submitted, revised and approved during the quarter.

Gender Integration Strategy. A short term consultant, a Fintrac gender specialist, and members of the MERCADO team developed the MERCADO Gender Strategy in the first quarter of implementation. Revised after USAID comments provided. Pending USAID approval.

Sub awards and technology fund. The sub award and technology fund guidelines were drafted and initially submitted for USAID review in February 2015, reviewed by USAID, then revised and resubmitted. Approval was received during the quarter.

Work Plan / PMP. The work plan is based on CDCS Development Objectives, together with the IRs and Sub-IRs, integrating the Feed the Future framework (as required in Section C. 3.5 of the contract), and contractual outputs and indicators. The work plan reflects the integration and synchronization of the indicators and the activities to be carried out. A sequential numbering system has been used to identify each element (as required in Sections C. 3.4 and C.3.6 of the contract). The work plan / PMP is pending USAID comments/approval. In the MERCADO work plan selected targets are given as notional. These can change after USAID approval is received for the work plan and the baseline survey report. This will also entail modifications to the M&E plan and the contract. This is required as soon as possible as the draft FY 2015/2016 is contractually due before August 1, 2015.

M&E Plan. Submitted and pending USAID comments. Modifications expected once baseline report and work plan are approved.

Baseline Survey. Submitted and pending USAID comments/approval.

Security plan. A consultant was selected to develop a security plan for MERCADO implementation. This was drafted during the current quarter and will be submitted to USAID in Q4/2015.

Start-up management reports prepared to date, with the current status, are provided in Table 1:

Table 1. Status of Management Reports/Deliverables

Report	Date Due	Date Submitted	Status
Branding & Marking Plan	None	Ver. 1. 02/04/15 Ver. 2. 06/04/15	Pending USAID approval
Environmental Mitigation Plan (EMP)	03/15/15	Ver. 1. 03/11/15 Ver. 2. 04/24/15	Approved 05/15/15
Gender Integration Strategy	06/15/15	05/11/15	USAID comments provided 06/15/15; pending resubmission
Sub award Manual	None	Ver. 1. 02/19/15 Ver. 2. 05/08/15 Ver. 3. 06/08/15 Ver. 4. 06/09/15	Approved 06/11/15
Work Plan / PMP	03/15/15	Ver. 1. 03/16/15 Ver. 2. 06/26/15	Pending USAID approval
Monitoring & Evaluation (M&E) Plan	03/15/15	03/16/15	Pending USAID approval
Baseline Survey	06/15/15	06/15/15	Pending USAID approval
Security Plan	None	Pending	Draft under internal Fintrac review

Monthly and quarterly reports, annual work plans, together with success story snapshots, will also be prepared.

The PERSUAP carried out under USAID-ACCESO will be used for MERCADO; chia is to be added to this PERSUAP.

6.4. OTHER MANAGEMENT

Key Personnel: The COP (Andy Medlicott) and two Deputy COPs (Carol Elwin and Ricardo Arias) were fielded from March 1, 2015. On June 1, 2015 Ricardo Arias was transferred to the COP position in the ACS-USAID Activity with INVEST-H and the position was taken by Jorge Soto (previously Deputy COP on USAID-ACCESO).

Project Offices: The main MERCADO management and administrative offices is located within FHIA (a main subcontractor) in La Lima, with satellite office space in Tegucigalpa, and field offices in Santa Rosa de Copan, San Marcos de Ocotepeque and Santa Barbara.

Local Team Transitioned/Hired: On March 1, 2015 the USAID-ACCESO team members programmed to continue under MERCADO were rehired under Fintrac or the respective subcontractors. This also included new hires for selected positions.

Vehicle/Equipment Procurement: MERCADO is currently using vehicles and equipment from the USAID-ACCESO project as part of the disposition plan for that project. Documentation was submitted to USAID for procurement and waivers under MERCADO for motorbikes and pick-ups with approvals received in March and June 2015, respectively. Motorbikes are expected to be delivered in August 2015 and picks ups in November and December 2015. Computer equipment under MERCADO is expected to be received in August 2015.

Consortium Members Subcontracted: subcontracts were signed with the two consortium subcontractors, FHIA and Zamorano, and three additional subcontracts with PAG, OCDIH and PILARH.

Client Transition from USAID-ACCESO: Details on the selection process were given in Section 4.3. A total of 8,279 household clients were transitioned from USAID-ACCESO to MERCADO. During the first quarter an additional 108 new household clients were incorporated.

Monthly Reports: four monthly reports were prepared during the reporting period. These have not yet been distributed as the branding plan is not yet approved.

MERCADO Intranet Site: an internal password protected intranet site for MERCADO and USAID access was developed for posting of Activity materials and documents.

<https://intranet.fintrac.com/honduras-mercado/honduras-mercado-home>

Web Sites: following USAID guidance, no public web site or social media accounts will be maintained. Information and publications will be sent periodically to USAID.

Information and status of management activities as part of the Year I work plan are summarized in Table 2.

Table 2. Status June 2015: Management Activities for MERCADO Work Plan, Year 1 (December 2014 to September 2015)

Activities	Year 1: Targets (Dec. 2014 – Sept. 2015)			Year 1 Total	LOP	Status 06/2015	Added from Previous 1/4	Total to Date	Status	Units
	Q2	Q3	Q4	FY15	FY19					
1	Management									
1.1	Start-Up/Transition Activities									
1.1.1	USAID Contract debrief	1							Completed	Meeting notes
1.1.2	Key Personnel fielded	3							Completed	Activity files
1.1.3	Financial system established	1							Completed	Activity files
1.1.4	Main and regional offices established		3						Completed	Activity files
1.1.5	Local team transitioned/hired								Completed	Activity files
1.1.6	Vehicles and equipment transitioned/procured								On-going	Activity files
1.1.7	Consortium members subcontracted	2							Completed	Signed subcontracts
1.1.8	Clients:									
a.	ACCESO clients transitioned		8,000		8,000	8,279		8,279	Completed	Clients
b.	New clients added		1,000	1,000	2,000	10,000	108	108	On-going	New Clients
1.2	Management Reports/Deliverables									
1.2.1	Branding & Marking Plan drafted and submitted				1	1			Pending USAID approval	Plan
1.2.2	EMPR drafted and submitted				1	1			USAID Approved	Report
1.2.3	Annual work plan drafted and submitted				1	5			Pending USAID approval	Reports
1.2.4	Gender strategy drafted and submitted				1	1			Pending USAID approval	Strategy
1.2.5	Security plan drafted and				1	1			In preparation	Plan

Table 2. Status June 2015: Management Activities for MERCADO Work Plan, Year 1 (December 2014 to September 2015)

Activities		Year 1: Targets (Dec. 2014 – Sept. 2015)			Year 1 Total	LOP	Status 06/2015	Added from Previous 1/4	Total to Date	Status	Units
		Q2	Q3	Q4	FY15	FY19					
	submitted										
1.2.6	Sub awards manual drafted and submitted				1	1				USAID Approved	Manual
1.2.7	Monthly Bulletins	1	3	3	7	57	4	4		On-going	Bulletins
1.2.8	Quarterly/Annual/Final Progress Reports		1	1	2	18	1	1		On-going	Reports

6.5 MONITORING AND EVALUATION

The PMP/M&E Plan was developed and submitted for USAID review in March 2015; this is pending USAID comments/approval. The activity's M&E database (CIRIS) was developed and installed in computers for all field and management staff. The MERCADO Baseline Survey was initiated in March 2015, completed in May 2015 and presented to USAID in June 2015; this is pending USAID comments and approval. Once approval is received on the baseline report, selected targets will be revised and adjusted where appropriate based on baseline data.

Information and status of M&E activities as part of the Year 1 work plan is summarized in Table 3.

Table 3. Status June 2015: M&E Activities for MERCADO Work Plan, Year 1 (December 2014 to September 2015)

Activities		Year 1: Output Targets (Dec. 2014 – Sept. 2015)			Year 1 Total	LOP	Status
		Q2	Q3	Q4	FY15	FY19	
2 Monitoring & Evaluation Activities							
2.1	M&E Plan/PMP developed and submitted	1					Pending USAID approval
2.2	Fintrac M&E System (CIRIS) installed		1				Completed
2.3	Staff trained in M&E methodology and CIRIS						Completed
2.4	Baseline Survey Conducted and Submitted	1					Pending USAID approval
2.5	Snapshots Produced and Disseminated			3	3	54	
2.6	Annual PMP/Performance Indicator Review			1	1	1	

7. INTERVENTIONS - PURPOSE 01: INCREASED INCLUSIVE AGRICULTURAL SECTOR GROWTH

MERCADO will establish market-driven production programs that match small suppliers to local, regional, and international buyers, with a focus on higher-value and value-added crops including vegetables, root crops, fruit, coffee, small-scale animal production, and off-farm businesses. Under the whole-farm approach, MERCADO will promote increased productivity and adding value to traditional crops (maize, beans, and coffee) and emphasize crop and income diversification on beneficiary farms. The approach will emphasize improving household nutrition, maximizing income streams for all productive family members, limiting risk through diversification, balancing the use of natural resources, increasing access to improved health services, and promoting renewable energy technologies.

Extremely poor clients have been using traditional production methods passed down for generations and are understandably extremely risk averse. Under USAID-ACCESO, aggressive marketing of the project within ZOI communities was required to attract even the few initial farmers willing to take the risk of making simple but unproven (to them) production changes, with most other farmers taking a wait-and-see approach. For rain-fed production, this hesitation meant a delay of a year or more before significant numbers of farmers bought into the new basic practices, and even longer for the adoption of more advanced agronomic skills and technologies. MERCADO will build and expand upon the foundation developed under USAID-ACCESO, where communities now have faith in Fintrac methodologies and technicians; input suppliers are actively targeting the region (and participating in training activities); buyers are providing market access; and project-assisted financial institutions are lending to selected clients.

MERCADO will continue to utilize and expand the whole-systems approach at farm, household, and community levels to target multiple causes of poverty, food insecurity, and health issues to improve the overall well-being of both directly-assisted households and entire communities.

7.1. HIGH LEVEL TARGETS

The indicators related to **CDCS IR. 2.2. INCOMES INCREASED; CDCS Sub-IR 2.2.1 Agricultural Productivity Improved** are as follows:

Indicator 2.2.1-1. Number of households living in poverty moved above the poverty line

Results for this indicator will be reported from data obtained from annual client household surveys to be carried out in August and September each year started in Year 2. The given target is notional and will be set based on the baseline survey report data, subject to approval from USAID.

Indicator 2.2.1-2. Number of households with annual income of at least \$5,000

Fintrac has requested that this indicator be removed or modified (Year 1 work plan). To achieve the goal of moving households above the poverty threshold (2.2.1-1), client households must generate a minimum annual income of \$883 for each family member. A family of six requires an annual income of \$5,300 to be classified as being above the poverty line. The average family size is expected to be around 5.5 members, who would require an annual income of \$4,800. This means that around 50 percent of the

household clients could meet the poverty level target and not meet the \$5,000/year target. Similarly, a family of 8 could meet the \$5,000 target but not meet the poverty level target. Fintrac requests that this indicator be removed, or modified to an average of \$5,000 per year per household by life of the project. The initial income level would be determined from baseline and increased annually during implementation, thus enabling progress and change to be tracked. It will also be in line with recommendations provided by RIG auditors during implementation of USAID-ACCESO.

Indicator 2.2.1-3. Proportion of female participants in USG-assisted programs designed to increase access to productive economic resources (assets, credit, income or employment)

In the Year I work plan Fintrac has requested that as opposed to tracking and using the number or percentage of household clients where the woman is registered as the client in the project's database, this high-level indicator should track participation based on the access to productive economic resources. As in USAID-ACCESO, under MERCADO this indicator will be tracked based on the percentage of women accessing credit because doing so provide a more accurate indication of access as opposed to just the number or percentage of women participants.

In the first quarter of field implementation, 4.5 percent of the individual clients accessing finance were women (Table 4).

Table 4. Individual Clients Accessing Financing by Sex (Status 06/2015)

Quarter	Total			% Female
	Female	Male	Total	
Jun-15	9	193	202	4.5%

The indicators, the indicator category, and high level targets in the year I work plan related to **CDCS IR. 2.2. INCOMES INCREASED; CDCS Sub-IR 2.2.1 Agricultural Productivity Improved** are provided in Table 5.

Table 5. Status June 2015 - High-level targets for MERCADO Work Plan, Year I (December 2014 to September 2015)

Indicators/Activities/Tasks	CDCS Indicator #	FTF Indicator #	Contract	Year 1: Output Targets (Dec. 2014 – Sept. 2015)			Year 1 Total	Status 06/2015	Added from Previous 1/4	Total to Date	LOP	Units	
				Q2	Q3	Q4							FY15
DEVELOPMENT OBJECTIVE 2: EXTREME POVERTY SUSTAINABLY REDUCED FOR VULNERABLE POPULATIONS IN WESTERN HONDURAS													
CDCS IR. 2.2. INCOMES INCREASED													
CDCS Sub-IR 2.2.1 Agricultural Productivity Improved													
2.2.1-1	Number of households living in poverty moved above the poverty line *	NO	Custom	YES				0	n/a		n/a	15,000	Households
2.2.1-2	Number of households with annual income of at least \$5,000 * ¹	NO	Custom	YES				0	n/a		n/a	15,000	Households
2.2.1-3	Proportion of female participants in USG-assisted programs designed to increase access to productive economic resources (assets, credit, income or employment) *	NO	GNDR-2	YES				12%	4.5%		4.5%	25%	% female

**Targets are notional and will be revised as per baseline results.*

¹Requested that this indicator and associated targets be removed or modified as it does not track or demonstrate achievement towards poverty reduction.

7.2 OUTPUT 1.1: IMPROVED AGRICULTURAL PRODUCTIVITY

CDCS IR. 2.2. INCOMES INCREASED

CDCS Sub-IR 2.2.1 Agricultural Productivity Improved

PURPOSE 01: INCREASED INCLUSIVE AGRICULTURAL SECTOR GROWTH

Improved Agricultural Productivity (Output 1.1)

Indicator 2.2.1-4. Gross margin per hectare, animal, or cage of selected product

Results for this indicator will be reported from data obtained from annual client household surveys to be carried out in August and September each year started in Year 2. The given target is notional and will be set, together with the crops, based on the baseline survey report data, subject to approval from USAID.

Activities from selected tasks identified in the Year 1 work plan included:

Provide training in good agricultural practices to field technicians and producers to improve productivity and reduce unit of cost of production:

- Basic production practices for basic grain production, including land preparation, seed selection, seed germination testing, planting density, planting systems, weed control, soil liming, and diluted fertilizer applications.
- Coffee production practices including shade management, pruning, soil liming, and fertilizer applications.
- Implementation of basic production practices for calendarized horticulture production
- Nutritional programs for cattle production

Introduction of improved technologies and integrated crop management:

- Management and maintenance of drip irrigation systems, including fertigation
- Use of floating row covers for pest prevention and control in vegetable crops
- Technified planting of pasture and protein sources for cattle using basic production practices and irrigation
- Soil preparation, contoured beds and soils erosion controls
- Training in the correct and safe use of pesticides

Selection of specific crops for more intense support:

- Focus given during the quarter to rain-fed basic grain production in selected zones with adequate expected rainfall.
- Calendarized production programs developed with a focus on carrots, lettuce, beetroot, plantain, papaya, cassava and onions.

Add value on-farm with improved postharvest handling and selection systems:

- Installation of charcoal cool stores and basic packing structures in irrigation districts.
- Grading systems implemented by growers involved with calendarized production programs.

Indicator 2.2.1-5. Number of rural households benefiting directly from USG interventions

A total of 8,279 household clients were transitioned from USAID-ACCESO to MERCADO. An additional 108 new household clients were incorporated during the reporting period (Table 6). Breakdown by category, department and type is provided in Tables 7, 8 and 9.

Table 6. Number of Clients assisted (Status: 06/2015)

Department	ACCESO Transferred	New Clients	Total
Copán	3,049	11	3,060
Ocotepeque	2,374	48	2,422
Santa Bárbara	2,856	49	2,905
Total	8,279	108	8,387

Table 7. Client breakdown by category (Status: 06/2015)

Category	# Clients	% of All Clients
Extreme Poverty	6,297	61%
Poverty	513	5%
Non-poverty	1,577	15%
Off-Farm MSMEs	25	0%
Others	1,858	18%
Total	10,270	100%

* Others include: Off-farm MSMEs, BDS providers, CBOs, Municipalities, buyers, AIN-C Groups, N&S beneficiaries

Table 8. Client breakdown by department (Status: 06/2015)

Department	Extreme Poverty	Poverty	Non Poor	Others*	Total
Copán	2,492	117	452	767	3,827
Ocotepeque	1,737	183	502	566	2,988
Santa Bárbara	2,068	213	624	458	3,363
Others*				92	92
Total	6,297	513	1,577	1,883	10,270

* Others include: Off-farm MSMEs, BDS providers, CBOs, Municipalities, buyers, AIN-C Groups, N&S beneficiaries

Table 9. Client breakdown by Type (Status: 06/2015)

Type	# Clients	% of All Clients
Household	8,387	81.7%
Off-Farm MSMEs	25	0.2%
BDS Providers	100	1.0%
AIN-C Group	117	1.1%
Community Based Association/Organization	3	0.0%
Municipality	20	0.2%
Household Health & Nutrition	1,112	10.8%
Buyers	506	4.9%
Total	10,270	100%

Details were provided in Section 4.3 on the client selection criteria for transfer from USAID-ACCESO to MERCADO. New clients are being selected to join existing client groupings using the same criteria. An assessment is being carried out on each household to determine production resources, production and income options and potential income generation.

MERCADO is working in 76 municipalities, 495 villages (*aldeas*) and 843 communities (*caseríos*). In order to receive routine and regular technical assistance and training, specific travel routes and group visits for each day have been developed for all agronomy technicians. A total of 223 routes have been developed to date to provide agronomy technical services to 685 groups of household clients. At present the majority of groups range from 11 to 14 households. Specialist technicians coordinate with the agronomy technicians to cover additional training needs.

**Table 10. Number of Municipalities and Communities assisted
(Status: 06/2015)**

Department	Jun-15		
	# Municipalities	# Villages (aldeas)	# Communities (caseríos)
Copán	24	183	282
Ocatepeque	23	124	230
Santa Bárbara	29	188	331
Total	76	495	843

Indicator 2.2.1-6. Number of hectares of land under improved technologies or management practices as a result of USG assistance

Results for this indicator will be reported from data obtained from annual client household surveys to be carried out in August and September each year started in Year 2. The given target is notional and will be set based on the baseline survey report data, subject to approval from USAID.

Activities from selected tasks identified in the Year 1 work plan included:

Provide training in good agricultural practices to field technicians and producers to improve productivity and reduce unit of cost of production:

- Training activities included soil preparation, soil conservation, contoured raised beds, use of live barriers, use of drip irrigation, water source protection, and others.

Farmer visits to other farmers to accelerate adoption:

- Farmer groups visits were used to demonstrate technology implementation by growers under similar conditions, including drip irrigation, calendarized production systems, new crop options, and coffee and cattle production systems.
- Farmer field days were carried out for various crops, including plantain, carrot and tomato.

Identification/installation of water sources/irrigation districts:

- A total of 70 potential water sources for irrigation districts were identified, with a potential area of 915 hectares and 1,400 beneficiaries. Selected districts were provided to FHIS and will be provided to Chemonics under the INVEST-H ACS project.

Indicator 2.2.1-7. Number of farmers and others who have applied improved technologies or management practices as a result of USG assistance

Results for this indicator will be reported from data obtained from annual client household surveys to be carried out in August and September each year started in Year 2. The given target is notional and will be set based on the baseline survey report data, subject to approval from USAID.

Activities carried out under this indicator were directly related to those under 2.2.1-6.

Indicator 2.2.1-8. Number of individuals who have received USG supported short-term agricultural sector productivity or food security training

During the first quarter of implementation 7,070 individuals received agricultural sector productivity or food security training. These consisted of 4,657 men and 2,413 women (34.1 percent). Breakdown by department, sex, and technical component is given in Table 11 to 13. Production accounted for the highest percentage (63 percent), followed by nutrition and health (18 percent), and animal production (6 percent).

Individuals may have received training in different technical areas and as a result the total number presented is higher than the 7,070 (Table 12).

Names and identification numbers for each participant in training activities are taken from training logs and entered one by one into CIRIS; identification numbers are then used to determine the number of individuals. Individuals may have participated in one or multiple training events.

Table 11. Summary of Individuals Trained by Department (Status: 06/2015)

Department	Jun-15		
	# Males	# Females	Total
Copán	955	689	1,644
Ocatepeque	1,980	1,274	3,254
Santa Bárbara	1,722	450	2,172
Total	4,657	2,413	7,070
Only individuals with National ID numbers are included			

Table 12. Summary of Individuals Trained by Department (Status: 06/2015)

Activity Area	Jun-15		
	# Males	# Females	Total
Animal Production	389	64	453
Business Skills	296	76	372
Certifications	191	23	214
Finance / Credit	21	1	22
Health & Nutrition	40	1,424	1,464
Market Information / Marketing	14	14	28
Natural Resource Management (NRM)	13		13
Other	5	6	11

Table 12. Summary of Individuals Trained by Department (Status: 06/2015)

Activity Area	Jun-15		
	# Males	# Females	Total
Postharvest	268	54	322
Processing	23	65	88
Production	4,245	860	5,105
Project	2		2
Renewable Energy	8	2	10
Grand Total	5,515	2,589	8,104

Only individuals with National ID numbers are included (7,070). Individuals can receive trainings in more than one activity area

Table 13. Summary of Individuals Trained by Sex (Status: 06/2015)

By Sex	Jun-15	Total
Males Assisted	4,657	4,657
Females Assisted	2,413	2,413
TOTAL	7,070	7,070
Female % of Total	34.1%	34.1%

For reference purposes, during the reporting period a total of 4,286 training events were carried out with 31,985 participants, including 24,663 male and 7,322 female (23 percent). Production training accounts for the highest percentage of participants (77 percent) followed by nutrition and health (12 percent). Data is given in Tables 14 to 16.

Table 14. Training Events and Participants by Technical Area (Status: 06/2015)

Technical Area	Jun-15			
	Male	Female	Total	# Events
Animal Production	894	152	1,046	150
Business Skills	789	224	1,013	108
Certifications	243	81	324	21
Finance / Credit	38	3	41	5
Health & Nutrition	114	3,576	3,690	159
Market Information	39	16	55	5
Other	5	6	11	1
Postharvest	542	85	627	130
Processing	75	231	306	41
Production	21,784	2,934	24,718	3,628
Renewable Energy	23	9	32	6
Natural Resource Management (NRM)	117	5	122	14

Table 14. Training Events and Participants by Technical Area (Status: 06/2015)

Technical Area	Jun-15			
	Male	Female	Total	# Events
Total	24,663	7,322	31,985	4,268

Table 15. Training Participants by Sex (Status: 06/2015)

By Sex	Total
Males	24,663
Females	7,322
TOTAL	31,985
Female % of Total	22.9%

Table 16. Training Participants by Department (Status: 06/2015)

Department	Jun-15	
	Total	# Events
Copán	9,001	1,408
Ocatepeque	12,494	1,454
Santa Bárbara	10,490	1,406
Total	31,985	4,268

Indicator 2.2.1-9. TA/extension visits by activity & partner technicians

During the first quarter of implementation 30,189 technical assistance visits were made. Breakdowns by technical component and department are provided in Tables 17 and 18. The majority of these were under the production component (88 percent), business skills (4 percent) and processing (4 percent).

Table 17. Technical Assistance Provision by Technical Area (Status: 06/2015)

Area	Jun-15	% TA Visits
Certifications Systems	251	0.8%
Business Skills	1,177	3.9%
Health & Nutrition	281	0.9%
Market Information	82	0.3%
Natural Disasters Mgt.	15	0.0%
Natural Resources Mgt.	154	0.5%
Postharvest	629	2.1%
Production	26,434	87.6%
Processing	1,139	3.8%
Renewable Energy	23	0.1%

**Table 17. Technical Assistance Provision by Technical Area
(Status: 06/2015)**

Area	Jun-15	% TA Visits
Other	4	0.0%
TOTAL	30,189	100.0%

**Table 18. Technical Assistance Provision by
Department (Status: 06/2015)**

Department	Jun-15	% TA Visits
Copán	8,431	28%
Ocotepeque	10,985	36%
Santa Bárbara	10,770	36%
Other	3	0%
TOTAL	30,189	100%

Indicator 2.2.1-10. Technical materials produced or updated

A wide range of technical materials will be developed to use as part of the training activities directly with household clients and with technicians in NGOs, the private sector and the government. To date three materials were prepared. Details are provided in Table 19.

Table 19. Number of Technical Materials Produced by Component

Technical Area	Tool	Pres.	Total
Marketing		2	2
Production	1		1
Total	1	2	3

Note: rain-fed basic grain production planting in May and June have been affected by drought conditions throughout the ZOI. In extreme cases this has resulted in crop losses and in others with improved basic production practices, reduced yields are expected. Given the sometimes extreme conditions, some water sources in irrigation districts have reduced or no water as of June which has resulted in reduced planting areas. Discussions were held with other projects and with SAG on potential technical responses. MERCADO is recommending the implementation of the basic production practices to minimize potential losses, planting areas based on the irrigation water availability, and the selection of short term less water intensive crops (rather than on potential income). Over the longer term, more irrigation districts are required, with the required technical assistance, market driven production and with the appropriate water sources protection systems. MERCADO is actively identifying potential projects. Rain water harvesting has been suggested, but these will incur additional costs for the overall irrigation investments. No new irrigation districts have been installed in 2015 by USAID-ACCESO or MERCADO. A few selected projects will be installed by FHIS with USAID funds in the USAID-ACCESO departments now covered by INVEST-H/ACS. The INVEST-H/ACS water project covering irrigation installation was initiated in June 2015, but is unlikely to begin installations in 2015.

The indicators, the indicator category, high level targets and the current status (where applicable) in the year 1 work plan related to **CDCS IR. 2.2. INCOMES INCREASED; CDCS Sub-IR 2.2.1 Agricultural Productivity Improved, Purpose 01 Increased Inclusive Agricultural Sector Growth, Output 1.1 Improved Agricultural Productivity** are provided in Table 20.

Table 20. Status June 2015. Output 1.1 Improved Agricultural Productivity for MERCADO Work Plan, Year 1 (December 2014 to September 2015)

Indicators/Activities/Tasks	CDCS Indicator #	FTF Indicator #	Contract	Year 1: Output Targets (Dec. 2014 – Sept. 2015)			Year 1 Total	Status 06/2015	Previous 1/4	Total to Date	LOP	Units	
				Q2	Q3	Q4							FY15
DEVELOPMENT OBJECTIVE 2: EXTREME POVERTY SUSTAINABLY REDUCED FOR VULNERABLE POPULATIONS IN WESTERN HONDURAS													
CDCS IR. 2.2. INCOMES INCREASED													
CDCS Sub-IR 2.2.1 Agricultural Productivity Improved													
PURPOSE 01: INCREASED INCLUSIVE AGRICULTURAL SECTOR GROWTH													
Improved Agricultural Productivity (Output 1.1)													
2.2.1-4	Gross margin per hectare, animal or cage of selected product* ²	YES	FTF 4.5 (16,17,18)	YES				46%	n/a		n/a	200%	US\$/Hectare
2.2.1-5	Number of rural households benefiting directly from USG interventions	NO	FTF 4.5.2 (13)	YES				10,000	8,387		8,387	18,000	Households
2.2.1-6	Number of hectares of land under improved technologies or management practices as a result of USG assistance	NO	FTF 4.5.2 (2)	YES				5,000	n/a		n/a	18,000	Hectares
2.2.1-7	Number of farmers and others who have applied improved technologies or management practices as a result of USG assistance	YES	FTF 4.5.2 (6)	YES				5,000	n/a		n/a	18,000	Farmers
2.2.1-8	Number of individuals who have received USG supported short-term agricultural sector productivity or food security training	NO	FTF 4.5.2 (7)	NO				10,000	7,070		7,070	30,600	Individuals
2.2.1-9	TA/extension visits by activity & partner technicians	NO	NO	NO	1,000	5,000	10,000	16,000	30,189		30,189	440,000	On-farm TA visits
2.2.1-10	Technical materials produced or updated	NO	NO	NO	2	5	5	12	3		3	80	# Materials

7.3 OUTPUT 1.2: MARKET DEMAND AND ACCESS INCREASED

CDCS IR. 2.2. INCOMES INCREASED

CDCS Sub-IR 2.2.1 Agricultural Productivity Improved

PURPOSE 01: INCREASED INCLUSIVE AGRICULTURAL SECTOR GROWTH

Market Demand and Access Increased (Output 1.2)

Indicator 2.2.2-1. Value of incremental sales (collected at farm-level) attributed to Feed the Future implementation

Results for this indicator will be reported from data obtained from annual client household surveys to be carried out in August and September each year started in Year 2. The given target is notional and will be set based on the baseline survey report data, subject to approval from USAID.

Activities from selected tasks identified in the Year 1 work plan included:

Provide training in good agricultural practices to field technicians and producers to improve productivity and reduce unit of cost of production:

- Introduction of calendarized production programs, implementation of basic production practices for horticultural crops.
- Identification of added value and off-farm business opportunities to supplement household incomes, including plantain chips, dairy products, toasted coffee, bakery products, and plantlet production.

Introduction of improved technologies and integrated crop management:

- Includes the use of drip irrigation systems, improved overhead sprinkler systems, floating row cover, macro-tunnels, and calendarized production systems between growers.
- Crop rotation, improved (and reduced) fertilizer applications, pest and disease identification, and improved (and reduced) pesticide applications.

Introduction of new and /or improved varieties to increase yields, sales price and profitability:

- New crops introduced to growers included carrots, lettuce, passion fruit, papaya, potato (new to the growers).
- Improved varieties of tomato and peppers (hybrids with specific resistance to pests and diseases).

Link farmers with buyers and markets to obtain high sales prices:

- New buyers introduced into zones where there was no previous presence.
- Buyer/grower links made with regional collection centers for calendarized production programs for mainstream markets.
- Buyer/grower links made with intermediary buyers selling on to local and regional markets.
- Buyer/grower links made with processors for production programs including hot peppers and plantain.

Indicator 2.2.2-2. Number of MSMEs accessing new market opportunities

Results for this indicator are reported quarterly, based on grower/buyer linkages. Activities from selected tasks identified in the Year 1 work plan included:

Identification of markets and buyers interested in working with Activity clients:

- Grower links were made with regional collection centers and intermediary buyers to start new calendarized production programs or purchasing agreements, including Finca Montecristo (cattle) and Granja Avícola La Fuente (poultry) in Copan, passion fruit and corn cob buyers, oriental vegetables with D-Eliete and coffee with Olam in Santa Barbara.

Develop directory of buyers and products:

- A directory of buyers was initiated covering local intermediaries, collection centers, exporters, processors, retail and wholesale markets for a range of fresh and processed products.

During the first quarter of implementation a total of 86 household clients accessed new market opportunities (Table 21).

**Table 21. Number of Clients Accessing New Market Opportunities*
(Status: 06/2015)**

Quarter	Copán	Ocotepeque	Santa Bárbara	Total
Jun-15	34	25	27	86

*>=2 deliveries each one

Indicator 2.2.2-3. Number of MSMEs that have been verified to meet market standards for their products

Results for this indicator are reported quarterly, based on grower/buyer linkages. Activities from selected tasks identified in the Year I work plan included:

Identification of buyers requiring market standards:

- The directory of buyers initiated during the quarter includes buyers requiring product standards (and certifications).

Training of growers in utilizing and meeting standards:

- A total of 32 training events were carried out in product grading, selection and packing involving 107 participants.

During the first quarter of implementation a total of 138 household clients sold to buyers requiring quality standards (Table 22).

Table 22. Number of MSMEs that have been verified to meet standards for their products (Status: 06/2015)

Department	# Buyers with Quality Standards	# Clients Delivering
Copán	20	89
Ocotepeque	2	7
Santa Bárbara	1	4
Others	5	38
Grand Total	28	138

Indicator 2.2.2-4. Number of MSMEs that have entered into a contract agreement

This indicator will be reported in September 2015. Activities from selected tasks identified in the Year 1 work plan included:

Identification of buyers purchasing under formal conditions and terms:

- The directory of buyers initiated during the quarter includes buyers working with formal or informal contracts.
- Activities initiated with an oriental eggplant buyer (D'Elite) and hot peppers (EYL Comercial).

Triangulation between buyers and credit providers:

- The first triangulated credit program was initiated for oriental eggplant production in Santa Barbara between MERCADO growers, D'Elite and Del Campo (with agricultural inputs)

Indicator 2.2.2-5. Number of MSMEs, including farmers, providing business development services from USG assisted sources

Results for this indicator are reported quarterly, based on the services provided and client registration. Activities from selected tasks identified in the Year 1 work plan included:

Service provider identification, support and linkages with clients:

- A directory of service providers was initiated and will continue to be expanded.

Training to MSMEs in good business practices:

- Training was initiated with several *cajas rurales* in grain warehouse receipts systems, small scale input store operations and expanding loan services.

During the first quarter of implementation 6 assisted MSMEs were registered as providing business development services in the form of joint training activities. These included 3 buyers, 1 processor and 2 input suppliers.

NOTE: This indicator requires a contract modification to changes from “number of MSMEs receiving...” to “number of MSMEs providing...”

Indicator 2.2.2-6. Intermediate brokers incorporated as Activity clients

Results for this indicator are reported quarterly, based on the broker client registration. Activities from selected tasks identified in the Year 1 work plan included:

Needs assessment of product/volumes/frequency:

- Short buyer surveys carried out of selected brokers to determine products and volume requirements and possible matchmaking with Activity clients and calendarized production programs.

Introduction of embedded technical and other services:

- Meetings and training initiated with local collection centers, coffee buyers and input suppliers on embedding technical assistance and training services into purchasing agreements.

During the first quarter of implementation 157 intermediary buyers were incorporated as clients, with supplier linkages being the main support provided. The majority of these were local retail outlets, intermediary buyers and supermarkets.

Indicator 2.2.2-7. Extension services provided by *mancomunidades*, NGOs, and private sector

Activities related to embedded extension services focused on development the MERCADO grants manual, meetings with *mancomunidades* and municipalities, selected NGOs and private sector companies to present MERCADO activities and to determine interest and needs for collaboration. Three letters of collaboration were signed during the reporting period, including joint technical assistance services, which will begin in the next quarter. These were Corredor de Quetzal (finance), ANAVIH (nutrition) and World Vision (production). The partner fund component involving joint investments in technical assistance and training provision is expected to begin in the next quarter.

Indicator 2.2.2-8. Farm-gate price SMS reporting system

Agreement was made with SIMPAH to receive market price reports which were used in MERCADO activities and shared where necessary with MERCADO clients. No additional activities were carried out in this reporting period on the farm-gate reporting system.

The indicators, the indicator category, high level targets and the current status (where applicable) in the year 1 work plan related to **CDCS IR. 2.2. INCOMES INCREASED; CDCS Sub-IR 2.2.1 Agricultural Productivity Improved, Purpose 01 Increased Inclusive Agricultural Sector Growth, Output 1.2 Market Demand and Access Increased** are provided in Table 23.

Table 23. Status June 2015. Output 1.2 Market Demand and Access Increased for MERCADO Work Plan, Year 1 (December 2014 to September 2015)

Indicators/Activities/Tasks	CDCS Indicator #	FTF Indicator #	Contract	Year 1: Output Targets (Dec 2014 - Sep 2015)			Year 1 Total FY15	Status 06/2015	Added from Previous 1/4	Total to Date	LOP	Units	
				Q2	Q3	Q4							
DEVELOPMENT OBJECTIVE 2: EXTREME POVERTY SUSTAINABLY REDUCED FOR VULNERABLE POPULATIONS IN WESTERN HONDURAS													
CDCS IR. 2.2. INCOMES INCREASED													
PURPOSE 01: INCREASED INCLUSIVE AGRICULTURAL SECTOR GROWTH													
CDCS Sub-IR 2.2.2 Market Demand and Access Increased													
Improved Access to Markets (Output 1.2)													
2.2.2-1	Value of incremental sales (collected at farm-level) attributed to Feed the Future implementation*	YES	FTF 4.5.2 (23)	YES				0	n/a		n/a	\$ 70.00	US\$ million
2.2.2-2	Number of MSMEs accessing new market opportunities	YES	CUSTOM	YES		200	300	500	86		86	10,000	Linkages
2.2.2-3	Number of MSMEs that have been verified to meet market standards for their products	NO	CUSTOM	YES		50	150	200	138		138	3,000	MSMEs
2.2.2-4	Number of MSMEs that have entered into a contract agreement	YES	CUSTOM	YES		50	150	200	n/a		n/a	3,000	MSMEs
2.2.2-5	Number of MSMEs, including farmers, providing business development services from USG assisted sources ³	NO	FTF 4.5.2 (37)	YES				30	6		6	200	MSMEs
2.2.2-6	Intermediate brokers incorporated as Activity clients	NO	NO	NO		20	20	40	157		157	240	Brokers
2.2.2-7	Extension services provided by <i>mancomunidades</i> , NGOs and private sector companies	NO	NO	NO			5	5	n/a		n/a	15	Technicians
2.2.2-8	Farm-gate price SMS reporting system	NO	NO	NO				0	n/a		n/a	1	System operating

7.4 OUTPUT 1.3: INCREASED INVESTMENT IN AGRICULTURE AND EMPLOYMENT OPPORTUNITIES

CDCS IR. 2.2. INCOMES INCREASED

CDCS Sub-IR 2.2.1 Agricultural Productivity Improved

PURPOSE 01: INCREASED INCLUSIVE AGRICULTURAL SECTOR GROWTH

Increased investment in agriculture and employment opportunities (Output 1.3)

Indicator 2.2.2-9. Value of new private and public investment facilitated by Feed the Future assistance

Results for this indicator are reported quarterly, based on reported investments by household clients and others in fixed assets. Activities from selected tasks identified in the Year 1 work plan included:

Introduction of new technologies requiring investment in fixed assets at the farm, SMME and buyer levels:

- Technical assistance and training which leads to the adoption of technologies or systems usually requires some form of investment in fixed assets directly by the household client, a grower group or joint investments with partners (municipalities, NGOs, private sector, etc.).
- This included coffee and tree fruit plants for new plantings, irrigation equipment and installation, small scale farm equipment, animal production infrastructure and genetics, household improvements, processing plant infrastructure, and a potable water system improvement.

Promotion of business opportunities and market links leading to investments in packing, processing, marketing and logistics infrastructure:

- Assistance was provided to an oriental vegetable exporter to identify possible sites in Santa Barbara or Copan to establish a small scale packing facility
- Investments in fixed assets for processing were made mainly in dairy and poultry operations.

Development of public/private sector alliances to obtain co-investments in infrastructure improvements:

- Alliances made during the first quarter of implementation were to facilitate implementation rather than investment. Alliances under discussion and negotiations which are expected to involve investments in fixed assets/infrastructure include Grupo Comidas Rápidas, D'Elite, EYL Comercial and OLAM.

During the first quarter of implementation 266 individual investments in fixed assets were made totaling \$299,852, including \$189,773 by Activity clients and \$110,080 from "others" as part of joint investments. No Activity funds were used. Breakdowns by technical component, department and sex are provided in Tables 24 to 26.

Table 24. Summary of Investments by Activity Area (Status: 06/2015)

Area	Jun-15			Total	
	Client \$	Others \$	Project \$	\$	#
Animal Production	23,900	1,818		25,718	27
Forestry		2,529		2,529	2
Health & Nutrition	60,691	2,136		62,827	21
Natural Resource Management		54,359		54,359	12

Table 24. Summary of Investments by Activity Area (Status: 06/2015)

Area	Jun-15			Total	
	Client \$	Others \$	Project \$	\$	#
Processing	15,500	500		16,000	11
Production	89,409	46,419		135,828	182
Renewable Energy	273	2,318		2,591	11
Total	189,773	110,080		299,852	266

Table 25. Summary of Investments by Department (Status: 06/2015)

Quarter	Copan		Ocatepeque		Santa Barbara		Total \$	Total #
	\$	#	\$	#	\$	#		
Jun-15	149,927	162	99,624	84	50,301	20	299,852	266

Table 26. Summary of Investments by Sex (Status: 06/2015)

Quarter	Female		Male		Total \$	Total #
	\$	#	\$	#		
Jun-15	28,936	24	270,917	242	299,852	266

Indicator 2.2.2-10. Number of public-private partnerships formed as a result of Feed the Future assistance

Results for this indicator are reported quarterly based on the alliance agreements signed. Activities from selected tasks identified in the Year 1 work plan included:

Identification of potential alliance partners providing similar services or attending similar clients:

- Discussions were held with a wide range of potential partners from the private sector, universities, NGOs, municipalities, *mancomunidades*, associations and others.

Development of alliance agreements:

- Three formal alliances were signed during the first quarter of implementation
- Additional ones under discussion include Heifer International (cattle), UNILEVER (nutrition/off-farm MSMEs), Universidad Privada de San Pedro Sula (MSME legalization, student interns), UNA (student interns), CropLife (pesticide safe use and handling), and Honducafe (client training). (Plus those mentioned previously).

Implementation of alliance agreement activities:

- Corredor de Quetzal: finance
- Vision Mundial: technical assistance, training and grants
- ANAVIH (egg producers association): delivery of eggs to MERCADO (and ACS) nutrition training centers and schools to provide a dietary protein source.

Table 27. Public-private sector partnerships formed

Date	Organization/Company	Department	Service	Category
Jun-15	Corredor Quetzal	Santa Bárbara, Copán	Loans/training	Finance
Jun-15	ANAVIH	All 3	Egg donation to CENs	Nutrition
Jun-15	World Vision	All 3	Technical assistance	Agricultural Production

Indicator 2.2.2-11. Number of agricultural and nutritional enabling environment policies completing the following processes/steps of development as a result of USG assistance

Results for this indicator are reported quarterly based on the policy support provided. Activities from selected tasks identified in the Year 1 work plan included:

Identification of new or improved policies that can benefit Activity clients and/or Activity implementation:

- Meetings were held with representatives of *mancomunidades* and municipalities throughout the zone to offer Activity services and support and identify immediate and prioritized needs. Focus was given during this first quarter on the *mancomunidades*.

Meetings/lobbying with partners/decision makers:

- In addition to meetings in the ZOI, additional meetings were held with the DEI in Tegucigalpa related to the 1% ISR tax and the need for all clients to have tax numbers (RTNs), formal (certified) invoices and/or delivery notes.
- The government regulation for RTNs for all who sell involved a series of unplanned activities relating to meetings, training and alliances. All growers who sell produce or products to others will now be required by law to have RTN numbers, invoices and/or delivery notes. In association with the DEI, regional workshops have been held in several towns to promote this activity.

Preparation/modification of policy related documents:

- Seven policy related activities are now underway and at varying stages of development (Table 28).

Table 28. Enabling environment policies supported

Partner/Beneficiary	Policy	Status (1-5)
MANVASEN / GUI SAYOTE	Plan for solid waste disposal	1
Consejo Higuato	Manual for the performance evaluation of member municipalities	1
SERNA / <i>Mancomunidades</i> / Clients	Analysis of payment schedules to standardize the payment tariffs for permissions and environmental status	1
USAP / SDE	Inter-institutional agreement for legal assistance to activity MSMEs	4
DEI / MERCADO	Clarifications/exceptions on decree DEI-217-2010, on withholding 1% ISR tax	2
SERNA / <i>Mancomunidades</i> / Clients	Development of regulations for issuing environmental records by the UMA's	1
MUNASBAR / MERCADO	Support for the development of the <i>mancomunidad</i> Environmental Operational Plan	1

1. Analysis 2. Stakeholder consultation/public debate 3. Drafting or revision 4. Approval (legislative or regulatory) 5. Full and effective implementation

Indicator 2.2.2-12. Number of jobs attributed to Feed the Future implementation

Results for this indicator will be reported from data obtained from annual client household surveys to be carried out in August and September each year started in Year 2. The given target is notional and will be set based on the baseline survey report data, subject to approval from USAID. Activities from selected tasks identified in the Year 1 work plan included:

Introduction and expansion of on-farm value-added operations:

- New or expanded business opportunities at the household and farm levels are being assessed and developed. These include the production of plantain and cassava chips, toasted coffee, and dairy products, where the family members (mainly women) utilize production from their own household farm and purchase raw materials from neighboring farms. This is being promoted, initially to add income to the household, and eventually to generate employment opportunities.

Identification of ZOI-based anchor firm partners to generate new jobs and income:

- A shortlist was developed of 16 ZOI-based anchor firms that may have the potential to increase purchases from MERCADO clients and eventually offer increased employment opportunities (Table 29). Detailed assessment of the firms will commence in the upcoming quarter.

Table 29. Potential ZOI-based Anchor Firm Partners

Department	Product Type	Company/Organization
Copán	Horticulture	ACOPA
Copán	Horticulture	CAEOL
Ocotepeque	Horticulture	APANESA
Ocotepeque	Horticulture	APROCEL
Ocotepeque	Horticulture	COPRAL
Ocotepeque	Horticulture	COPRAUL
Ocotepeque	Horticulture	Comercializadora de Productos Hortícolas del Volcán
Intibucá	Horticulture	ECARAI
Intibucá	Horticulture	ASOFAIL
Intibucá	Horticulture	CODESSE
Intibucá	Horticulture	APRALIN
Intibucá	Horticulture	Grupo Rodeo
Intibucá	Horticulture	AHPROFI
La Paz	Horticulture	MORALENCA
La Paz	Horticulture	COMSA
La Paz	Horticulture	VEGETALES LENCA

Non-ZOI-based businesses assisted in setting up buying, packing or semi-processing operations in ZOI:

- Activities were initiated with D'Eliete, an exporter from Comayagua, and assistance provided to identify a potential site and obtain finance for a pack house in either Copan or Santa Barbara. Initial discussions have also been started with a hot pepper processor and a squash exporter.

Indicator 2.2.2-13. Municipal economic development planning

Municipalities assisted to create, update & implement local development plans:

- Focus in the first quarter was given to the *mancomunidades*, but initial discussions were held with representatives from municipalities as part of the *mancomunidad* meetings or individually. Initial contacts and discussions have been held with 21 municipalities on economic development planning, including 8 from Copan, 4 from Ocotepeque and 9 from Santa Barbara.

Municipalities/*mancomunidades* providing/implementing "public good" agricultural extension and/or nutrition and health services:

- Meetings were held with representatives from *mancomunidades* in each of the three departments to present MERCADO activities and the possibility of joint investments in hiring agricultural and/or nutritional technicians to work alongside as form part of the MERCADO activity. Documentation was sent to the *mancomunidades* to solicit proposals for joint activities. This should be finalized in the upcoming quarter.

The indicators, the indicator category, high level targets and the current status (where applicable) in the year 1 work plan related to **CDCS IR. 2.2. INCOMES INCREASED; CDCS Sub-IR 2.2.1 Agricultural Productivity Improved, Purpose 01 Increased Inclusive Agricultural Sector Growth, Output 1.3 Increased Investment in Agriculture & Employment Opportunities** are provided in Table 30.

Table 30. Status June 2015. Output 1.3 Increased Investment in Agriculture & Employment Opportunities for MERCADO Work Plan, Year 1 (December 2014 to September 2015)

Indicators/Activities/Tasks	CDCS Indicator #	FTF Indicator #	Contract	Year 1: Output Targets (Dec. 2014 – Sept. 2015)			Year 1 Total FY15	Status 06/2015	Added from Previous 1/4	Total to Date	LOP	Units
				Q 2	Q 3	Q 4						
DEVELOPMENT OBJECTIVE 2: EXTREME POVERTY SUSTAINABLY REDUCED FOR VULNERABLE POPULATIONS IN WESTERN HONDURAS												
CDCS IR. 2.2. INCOMES INCREASED												
PURPOSE 01: INCREASED INCLUSIVE AGRICULTURAL SECTOR GROWTH												
CDCS Sub-IR 2.2.2 Market Demand and Access Increased												
Increased Investment in Agriculture & Employment Opportunities (Output 1.3)												
2.2.2-9	Value of new private and public investment facilitated by FTF assistance* ⁴	NO	CUSTOM	YES			0	\$0.300		\$0.300	\$30.00	US\$ Million
2.2.2-10	Number of public-private partnerships formed as a result of Feed the Future assistance	YES	FTF 4.5.2 (12)	YES		3	7	10	3	3	30	PPPs
2.2.2-11	Number of agricultural and nutritional enabling environment policies completing the following processes/steps of development as a result of USG assistance in each case: 1. Analysis 2. Stakeholder consultation/public debate 3. Drafting or revision 4. Approval (legislative or regulatory) 5. Full and effective implementation	NO	FTF 4.5.1 (24)	YES				0	7	7	10	Policies
2.2.2-12	Number of jobs attributed to FTF implementation*	YES	CUSTOM	YES			300	n/a		n/a	5,000	FTEs
2.2.2-13	Municipal economic development planning	NO	NO	NO			2	n/a		n/a	10	Plans

* Targets are notional and will be revised as per baseline results

⁴ Custom indicator and includes household client investments in fixed assets

7.5 OUTPUT 1.4: ACCESS TO FINANCIAL SERVICES IMPROVED

CDCS IR. 2.2. INCOMES INCREASED

CDCS Sub-IR 2.2.1 Agricultural Productivity Improved

PURPOSE 01: INCREASED INCLUSIVE AGRICULTURAL SECTOR GROWTH

Access to financial services improved (Output 1.4)

Indicator 2.2.2-14. Value of Agricultural and Rural Loans

Results for this indicator are reported quarterly, based on reported loans obtained by Activity clients. Activities from selected tasks identified in the Year 1 work plan included:

Build rural financial services including increasing capacity of *cajas rurales* through bulk purchase and warehouse receipt programs:

- First quarter activities included demonstrating the benefits of and providing training to *cajas rurales* on the corn warehouse receipts program and bulk purchase and resale of inputs.
- Also included the processes for legalization of selected *cajas rurales*.

Promote non-traditional lenders by assisting lower tier groups to access finance for on-lending:

- Meetings and trainings held with *cajas rurales* and SAG / PRONADEL to promote the use of FIRSA funds specifically for capitalization of the *cajas rurales* for grain production and coffee regeneration.
- Joint training activities with Del Campo and Grupo de Cal financing inputs directly to MERCADO clients and through *cajas rurales*.

Development of alliances with financial institutions:

- Activities were initiated with various institutions as possible sources of loans for MERCADO clients, including Hermandad de Honduras, Corredor de Quetzal (mainly to non-poor clients and MSMEs), BANADESA with MSME loan funds, PRAF, and the Instituto para el Desarrollo Hondureño (micro-credit).

Develop directory of lenders and products:

- A directory of lenders and loan products was initiated during the first quarter. This will continue to be developed.

During the first quarter of implementation a total of \$433,270 in 212 loans were obtained by MERCADO clients. Calendarized production programs with collection centers and input suppliers made up the majority of these loans. Data is presented in table 31 to 35.

Table 31. Value of Agricultural and Rural Loans by Department and Sex (US\$)

Quarter	Copán			Ocotepeque			Santa Bárbara			Total		
	Female	Male	Total	Female	Male	Total	Female	Male	Total	Female	Male	Total
Jun-15	5,227	147,168	152,396	2,432	218,664	221,095	2,647	57,132	59,779	10,306	422,964	433,270
	3.4%	96.6%		1.1%	98.9%		4.4%	95.6%		2.4%	97.6%	

Table 32. Number of Agricultural and Rural Loans by Department and Sex

Quarter	Copán			Ocotepeque			Santa Bárbara			Total		
	Female	Male	Total	Female	Male	Total	Female	Male	Total	Female	Male	Total
Jun-15	3	70	73	3	92	95	3	41	44	9	203	212
	4.1%	95.9%		3.2%	96.8%		6.8%	93.2%		4.2%	95.8%	

Table 33. Individual Clients Accessing Financing by Department and Sex (Status 06/2015)

Quarter	Copán			Ocotepeque			Santa Bárbara			Total		
	Female	Male	Total	Female	Male	Total	Female	Male	Total	Female	Male	Total
Jun-15	3	70	73	3	84	87	3	39	42	9	193	202
	4.1%	95.9%		3.4%	96.6%		7.1%	92.9%		4.5%	95.5%	

Table 34. Loans by Lender Category (Status: 06/2015)

Provider	Jun-15	# Providers
Banks	102,795	3
Community Banks (<i>Cajas Rurales</i>)	20,068	2
Domestic Buyers	26,636	2
Cooperatives	186,851	5
Money Lenders	12,955	1
Financial NGOs	12,964	3
Input suppliers	71,001	3
Total	433,270	19

Table 35. Loans by Lender (Status: 06/2015)

Provider	Jun-15	
	US\$	# Loans
Agropecuaria Peña	773	3
BANADESA	92,523	48
Banco de Occidente	2,273	1
Banrural	8,000	3
CAJA RURAL	19,545	15
<i>Caja Rural/ Las Virtudes</i>	523	2
Coagricsa (JN)	687	5
Comercial La Fuente	68,182	1
Cooperativa Mixta Ocotepeque Ltda.	31,500	24
Cooperativa Rio Grande Limitada	12,500	6
COPRAL	141,482	50
COPRAUL	682	1
DISAGRO-FENORSA	2,047	4
EYL Industrial de Alimentos	4,091	14
FUNED	4,146	16
Hermandad de Honduras - Créditos	6,545	12
La Roca	22,545	1
PILARH	2,273	1
Wilians Rosa (Prestamista)	12,955	5
Total	433,270	212

Indicator 2.2.2-15. Number of MSMEs, including farmers, receiving USG assistance to access loans

Results for this indicator are reported quarterly, based on reported loans obtained by Activity clients. Activities from selected tasks identified in the Year I work plan are similar to those given under 2.2.2-14.

A total of 202 individuals were assisted in obtained loans of which 9 were women (4.5 percent). Data by department and sex is provided in Table 33 (above).

Indicator 2.2.2-16. Number of beneficiaries using mobile money services

Meetings with providers of mobile money service providers to establish services, locations and costs:

- Initial meetings were held with Tigo and Banco Atlántida and a list of agencies obtained together with costs. These will be analyzed in the upcoming quarter to determine the next steps.

The indicators, the indicator category, high level targets and the current status (where applicable) in the year I work plan related to **CDCS IR. 2.2. INCOMES INCREASED; CDCS Sub-IR 2.2.1 Agricultural Productivity Improved, Purpose 01 Increased Inclusive Agricultural Sector Growth, Output 1.4 Access to Financial Services Improved** are provided in Table 36.

Table 36. Status June 2015. Output 1.3 Increased Investment in Agriculture & Employment Opportunities for MERCADO Work Plan, Year 1 (December 2014 to September 2015)

Indicators/Activities/Tasks	CDCS Indicator #	FTF Indicator #	Contract	Year 1: Output Targets (Dec. 2014 – Sept. 2015)			Year 1 Total	Status 06/2015	Added from Previous 1/4	Total to Date	LOP	Units	
				Q2	Q3	Q4							FY15
DEVELOPMENT OBJECTIVE 2: EXTREME POVERTY SUSTAINABLY REDUCED FOR VULNERABLE POPULATIONS IN WESTERN HONDURAS													
CDCS IR. 2.2. INCOMES INCREASED													
PURPOSE 01: INCREASED INCLUSIVE AGRICULTURAL SECTOR GROWTH													
CDCS Sub-IR 2.2.2 Market Demand and Access Increased													
Improved Financial Services for the Poor (Output 1.4) (ALL ZOI)													
2.2.2-14	Value of Agricultural and Rural Loans * ⁵	NO	FTF 4.5.2 (29)	YES				\$0.10	\$0.433		\$0.433	\$10.00	\$ millions
2.2.2-15	Number of MSMEs, including farmers, receiving USG assistance to access loans	NO	FTF 4.5.2 (30)	YES				250	202		202	2,500	MSMEs
2.2.2-16	Number of beneficiaries using mobile money services	NO	Custom	YES				0	n/a		n/a	2,500	Beneficiaries

* Targets are notional and will be revised as per baseline results

⁵ The FTF definition is based formal credit providers and excludes "informal" providers such as input suppliers and cajas rurales; the target includes all sources.

CDCS IR. 2.1. RESILIENCE OF LIVELIHOODS INCREASED**CDCS Sub-IR 2.1.2 Adaptation of Poor Households to Climate Risk Increased****PURPOSE 01: INCREASED INCLUSIVE AGRICULTURAL SECTOR GROWTH**

Access to financial services improved (Output 1.4)

Indicator 2.1.2-1. Number of people with a savings account or insurance policy as a result of USG assistance

Activities in the first quarter of implementation were focused on building the capacity of the *cajas rurales* and developing alliances with the traditional lending sources (both banks and other financial institutions). The feasibility studies on area-yield index insurance will begin in the next quarter.

Expansion of weather station network through PPP:

- Initial discussions were held with the World Wildlife Fund. MERCADO (and ACS) will be included in WWF applications for project funds to expand the weather station network (in association with IHCAFE).

Build rural financial services including increasing capacity of *cajas rurales*:

- As given in Section 7.4.

Promote traditional bank expansion to ZOI:

- As given in Section 7.4.

The indicator, the indicator category, high level target and the current status (where applicable) in the year 1 work plan related to **CDCS IR. 2.1. RESILIENCE OF LIVELIHOODS INCREASED; CDCS Sub-IR 2.1.2 Adaptation of poor households to climate risk** is provided in Table 37.

Table 37. Status June 2015. Output 1.3 Increased Investment in Agriculture & Employment Opportunities for MERCADO Work Plan, Year 1 (December 2014 to September 2015)

Indicators/Activities/Tasks	CDCS Indicator #	FTF Indicator #	Contract	Year 1: Output Targets (Dec 2014 - Sep 2015)			Year 1 Total FY15	Status 06/2015	Added from Previous 1/4	Total to Date	LOP	Units	
				Q2	Q3	Q4							
DEVELOPMENT OBJECTIVE 2: EXTREME POVERTY SUSTAINABLY REDUCED FOR VULNERABLE POPULATIONS IN WESTERN HONDURAS													
CDCS IR. 2.1. RESILIENCE OF LIVELIHOODS INCREASED													
CDCS Sub-IR 2.1.2 Adaptation of poor households to climate risk													
2.1.2-1	Number of people with a savings account or insurance policy as a result of USG assistance	YES	Custom	YES				0	n/a		n/a	2,500	Beneficiaries

8. INTERVENTIONS-PURPOSE 2: IMPROVED NUTRITIONAL STATUS, ESPECIALLY FOR WOMEN AND CHILDREN

USAID-ACCESO built out and expanded on the AIN-C system of child care through a community health volunteer system, supported by decentralized health service providers and the Ministry of Health, for child weight and illness monitoring and general messaging to mothers and other caregivers. Nutrition and health technical assistance and training services at the community level were integrated with access to economic development activities, healthy household interventions, a nutrition training center concept demonstrating meal preparation and feeding practices using available ingredients, conducting routine household technical visits in cases where behavioral change has not taking hold, and placing a focus on primary child illness prevention.

MERCADO is using the USAID-ACCESO methodology as a foundation to expand outreach to a broader population, by expanding training to other existing service providers and adding new products and services as necessary. The main training and technical assistance activities being carried out at all levels (household, service providers, municipalities, Ministry of Health) are based around five key topics:

- Child health and nutrition key messaging
- Food preparation and ingredient selection to ensure adequate intake of calories
- Feeding practices (especially for children under 2 years)
- Basic infrastructure (healthy households) to allow implementation of behavioral changes and prevention of illnesses and diseases
- Economic development to provide income for food purchases

Start-up involved the transition of selected clients and communities from USAID-ACCESO to MERCADO. The process of selecting communities for the health and nutrition interventions was carried out by the health and nutrition team in close coordination with the economic development team by identifying communities with clients of the economic development component who met the criteria for transitioning to MERCADO.

Having completed this process health and nutrition field technicians initiated the conduction of rapid assessments in a total of 123 communities in 30 municipalities in the three departments to identify those that had at least 15 children less than 2 years and with existing organized AIN-C groups or potential for organizing one. During this initial stage, MERCADO staff also visited health centers responsible for the selected communities and met with health staff responsible for the oversight and monitoring of community workers. This was also used to initiate working relationships with key staff members of the health centers.

From this initial stage 120 communities were selected for the baseline survey. Data on all indicators was collected and processed for analysis. In addition, data was also collected on conditions of the households (existence of eco-justa stoves, latrines, other infrastructure), access to water for human consumption,

access to land for household plots, and needs of the community health volunteers in relation to the condition of their homes as well as their needs for training.

CDCS IR. 2.3. HUMAN CAPITAL IMPROVED, WITH A FOCUS ON CHILDREN

CDCS Sub-IR 2.3.1 Basic Education and Nutrition Service Delivery Improved

PURPOSE 2: IMPROVED NUTRITION STATUS, ESPECIALLY FOR WOMEN AND CHILDREN

Indicator 2.3.1-1. Prevalence of stunted children under 5 years of age

Following USAID-ACCESO activities, MERCADO has continued to focus on five main areas of interventions mentioned previously which are crosscutting and directly or indirectly impact on all indicators. Other activities, including household plots, planting fruit trees, use of locally available plant materials, and small-scale production of eggs, milk, and fish are also promoted to complement core dietary intake.

For training activities to improve awareness and change behavior MERCADO will continue to utilize training materials and messages already developed by the Ministry of Health, other service providers, and during USAID-ACCESO. These materials are currently under review and adaptation by MERCADO technical staff. Since AIN-C is traditionally for children 0-23 months of age, basic recommendations will be provided to mothers during monthly group meetings to ensure that children older than two years and less than five years continue to attend group meeting on a quarterly bases for growth monitoring.

While household nutrition activities are typically directed toward women and children, an integrated approach requires training events specifically for men not only to increase awareness of health problems that afflict men but also to reinforce the importance of men in improving the nutrition of the entire household. Fifth- and sixth-grade students will also be invited to participate in trainings held during food preparation demonstrations at Nutritional Training Centers (NTCs) since older siblings frequently care for their younger siblings. The behavioral change work will include improving food preparation practices; introducing locally available ingredients high in micronutrients to supplement the current base of corn and beans and to diversify diets; and increasing awareness of developmental ramifications for underweight children.

A total of 4,638 children under 5 years old were surveyed of which 4,553 were measured for stunting with 1,927 falling in the categories of moderate and severe stunting (42.3 percent).

Indicator 2.3.1-2. Prevalence of underweight children under 5 years of age

MERCADO has continued to implement strategies well tested and validated under USAID-ACCESO to impact the prevalence of underweight children less than five years of age, focusing on children 0 to 23 months of age. Of the 123 communities selected for Health and Nutrition interventions under MERCADO, 35 percent (14 of the 41 in Ocotepeque, 6 of the 40 in Copan and 23 of the 42 in Santa Barbara) do not have an active AIN-C group. Candidates for training as community health volunteers have been identified for participation in formal training for AIN-C monitors, which is expected to begin in the upcoming quarter.

MERCADO Health and Nutrition specialists have begun identifying communities with potential for the establishment of NTCs (CENs) and mayors and other community leaders are being invited to visit existing centers in communities previously serviced under USAID-ACCESO so that they fully

comprehend the concept and its value in addressing the complex health problem of child malnutrition. Institutions known for supporting this activity will be contacted in upcoming months to identify opportunities in the three departments for collaboration in establishing new NTCs. Training and technical assistance activities have been initiated in new selected communities and continue in communities previously served under USAID-ACCESO which has transitioned to MERCADO. These include:

- The counseling mothers on child nutrition
- Training and food preparation demonstrations
- Targeting family households with malnourished children for regular home visits to assist mothers with practices of food preparation and feeding of the malnourished child
- Reinforce proper individual and household hygienic practices
- Promote household improvement initiatives among families as preventive measures to address household conditions which contribute to child illness.

Baseline data for the prevalence of underweight children was collected among the 0 to 23 month age group only, as this is the group of focus for the AIN-C strategy. Of the 2,147 children 0-23 months of age surveyed, 9.5 percent was underweight. It must be noted that measurements has been done using the new standards and measurement methods of the World Health Organization (WHO) which is why the status of this indicator appears to be relatively acceptable. However, when comparing these results to the old standards and measurement methods there is an additional 24.7 percent of the population 0-23 months of age in the range of >-2 and <-1 Z score which when added to the 9.5 percent results in a 34.2 percent and constitutes the prevalence rate of global malnutrition which the equivalent of population of children under the 3rd Percentile. Based on the definition of this indicator the project will focus on reducing the 9.5 percent, which are the severe and moderate stages of underweight, but will also work to address the needs of the 24.7 percent which are the children with mild malnutrition.

The indicators, the indicator category, high level targets and the current status (where applicable) in the year 1 work plan related to **CDCS IR. 2.3. HUMAN CAPITAL IMPROVED, WITH A FOCUS ON CHILDREN; CDCS Sub-IR 2.3.1 Basic Education and Nutrition Service Delivery Improved, PURPOSE 2: IMPROVED NUTRITION STATUS, ESPECIALLY FOR WOMEN AND CHILDREN** are provided in Table 38.

Table 38. Status June 2015. Purpose 2. Improved Nutrition Status, Especially for Women and children for MERCADO Work Plan, Year 1 (December 2014 to September 2015)

Indicators/Activities/Tasks	CDCS Indicator #	FTF Indicator #	Contract	Year 1: Output Targets (Dec 2014 - Sep 2015)			Year 1 Total	Status 06/2015 **	Added from Previous 1/4	Total to Date	LOP	Units	
				Q2	Q3	Q4							FY15
DEVELOPMENT OBJECTIVE 2: EXTREME POVERTY SUSTAINABLY REDUCED FOR VULNERABLE POPULATIONS IN WESTERN HONDURAS													
CDCS IR. 2.3. HUMAN CAPITAL IMPROVED, WITH A FOCUS ON CHILDREN													
CDCS Sub-IR 2.3.1 Basic Education and Nutrition Service Delivery Improved													
PURPOSE 2: IMPROVED NUTRITIONAL STATUS, ESPECIALLY FOR WOMEN AND CHILDREN													
2.3.1-1	Prevalence of stunted children under five years of age *	NO	CUSTOM	YES				-2%	BL 42.3%			-20%	% reduction from baseline
2.3.1-2	Prevalence of underweight children under five years of age *	NO	3.1.9-16	YES				-2%	BL 9.5%			-20%	% reduction from baseline

**Targets are notional and will be revised as per baseline results*

*** Data provided is the baseline level*

8.1 OUTPUT 2.1: IMPROVED ACCESS TO DIVERSE AND QUALITY FOOD AND NUTRITION-RELATED BEHAVIORS

CDCS IR. 2.3. HUMAN CAPITAL IMPROVED, WITH A FOCUS ON CHILDREN

CDCS Sub-IR 2.3.1 Basic Education and Nutrition Service Delivery Improved

PURPOSE 2: IMPROVED NUTRITION STATUS, ESPECIALLY FOR WOMEN AND CHILDREN

Improved access to diverse and quality food and nutrition-related behaviors (Output 2.1)

Indicator 2.3.1-3. Prevalence of exclusive breastfeeding of children under 6 months

Of the total number of children surveyed for the baseline, only 418 were in the age group of 0 to 5 months of age. The prevalence of exclusive breast feeding was 58.4 percent. It was measured using the standard question developed and tested internationally and nationally with a recall of the day prior to the survey. This result was then verified with the response to the questions for diet diversity.

To address the low prevalence of exclusive breastfeeding of children 0 to 5 months of age, the project will work with pregnant women in preparation for breastfeeding at birth. Community health volunteers will target pregnant and lactating women in the community and when possible form lactating women's groups for women to women counseling and experience sharing. In addition messages emphasizing the importance of breastfeeding during the first six months of the child's life will be delivered during all AIN-C group meetings.

Indicator 2.3.1-4. Prevalence of children 6-23 months receiving a minimum acceptable diet

The Minimum Acceptable Diet indicator measures both the minimum feeding frequency and minimum dietary diversity, as appropriate for various age groups. If a child meets the minimum feeding frequency and minimum dietary diversity for their age group and breastfeeding status, then they are considered to receive a minimum acceptable diet.

Minimum meal frequency for breastfed children is defined as two or more feedings of solid, semi-solid, or soft food for children 6-8 months and three or more feedings of solid, semi-solid or soft food for children 9-23 months. Minimum dietary diversity for breastfed children 6-23 months is defined as four or more food groups out of seven food groups. Minimum dietary diversity for non-breastfed children is defined as four or more food groups out of six defined food groups.

Tabulation of this indicator requires that data on breastfeeding, dietary diversity, number of semi-solid/solid feeds and number of milk feeds be collected for children 6-23 months the day preceding the survey.

The baseline for prevalence of children 6-23 months of age receiving a Minimum Acceptable Diet in the targeted communities is 19.7 percent. A total of 1,723 children 6-23 months was surveyed of which 38.5 percent were receiving food from four or more food groups and 35.7 percent was being fed three or more times per day.

To increase the prevalence rate of Minimum Acceptable Diet, the project will work closely with the economic development components to ensure that families with children less than 5 years of age are participating from the different activities that will contribute to increase the availability of foods so that their knowledge can actually translate into best practices.

Indicator 2.3.1-5. Percent of children less than 2 years old with two consecutive low monthly measurements

Data for the measurement of this indicator will be available during the second quarter of project implementation.

Indicator 2.3.1-6. Number of underweight children less than 2 years old

The contract target of 2,000 for Indicator 2.3.1-6 “Number of underweight children less than 2 years old” has been reduced to 500. In order to achieve 2,000 less children underweight, the project would have to be providing technical services to at 18,000 to 20,000 children. MERCADO does not have the resources for this coverage. In addition, activities with family planning and reduction in child mortality will actually reduce the number of children entering the process. A target of 500 less children underweight would require MERCADO to provide assistance to 5,000 to 6,000 children. Progress on this indicator will be reported in subsequent quarters.

Indicator 2.3.1-7. Women’s dietary diversity: mean number of food groups consumed by women of reproductive age

Within the activities and tasks several core cross-cutting strategies implemented will improve access to diverse and quality food and nutrition-related behaviors among women:

- Training of health volunteers, service providers, and Ministry of Health technicians
- Direct training of mothers and caregivers in activity communities
- Increase the availability of food groups through home production, increased awareness of ingredients, etc.
- Increase the use of recipes for food preparation in the household

The mean number of food groups consumed by women in reproductive age the day prior to the survey is 3.0 food groups with a minimum of 1 and a maximum of 7. Only 36.2 percent of women interviewed indicated having consumed food from four or more food groups.

The indicators, the indicator category, high level targets and the current status (where applicable) in the year 1 work plan related to **CDCS IR. 2.3. HUMAN CAPITAL IMPROVED, WITH A FOCUS ON CHILDREN; CDCS Sub-IR 2.3.1 Basic Education and Nutrition Service Delivery Improved, PURPOSE 2: IMPROVED NUTRITION STATUS, ESPECIALLY FOR WOMEN AND CHILDREN, Output 2.1 Improved access to diverse and quality food and nutrition-related behaviors** are provided in Table 39.

Table 39. Status June 2015. Output 2.1 Improved access to diverse and quality food and nutrition-related behaviors for MERCADO Work Plan, Year 1 (December 2014 to September 2015)

Indicators/Activities/Tasks	CDCS Indicator #	FTF Indicator #	Contract	Year 1: Output Targets (Dec 2014 - Sep 2015)			Year 1 Total FY15	Status 06/2015 ***	Added from Previous 1/4	Total to Date	LOP	Units
				Q2	Q3	Q4						
DEVELOPMENT OBJECTIVE 2: EXTREME POVERTY SUSTAINABLY REDUCED FOR VULNERABLE POPULATIONS IN WESTERN HONDURAS												
CDCS IR. 2.3. HUMAN CAPITAL IMPROVED, WITH A FOCUS ON CHILDREN												
CDCS Sub-IR 2.3.1 Basic Education and Nutrition Service Delivery Improved												
PURPOSE 2: IMPROVED NUTRITIONAL STATUS, ESPECIALLY FOR WOMEN AND CHILDREN												
Improved Access to Diverse & Quality Food & Nutrition-Related Behaviors (Output 2.1)												
2.3.1-3	Prevalence of exclusive breastfeeding of children under six months of age *	YES	FTF 3.1.9.1 (4)	YES			2%	BL 58.4%			20%	% increase from baseline
2.3.1-4	Prevalence of children 6-23 months receiving a minimum acceptable diet *	YES	FTF 3.1.9.1 (1)	YES			2%	BL 19.7%			20%	% increase from baseline
2.3.1-5	Percent of children less than two years old with two consecutive low monthly measurements	NO	CUSTOM	YES			-4%	n/a			-30%	% reduction from baseline
2.3.1-6	Number of underweight children less than two years old * ⁶	NO	CUSTOM	YES			0	n/a			-500	# children < 2 yo
2.3.1-7	Women's Dietary Diversity: Mean number of food groups consumed by women of reproductive age**	NO	FTF 3.1.9.1 (2)	NO			TBD	BL 3.0			TBD	Food Groups

*Targets are notional and will be revised as per baseline results

** Targets will be set as per results of baseline

*** Data provided is the baseline level

⁶ requested contract target of 2,000 reduced to 500

8.2 OUTPUT 2.2: IMPROVED COMMUNITY AND HOUSEHOLD SANITATION AND HYGIENE

CDCS IR. 2.3. HUMAN CAPITAL IMPROVED, WITH A FOCUS ON CHILDREN

CDCS Sub-IR 2.3.1 Basic Education and Nutrition Service Delivery Improved

PURPOSE 2: IMPROVED NUTRITION STATUS, ESPECIALLY FOR WOMEN AND CHILDREN

Improved community and household sanitation and hygiene (Output 2.2)

As in USAID-ACCESO, MERCADO will work to address aspects that contribute to child illness using a systematic approach in addition to the counseling for illness management. Some related activities are:

- Expansion of the healthy household program: covering floors and walls to facilitate cleaning; removing dust and dirt; preventing pests; extending water supply from the garden to the kitchen to improve human and food hygiene; increasing use of filters for drinking water; constructing small gates to prevent animal entry into houses; and recommending transparent roof sheeting to allow light inside the house to facilitate cleaning and food preparation. This initiative also encourages increased investments in low-cost *eco-justa* stoves to reduce smoke in the house.
- Expansion of private sector alliances to companies producing and distributing hygiene products so their sales teams can make available and promote low-cost options in rural communities. A pilot activity carried out under USAID-ACCESO with Unilever is currently being analyzed for replication through other socially responsible companies.
- USAID-ACCESO worked on the installation, repair, or improvement of potable water systems throughout the ZOI. This outreach will be expanded under MERCADO to improve and increase the coverage of households with potable water. It will also involve basic improvements such as re-establishing chlorination systems, developing systems that enable small charges to cover operational and maintenance costs, repairing water lines, and where appropriate installing ram hydraulic pumps to replace old diesel pumps. MERCADO will provide technical assistance, including design and budgeting, while target municipalities and individual communities will cover the costs, though potentially supplemented by the INVEST-H/ACS water component and NGO funds, and with limited MERCADO cost-share.
- MERCADO will continue to work with municipalities and communities on local NRM policy implementation and enforcement, protection of water sources, effluent water treatment, recycling, and reforestation. Water boards will be strengthened to assume a greater role in the management of community water resources.

Indicator 2.3.1-8. Percent of children under 5 with diarrhea in prior two weeks

Of the 4,638 children less than 5 years of age participating in the survey, 12 percent experienced episodes of diarrhea in the two weeks prior to the survey and only mothers of 0.5 percent mentioned treating the child with oral rehydration therapy. 98.6 percent of the children did not receive any treatment for the diarrhea. When analyzing this result it must be noted that data was collected during the dry season.

Indicator 2.3.1-9. Number of households with improved sanitary conditions

Improved sanitary conditions as per the definition of the indicator is a flush or pour/flush facilities connected to a piped sewer system, septic system or pit latrine; pit latrines with a slab; composting toilets or ventilated improved pit latrines. 67 percent of the population surveyed has access to improved sanitation.

Indicator 2.3.1-10. Percent of households using improved drinking water source

Improved drinking water sources are: piped water at dwelling, plot, or yard; public tap/standpipe; tube well/borehole; protected dug well; protected spring; rainwater collection and bottled water. 83.3 percent of the individuals surveyed have access to an improved drinking water source.

The indicators, the indicator category, high level targets and the current status (where applicable) in the year 1 work plan related to **CDCS IR. 2.3. HUMAN CAPITAL IMPROVED, WITH A FOCUS ON CHILDREN; CDCS Sub-IR 2.3.1 Basic Education and Nutrition Service Delivery Improved, PURPOSE 2: IMPROVED NUTRITION STATUS, ESPECIALLY FOR WOMEN AND CHILDREN, Output 2.2 Improved community and household sanitation and hygiene** are provided in Table 40.

Table 40. Status June 2015. Output 2.2 Improved community and household sanitation and hygiene for MERCADO Work Plan, Year 1 (December 2014 to September 2015)

Indicators/Activities/Tasks	CDCS Indicator #	FTF Indicator #	Contract	Year 1: Output Targets (Dec 2014 - Sep 2015)			Year 1 Total FY15	Status 06/2015 ***	Added from Previous 1/4	Total to Date	LOP	Units	
				Q2	Q3	Q4							
DEVELOPMENT OBJECTIVE 2: EXTREME POVERTY SUSTAINABLY REDUCED FOR VULNERABLE POPULATIONS IN WESTERN HONDURAS													
CDCS IR. 2.3. HUMAN CAPITAL IMPROVED, WITH A FOCUS ON CHILDREN													
CDCS Sub-IR 2.3.1 Basic Education and Nutrition Service Delivery Improved													
PURPOSE 2: IMPROVED NUTRITIONAL STATUS, ESPECIALLY FOR WOMEN AND CHILDREN													
Improved Community & Household Sanitation & Hygiene (Output 2.2)													
2.3.1-8	Percent of children under age 5 who had diarrhea in the prior two weeks	NO	F 3.1.8-33	YES				-3%	BL 12%			-25%	% reduction from baseline
2.3.1-9	Number of households with improved sanitary conditions *	YES	Custom	YES				1,000	BL 67%			10,000	# Households
2.3.1-10	Percent of households using an improved drinking water source **	YES	Custom	YES				TBD	BL 83%			TBD	% of Population

**Targets are notional and will be revised as per baseline results*

*** Targets will be set as per results of baseline*

**** Data provided is the baseline level*

8.3 OUTPUT 2.3: IMPROVE UTILIZATION OF MATERNAL AND CHILD HEALTH AND NUTRITION SERVICES

CDCS IR. 2.3. HUMAN CAPITAL IMPROVED, WITH A FOCUS ON CHILDREN

CDCS Sub-IR 2.3.1 Basic Education and Nutrition Service Delivery Improved

PURPOSE 2: IMPROVED NUTRITIONAL STATUS, ESPECIALLY FOR WOMEN AND CHILDREN

Improve utilization of maternal and child health and nutrition services (Output 2.3)

To ensure long-term sustainability of community-level nutrition interventions, MERCADO will work closely with Ministry of Health staff at regional and community levels. During the first quarter of implementation, MERCADO Health and Nutrition staff visited a total of 59 health centers in the ZOI (14 in Ocotepeque, 20 in Copan and 12 in Santa Barbara) to inform health staff of the project and discuss areas of collaboration:

- Development and implementation of Information, Education and Communication (ICE) plans for personnel at institutional and community levels, based on required nutrition and feeding practices. ICE activities will train health volunteers, field staff from decentralized health service providers, Ministry of Health, community leaders, and direct project beneficiaries.
- Technical support and training to selected health centers operated by the Ministry of Health, municipalities, and others to strengthen implementation of counseling and follow-up for undernourished children. This guidance considers existing capacities and nutrition indicators, and will include basics on exclusive breastfeeding; establishing or strengthening support centers for pregnant and lactating mothers; promoting modern contraception; testing for parasites; using updated WHO norms for nutrition status surveillance; ensuring supply of micronutrients such as iron, folic acid, zinc, and vitamin A; and operating nutritional recovery centers for acute malnutrition.
- Provide intensive training for health center employees and promoters to strengthen referral and counter-referral systems. Expand community participation and inter-institutional alliances to ensure an integrated and more results-driven approach to increase the quality, range, and timeliness of overall health and nutrition services. Efforts will also include expanding data collection and sharing it on a quarterly basis to better develop short-term response activities and contribute to more strategic longer-term planning.

Indicator 2.3.1-11. Percent of children under 5 years with diarrhea treated with ORT

Related to information given under Indicator 2.3.1-8. Percent of children under 5 with diarrhea in prior two weeks

Baseline data: 0.5 percent

Indicator 2.3.1-12. Percent of children with pneumonia taken to appropriate care

Baseline data: 71.1 percent

Indicator 2.3.1-13. Number of people trained in child health and nutrition through USG-supported programs

During the first quarter of project implementation, significant amount of time was invested in the identification of communities to transition to MERCADO, conduction of rapid assessments to identify

status of communities and define list of communities for baseline survey and the conduction of the baseline survey. Training activities began in full towards the end of the quarter.

Project staff conducted a total of 159 training events during the quarter with a total of 3,690 participants of which 3.1 percent were men.

Training Events and Participants by Technical Area (Status: 06/2015)

Technical Area	Jun-15			
	Male	Female	Total	# Events
Health & Nutrition	114	3,576	3,690	159

Indicator 2.3.1-14. Percent of target population that views gender-based violence as less acceptable after participating in or being exposed to USG programming

Meetings were held during the first quarter to identify possible partners for this activity. Specific tasks that project staff will implement to impact this indicator include:

- Organize and train youth theater groups for delivering key messages through plays at the community level
- Reinforce messages of empowerment, gender equity, and domestic violence prevention through plays and other practical methodologies
- Train school teachers, religious and community leaders on raising awareness of domestic violence in the community

The indicators, the indicator category, high level targets and the current status (where applicable) in the year 1 work plan related to **CDCS IR. 2.3. HUMAN CAPITAL IMPROVED, WITH A FOCUS ON CHILDREN; CDCS Sub-IR 2.3.1 Basic Education and Nutrition Service Delivery Improved, PURPOSE 2: IMPROVED NUTRITION STATUS, ESPECIALLY FOR WOMEN AND CHILDREN, Output 2.3 Improve utilization of maternal and child health and nutrition services** are provided in Table 41.

Table 41. Status June 2015. Output 2.3 Improve utilization of maternal and child health and nutrition services for MERCADO Work Plan, Year 1 (December 2014 to September 2015)

Indicators/Activities/Tasks	CDCS Indicator #	FTF Indicator #	Contract	Year 1: Output Targets (Dec 2014 - Sep 2015)			Year 1 Total FY15	Status 06/2015 *	Added from Previous 1/4	Total to Date	LOP	Units	
				Q2	Q3	Q4							
DEVELOPMENT OBJECTIVE 2: EXTREME POVERTY SUSTAINABLY REDUCED FOR VULNERABLE POPULATIONS IN WESTERN HONDURAS													
CDCS IR. 2.3. HUMAN CAPITAL IMPROVED, WITH A FOCUS ON CHILDREN													
CDCS Sub-IR 2.3.1 Basic Education and Nutrition Service Delivery Improved													
PURPOSE 2: IMPROVED NUTRITIONAL STATUS, ESPECIALLY FOR WOMEN AND CHILDREN													
Improved Utilization of Maternal & Child Health & Nutrition Services (Output 2.3)													
2.3.1-11	Percent of children under five years old with diarrhea treated with Oral Rehydration Therapy (ORT)	NO	CUSTOM	YES				3%	BL 0.5%			25%	% increase from baseline
2.3.1-12	Percent of children with pneumonia taken to appropriate care	NO	CUSTOM	YES				3%	BL 71.1%			25%	% increase from baseline
2.3.1-13	Number of people trained in child health and nutrition through USG-supported programs	NO	FTF 3.1.9 (1)	YES				350	3,690		3,690	1,000	# trained
2.3.1-14	Percent of target population that views gender-based violence as less acceptable after participating in or being exposed to USG programming	NO	GNDR-7	NO				23.2%	n/a			17.3%	Percentage

* Data provided is the baseline level

9. CROSS-CUTTING AREAS

MERCADO implementation will incorporate the following cross-cutting areas.

9.1 GENDER INTEGRATION

CDCS IR. 2.2. INCOMES INCREASED

CDCS Sub-IR 2.2.1 Agricultural Productivity Improved

High level target - Proportion of female participants in USG-assisted programs designed to increase access to productive economic resources (assets, credit, income or employment)

Gender is a cross-cutting factor that will be integrated into all MERCADO interventions. Under Purpose 1, MERCADO will work with a range of products, both on and off farm, taking into account growth opportunities for all clients. Under Purpose 2, at least 80 percent of the training and technical assistance beneficiaries are expected to be women. As mentioned previously, MERCADO clients are the households rather than the individuals of the household, and as a result, increased incomes and improved nutrition is expected to have wider benefits.

A field-based gender assessment was undertaken using field surveys and focus groups in the target departments to identify gender integration constraints and perceptions of gender-based violence and determine strategies and actions for addressing these issues. The MERCADO Gender Strategy details the specific actions that will result in increased inclusion of women in economic growth and family health and nutrition activities. The Gender Strategy includes heavy targeting of off-farm MSMEs as a high percentage of these enterprises are women-owned. In addition, since men traditionally dominate crop cultivation in Honduras, MERCADO has selected a number of crops for which women producers are more competitive in their cultivation to provide them with new opportunities. Other enterprise activities with off-farm MSMEs, where owners are predominantly women (about 70 percent), include the production and marketing of baked goods, snacks, beverages, pickled vegetables, crafts, and dairy products among others. These will offer opportunities for households to diversify and supplement household incomes, and place income directly into the hands of the women.

MERCADO will also promote female involvement in community-led biodiversity conservation and NRM. Previous findings under USAID-ACCESO show that men and women typically share equal roles in community based organizations (CBOs). Women are particularly active, and tend to fill senior positions, in water boards and other CBOs dealing with community NRM and health matters.

Installation of renewable energy technologies is aimed in part at relieving the burden of firewood collection, which usually falls to women. Renewable energy technologies should have significant positive effects on women's time and health, which will relieve strain on a family's income as health costs likely decrease. In particular, MERCADO's promotion of alternatives to, or reduction of firewood for cooking, will benefit women, men, children, the elderly, and vulnerable populations.

MERCADO support for quality maternal and child health and family planning services under Purpose 2 will contribute to women taking control of reproduction. As with all interventions, MERCADO will be mindful of long-established traditions and cultural issues, including the perception of male and female roles. To combat backlash, MERCADO will also train men to illustrate the benefits of family planning. Since improving the quality of child and maternal health is typically the role women, MERCADO will also promote the involvement of men in child care.

MERCADO's considerations for the gender strategy includes men's roles and expectations as well as those of women. To this end, MERCADO will design technical assistance, training, and other interventions in a manner that does not disrupt tradition, but that supports gradual and smart change.

Data for selected indicators for women's participation is given in Table 42.

Table 42. Summary: Women's Participation

Indicator	June 2015	
	%	Number
Clients as % of total	10	816
Individuals trained as % of total	34	2,413
Participants in trainings as % of total	23	7,322
Access to finance as % of total loan value	2.4	\$10,306
Access to finance as % of total number of loans	4.2	9
Access to finance as % of total individuals with loans	4.5	9
Area planted as % of total area	5.8	88
Number of individual planting as % of total number	6.7	144
Value of investment in fixed assets	9.6	\$28,936
Number of investment in fixed assets	9.0	24

9.2 NATURAL RESOURCE MANAGEMENT

MERCADO will play a key role in improving NRM in the NZOI. The activity's Environmental Management Plan (EMP) describes in detail MERCADO's contributions to improved NRM and mitigation measures for potential negative impacts resulting from interventions.

These activities under Purpose 1 are aimed at introducing technologies and practices that promote sustainable agricultural production, inclusive of proper land preparation; good agricultural practices such as intercropping, rotation, no/low tillage cultivation, and others; conserving water resources using technologies such as drip irrigation; farm chemicals safety training for all household members; and minimizing dependency on and use of agrochemicals, among others. Several NRM activities relate to improving agricultural productivity:

- Environmental mitigation plans will be developed for irrigation systems, coffee plants, and processing plants.
- Development and implementation of water source protection plans and preparation of compost using coffee pulp waste.
- Working with municipalities where required to ensure approvals, implementation, and sustainability.

Purpose 2 interventions will see support to municipalities and *mancomunidades* for sustainable management of water and forest resources, including development and implementation of re-forestation plans and community-based water management plans; the establishment of protected areas; and the integration of sustainable farming practices and NRM in municipal economic development plans. NRM activities will directly improve community and household sanitation and hygiene, including:

- Evaluation of potable water sources for quality, contamination, volume, and legal status.
- Strengthening of existing and establishing new water boards, including organization (committees), administration (charges), watershed protection, treatment (chlorination), operation and maintenance, and female involvement.

- Household water management.
- Expanding and improving the potable water network systems, including distribution lines, chlorination, distribution network, and water capture and storage.
- Basic sanitation improvements (sewage and garbage), including diagnostics, preparation of integrated proposals between the community, municipality, and donors for investments in sanitation infrastructure.

In addition, MERCADO technicians will also utilize the findings and recommendations of the Pesticide Evaluation Report and Safe Use Action Plan (PERSUAP) finalized for the USAID-ACCESO project in October 2013.

9.3 ACTIVITY PROMOTION / FIELD VISITS

MERCADO is expected to receive regular field visits from USAID and representatives from local and international organizations, including the government of Honduras, World Bank, FAO, WFP, donors, NGOs, etc. These trips will include observations on implementation methodology; household and farm infrastructural improvements; technology introduction and adoption; and client household interviews and field activities. The integration of the technical components and the integrated solutions will be emphasized, as will the changes needed to reduce poverty levels and increase the living standards. These visits will be set up and organized based on requests and logistics requirements provided by USAID.

One field tour was carried out during the first quarter:

Santa Bárbara, March 2015:

- Lindsey Anna (USAID M&E, BFS) and Anastasia Buyanova (USAID Honduras). Visit to 4 production sites, 2 processing sites, 1 *caja rural* and 1 nutrition site.

Santa Bárbara, Copan & Lempira, April 2015:

- Hector Santos (USAID Honduras). Participation in MERCADO gender workshop (Santa Barbara); visit to 5 irrigation districts with horticultural production, 3 MSMEs and 1 *caja rural* (Copan and Lempira).

9.4 COLLABORATION WITH USG-FUNDED ACTIVITIES

Collaboration is expected and will be fomented with other Feed the Future and US government-funded projects and activities at local, regional, and international levels, including ACS-USAID (INVEST-H); PROPARQUE; USAID Innovation labs; USDA; FHIS (USAID/Trilateral); and gender projects (INGENEAS, Horticulture Innovation Lab - women in horticulture research).

ACS-USAID will work directly alongside and coordinate with MERCADO as they are inter-related (in technical assistance and investment in water-related infrastructure). FHIS activities as they relate to USAID and renewable energy are likely to provide direct support in irrigation and other technologies to MERCADO household clients. If other dry corridor projects are implemented with the government of Honduras or donors, some collaboration is expected. USDA's regional project worked with USAID-ACCESO providing tailor-made training workshops in productive technologies and specific crops, and this partnership is expected to continue under MERCADO.

Collaborative activities carried out in the first quarter include:

- Provision of a list of possible irrigation districts and beneficiaries for eco-justa stoves and solar dryers to FHIS.
- Sharing of information on USAID-ACCESO irrigation districts with PROPARQUE.

- Discussions with Horticulture Innovation Lab – women in horticultural research on possible areas of collaboration and joint support (Penn State / Zamorano).

I 0. SUBAWARDS

Sub awards will constitute an important element of both purposes during USAID-MERCADO implementation. USAID-MERCADO will employ the following sub award mechanisms to expand the outreach and impact of services provided:

- **Subcontracts** – cost-reimbursable subcontracts will serve as the primary sub award mechanism for engaging with the organizations named in the MERCADO proposal as implementation partners.
- **Partner fund awards (grants under contract)** – These grants with *mancomunidades* and private companies (i.e. input suppliers, commercial buyers, SMEs) will support initiatives contributing to MERCADO targets and goals. Following guidance from USAID, partner funds directly with municipalities cannot be carried out.
- **Loan guarantee fund** – guarantees in the form of small-scale grants, largely with informal financial intermediaries (i.e. *cajas rurales*), input suppliers, and buyers expand micro-loans, credit, and on-lending with activity clients.
- **Technology fund** – while not a sub award in the traditional sense of a subcontract or grant, technology fund investments will be financed using sub award funds for the purpose of investing in communities. Technology investments using this fund include farm and community irrigation systems, improvements under the healthy household program, building materials for WASH facilities, small-scale clean energy pilots, road rehabilitations, and other initiatives that support community economic development and NRM plans.

In addition to these mechanisms, MERCADO will draft Memoranda of Understanding (MOUs) or *convenios* to engage communities, governments, and private sector partners. Although not legally or financially binding, MOUs provide a basis for the coordination of activities with activity counterparts and serve as the initial foundation on which other partnerships and interventions will be made.

The MERCADO Sub awards Manual was submitted to USAID for review and approved. This manual includes Fintrac’s strategy for using sub awards for the implementation of interventions under both activity purposes, and also includes Fintrac’s organizational processes and procedures for undertaking sub awards on its projects worldwide.

Calls for expressions of interest have been made with *mancomunidades* and will begin in the next quarter with the private sector.

I I. INSPECTION & ACCEPTANCE SYSTEMS

MERCADO will utilize contract-specified Implementation Management Documents (Workplan, Monitoring and Evaluation Plan, and Activity Implementation Reports) as the key components of the Inspection and Acceptance System. The use and regular updating of these documents will ensure timely reporting of information, as well as any major challenges or limitations discovered through routine

monitoring and evaluation, and will serve as an early warning and forecasting system and allow for project management and USAID to make evidence-based decisions regarding project scope and direction. Review and acceptance of Implementation Management Documents, as well as necessary updates, will be made in writing to the USAID-appointed Contracting Officer's Representative (COR) who has been delegated the authority to inspect and accept all services, reports and required deliverables or outputs under the MERCADO contract.

Information and data will be collected in pre-defined time periods on a census or sample basis depending on the requisites of a given indicator and as defined in the PIRS. In most cases, output-level indicator data will be captured on a census basis, whereas outcome- or impact-level indicator data will be acquired through a representative sub-sample of the beneficiary population. Additional participatory data collection methods may be used, including focus groups, semi-structured interviews, and community mapping to obtain qualitative data that captures stakeholder perceptions of activity progress and impact, especially in regards to the impact of activity intervention on gender relationships. All MERCADO data will undergo rigorous internal procedures to ensure validity, integrity, precision, reliability, and timeliness. Upon receipt of activity records and partner data and reports, the M&E team will perform completeness and quality checks and follow up with all relevant parties as needed. MERCADO staff will also conduct periodic (semi-annually or annually) internal and partner data quality assessments, including field visits to beneficiaries, to determine the validity and integrity of reported data. All project data will be analyzed and disaggregated in accordance with indicator guidance prior to reporting to USAID. MERCADO M&E staff will lead analyses and strive to include local counterparts and partner staff in the process to build capacity and encourage sustainability.

12. PLANNED ACTIVITIES FOR NEXT QUARTER

The main activities for the next reporting period include:

Project Management

- When feedback is received from USAID, finalize the PMP, work plan, M&E plan, gender plan, branding plan, and security plan.
- Prepare and then finalize the Year 2 work plan.
- Develop formal alliances with private and public sector organizations identified in the current quarter.
- Continued intensive technical training of the production, health, processing, M&E, and business skills field technicians.
- Coordination with INVEST-H activities and existing USAID projects.

Technical Assistance and Training

- Continue and expand technical assistance and training in all components.
- Develop alliances to expand embedded technical assistance services and joint training activities.
- Recruit new Activity household clients, buyers, MSMEs, input suppliers, etc.

Production

- Develop market-driven production programs to meet local and regional demand.
- Maximize production area of current irrigation districts based on water availability.

- Expand training and technical assistance to coffee growers on basic production practices, with emphasis on prevention and control of coffee rust.
- Expand all aspects of the cattle production program.
- Provide product options to growers based on water availability.
- Continue to identify possible water sources and irrigation districts.

Market Access

- Identify additional outgrower programs for local buyers, collections centers, exporters and processors.
- Establish calendarized production programs for local market buyers.
- Carry out an assessment of possible ZOI-anchor firms.
- Promote MERCADO clients with established non-ZOI exporters and processors for investment and supplier opportunities.
- Continue develop buyer directory.

Monitoring & Evaluation

- Prepare inputs for monthly, quarterly, and annual reports.
- Develop activity and status reports for sub-contractors.
- Revise M&E plan after comments received from USAID on this and baseline report, together with Activity targets.
- Meetings with technical production staff to evaluate performance against results and to prepare strategies for the achievement of project goals.
- Provide management reports on advancement of all project components to department and zone managers for performance evaluation and decision making.

Rural Financial Services

- Expand training activities to the *cajas rurales* to expand services and increase MERCADO client savings and loan options.
- Formalize and develop financial products for MERCADO clients with local buyers, input and equipment suppliers.
- Determine the feasibility of new or expanded crop insurance programs.
- Determine the feasibility of mobile money options.
- Training of growers on record keeping
- Activities related to the DEI and client RTNs and formal invoices.
- Business plan development for selected MSMEs and medium sized operations working with or alongside MERCADO clients.

Health and Nutrition

- Direct technical assistance and training to mothers and caregivers in group and household visits.
- Establish coordination mechanisms with Ministry of Health.
- Provide training government promoters and community health volunteers in basic practices in hygiene, disease identification and prevention, dietary diversification and water quality.
- Expand training activities to government *Vida Mejor* representatives.
- Continue promoting family planning and quality maternal and child health practices in the basic messages that are conveyed in the training events.
- Provide training in food preparation and diet diversity to ensure nutrient uptake.

- Continue adding activities of the healthy household program to the targeted families, until these have completed the targeted practices.
- Continue with the provision of direct technical assistance through the household visits to those families with children below the third percentile.
- Coordinating field activities with the health units to improve access to the family planning methods.
- Identify interested service providers to receive MERCADO assistance.
- Expand the installation of family plots for increased food availability
- Establish information (data) provision mechanisms with Ministry of Health and community health clinics.

Natural Resource Management

- Identify municipalities to receive Project support with potable water supplies.
- Establish priorities with municipalities, *mancomunidades* and communities.
- Identify protected area/watersheds to receive Activity support.
- Expand technical assistance in soil conservation, water resource management, wildlife preservation, pest and disease identification and control, and the safe use of pesticides.

Gender Mainstreaming

- Provide further training to MERCADO staff on the Gender Mainstreaming Strategy (once approved by USAID).
- Assess and promote financial options for women (as both direct clients and household members).

Small Grants Mechanism

- Documentation review for joint cost sharing technical assistance activities with *mancomunidades*.
- Review of proposals from private sector companies for joint cost sharing of technical assistance activities.
- Develop initial technology grants program for the main components.

ANNEX I. PMP (JUNE 2015)

Status June 2015: Management Activities for MERCADO Work Plan, Year 1 (December 2014 to September 2015)

Activities	Year 1: Output Targets (Dec. 2014 - Sept. 2015)			Year 1 Total	LOP	Status 06/2015	Added from Previous 1/4	Total to Date	Status	Units
	Q2	Q3	Q4	FY15	FY19					
1 Management										
1.1 Start-Up/Transition Activities										
1.1.1 USAID Contract debrief	1								Completed	Meeting notes
1.1.2 Key Personnel fielded	3								Completed	Activity files
1.1.3 Financial system established	1								Completed	Activity files
1.1.4 Main and regional offices established		3							Completed	Activity files
1.1.5 Local team transitioned/hired									Completed	Activity files
1.1.6 Vehicles and equipment transitioned/procured									On-going	Activity files
1.1.7 Consortium members subcontracted	2								Completed	Signed subcontracts
1.1.8 Clients:										
a. ACCESO clients transitioned		8,000			8,000	8,279		8,279	Completed	Clients
b. New clients added		1,000	3,000	4,000	10,000	108		108	On-going	New Clients
1.2 Management Reports/Deliverables										
1.2.1 Branding & Marking Plan drafted and submitted									Pending USAID approval	Plan
1.2.2 EMPR drafted and submitted									USAID Approved	Report
1.2.3 Annual Workplan drafted and submitted									Pending USAID approval	Reports
1.2.4 Gender Strategy drafted and submitted									Pending USAID approval	Strategy
1.2.5 Security Plan drafted and submitted									In preparation	Plan
1.2.6 Subawards manual drafted and submitted									USAID Approved	Manual
1.2.7 Monthly Bulletins	1	3	3	7	57	4		4	On-going	Bulletins
1.2.8 Quarterly/Annual/Final Progress Reports		1	1	2	18	1		1	On-going	Reports
2 Monitoring & Evaluation Activities										
2.1 M&E Plan/PMP developed and submitted	1								Pending USAID approval	Plan
2.2 Fintrac M&E System (CIRIS) installed		1							Completed	System operating
2.3 Staff trained in M&E methodology and CIRIS									Completed	Report
2.4 Baseline Survey Conducted and Submitted	1								Pending USAID approval	Survey
2.5 Snapshots Produced and Disseminated			3	3	54					Snapshots
2.6 Annual PMP/Performance Indicator Review			1	1	1					Updated PMP

Indicators/Activities/Tasks	CDCS Indicator #	FTF Indicator #	Contract	Year 1: Output Targets (Dec 2014 - Sep 2015)			Year 1 Total	Status 06/2015	Added from Previous 1/4	Total to Date	LOP	Units
				Q2	Q3	Q4						
DEVELOPMENT OBJECTIVE 2: EXTREME POVERTY SUSTAINABLY REDUCED FOR VULNERABLE POPULATIONS IN WESTERN HONDURAS												
CDCS IR. 2.1. RESILIENCE OF LIVELIHOODS INCREASED												
CDCS Sub-IR 2.1.2 Adaptation of poor households to climate risk												
2.1.2-1	Number of people with a savings account or insurance policy as a result of USG assistance	YES	Custom	YES				0			2,500	Beneficiaries
CDCS IR. 2.2. INCOMES INCREASED												
CDCS Sub-IR 2.2.1 Agricultural Productivity Improved												
2.2.1-1	Number of households living in poverty moved above the poverty line *	NO	Custom	YES				0			15,000	Households
2.2.1-2	Number of households with annual income of at least \$5,000 * ¹	NO	Custom	YES				0			15,000	Households
2.2.1-3	Proportion of female participants in USG-assisted programs designed to increase access to productive economic resources (assets, credit, income or employment) *	NO	GNDR-2	YES				12%	4.5%	4.5%	25%	% female
PURPOSE 01: INCREASED INCLUSIVE AGRICULTURAL SECTOR GROWTH												
Improved Agricultural Productivity (Output 1.1)												
2.2.1-4	Gross margin per hectare, animal or cage of selected product* ²	YES	FTF 4.5 (16,17,18)	YES				46%	n/a	n/a	200%	US\$/Hectare
2.2.1-5	Number of rural households benefiting directly from USG interventions	NO	FTF 4.5.2 (13)	YES				10,000	8,387	8,387	18,000	Households
2.2.1-6	Number of hectares of land under improved technologies or management practices as a result of USG assistance	NO	FTF 4.5.2 (2)	YES				5,000	n/a	n/a	18,000	Hectares
2.2.1-7	Number of farmers and others who have applied improved technologies or management practices as a result of USG assistance	YES	FTF 4.5.2 (6)	YES				5,000	n/a	n/a	18,000	Farmers
2.2.1-8	Number of individuals who have received USG supported short-term agricultural sector productivity or food security training	NO	FTF 4.5.2 (7)	NO				10,000	7,070	7,070	30,600	Individuals
2.2.1-9	TA/extension visits by activity & partner technicians	NO	NO	NO	1,000	5,000	10,000	16,000	30,189	30,189	440,000	On-farm TA visits
2.2.1-10	Technical materials produced or updated	NO	NO	NO	2	5	5	12	3	3	80	# Materials

Indicators/Activities/Tasks	CDCS Indicator #	FTF Indicator #	Contract	Year 1: Output Targets (Dec 2014 - Sep 2015)			Year 1 Total FY15	Status 06/2015	Added from Previous 1/4	Total to Date	LOP	Units	
				Q2	Q3	Q4							
DEVELOPMENT OBJECTIVE 2: EXTREME POVERTY SUSTAINABLY REDUCED FOR VULNERABLE POPULATIONS IN WESTERN HONDURAS													
CDCS IR. 2.2. INCOMES INCREASED													
PURPOSE 01: INCREASED INCLUSIVE AGRICULTURAL SECTOR GROWTH													
CDCS Sub-IR 2.2.2 Market Demand and Access Increased													
Improved Access to Markets (Output 1.2)													
2.2.2-1	Value of incremental sales (collected at farm-level) attributed to Feed the Future implementation*	YES	FTF 4.5.2 (23)	YES			0	n/a		n/a	\$ 70.00	US\$ million	
2.2.2-2	Number of MSMEs accessing new market opportunities	YES	CUSTOM	YES		200	300	500	86		86	10,000	Linkages
2.2.2-3	Number of MSMEs that have been verified to meet market standards for their products	NO	CUSTOM	YES		50	150	200	138		138	3,000	MSMEs
2.2.2-4	Number of MSMEs that have entered into a contract agreement	YES	CUSTOM	YES		50	150	200	n/a		n/a	3,000	MSMEs
2.2.2-5	Number of MSMEs, including farmers, providing business development services from USG assisted sources ³	NO	FTF 4.5.2 (37)	YES				30	6		6	200	MSMEs
2.2.2-6	Intermediate brokers incorporated as Activity clients	NO	NO	NO		20	20	40	157		157	240	Brokers
2.2.2-7	Extension services provided by mancomunidades, NGOs and private sector companies	NO	NO	NO			5	5	n/a		n/a	15	Technicians
2.2.2-8	Farm-gate price SMS reporting system	NO	NO	NO				0	n/a		n/a	1	System operating
Increased Investment in Agriculture & Employment Opportunities (Output 1.3)													
2.2.2-9	Value of new private and public investment facilitated by FTF assistance* ⁴	NO	CUSTOM	YES				0	0.300		0.300	\$30.00	US\$ Million
2.2.2-10	Number of public-private partnerships formed as a result of Feed the Future assistance	YES	FTF 4.5.2 (12)	YES		3	7	10	3		3	30	PPPs
2.2.2-11	Number of agricultural and nutritional enabling environment policies completing the following processes/steps of development as a result of USG assistance in each case: 1. Analysis 2. Stakeholder consultation/public debate 3. Drafting or revision 4. Approval (legislative or regulatory) 5. Full and effective implementation	NO	FTF 4.5.1 (24)	YES				0	7		7	10	Policies
2.2.2-12	Number of jobs attributed to FTF implementation*	YES	CUSTOM	YES				300	n/a		n/a	5,000	FTEs
2.2.2-13	Municipal economic development planning	NO	NO	NO				2	n/a		n/a	10	Plans
Improved Financial Services for the Poor (Output 1.4) (ALL ZOI)													
2.2.2-14	Value of Agricultural and Rural Loans * ⁵	NO	FTF 4.5.2 (29)	YES				\$ 0.10	\$ 0.433		\$ 0.433	\$ 10.00	\$ millions
2.2.2-15	Number of MSMEs, including farmers, receiving USG assistance to access loans	NO	FTF 4.5.2 (30)	YES				250	202		202	2,500	MSMEs
2.2.2-16	Number of beneficiaries using mobile money services	NO	Custom	YES				0	n/a		n/a	2,500	Beneficiaries

Indicators/Activities/Tasks	CDCS Indicator #	FTF Indicator #	Contract	Year 1: Output Targets (Dec 2014 - Sep 2015)			Year 1 Total FY15	Status 06/2015	Added from Previous 1/4	Total to Date	LOP	Units	
				Q2	Q3	Q4							
DEVELOPMENT OBJECTIVE 2: EXTREME POVERTY SUSTAINABLY REDUCED FOR VULNERABLE POPULATIONS IN WESTERN HONDURAS													
CDCS IR. 2.3. HUMAN CAPITAL IMPROVED, WITH A FOCUS ON CHILDREN													
CDCS Sub-IR 2.3.1 Basic Education and Nutrition Service Delivery Improved													
PURPOSE 2: IMPROVED NUTRITIONAL STATUS, ESPECIALLY FOR WOMEN AND CHILDREN													
2.3.1-1	Prevalence of stunted children under five years of age *	NO	CUSTOM	YES				-2%	BL 42.3%			-20%	% reduction from baseline
2.3.1-2	Prevalence of underweight children under five years of age *	NO	3.1.9-16	YES				-2%	BL 9.5%			-20%	% reduction from baseline
Improved Access to Diverse & Quality Food & Nutrition-Related Behaviors (Output 2.1)													
2.3.1-3	Prevalence of exclusive breastfeeding of children under six months of age *	YES	FTF 3.1.9.1 (4)	YES				2%	BL 58.4%			20%	% increase from baseline
2.3.1-4	Prevalence of children 6-23 months receiving a minimum acceptable diet *	YES	FTF 3.1.9.1 (1)	YES				2%	BL 19.7%			20%	% increase from baseline
2.3.1-5	Percent of children less than two years old with two consecutive low monthly measurements	NO	CUSTOM	YES				-4%	n/a			-30%	% reduction from baseline
2.3.1-6	Number of underweight children less than two years old * ⁶	NO	CUSTOM	YES				0	n/a			-500	# children < 2 yo
2.3.1-7	Women's Dietary Diversity: Mean number of food groups consumed by women of reproductive age**	NO	FTF 3.1.9.1 (2)	NO				TBD	BL 3.0			TBD	Food Groups
Improved Community & Household Sanitation & Hygiene (Output 2.2)													
2.3.1-8	Percent of children under age 5 who had diarrhea in the prior two weeks	NO	F 3.1.8-33	YES				-3%	BL 12%			-25%	% reduction from baseline
2.3.1-9	Number of households with improved sanitary conditions *	YES	CUSTOM	YES				1,000	BL 67%			10,000	# Households
2.3.1-10	Percent of households using an improved drinking water source **	YES	CUSTOM	YES				TBD	BL 83%			TBD	% of Population
Improved Utilization of Maternal & Child Health & Nutrition Services (Output 2.3)													
2.3.1-11	Percent of children under five years old with diarrhea treated with Oral Rehydration Therapy (ORT)	NO	CUSTOM	YES				3%	BL 0.5%			25%	% increase from baseline
2.3.1-12	Percent of children with pneumonia taken to appropriate care	NO	CUSTOM	YES				3%	BL 71.1%			25%	% increase from baseline
2.3.1-13	Number of people trained in child health and nutrition through USG-supported programs	NO	FTF 3.1.9 (1)	YES				350	3,690		3,690	1,000	# trained
2.3.1-14	Percent of target population that views gender-based violence as less acceptable after participating in or being exposed to USG programming	NO	GND-7	NO				23.2%	n/a			17.3%	Percentage
* Targets are notional and will be revised as per baseline results													
** Targets will be set as per results of baseline													
1 Request that this indicator and associated targets be removed as it does not track or demonstrate achievement towards poverty reduction													
2 Target commodities will be determined as per baseline results													
3 Indicator in contract changed from "Number of MSMEs, including farmers, receiving business development services from USG assisted sources" to "Number of MSMEs, including farmers, providing business development services from USG assisted sources"													
4 Custom indicator and includes household client investments in fixed assets													
5 the target includes all sources and reports will be broken down by formal and informal													
6 Contract target of 2,000 reduced to 500													

ANNEX II. MERCADO MONTHLY SUMMARIES


FEED THE FUTURE
The U.S. Government's Global Hunger & Food Security Initiative

MERCADO | March 2015



Feed the Future MERCADO is a five-year activity supported by the people and the government of the US, implemented through the United States Agency for International Development (USAID). MERCADO is one of USAID's largest investments in Honduras as part of Feed the Future, the US government's global hunger and food security initiative.

MERCADO will work with more than 18,000 household clients living in poverty and extreme poverty across the departments of Ocotepeque, Copan, and Santa Bárbara. The activity aims to improve household malnutrition and poverty levels through economic development that will increase revenues and generate employment.

GOALS

Increase agricultural sector growth, including:

- Productivity
- Market demand and access
- Investments and employment opportunities
- Financial services

Improve nutritional status, including:

- Access to a diverse and quality diet
- Proper sanitation and hygiene practices in the community and at home
- Utilization of nutrition and maternal and child health services
- Ensuring the sustainability of health and nutrition systems with the Secretary of Health



INCOME GENERATION

Training and technical assistance at the household level to develop and foster income-generating activities across various value chains, including:

- Horticulture
- Coffee
- Animal production
- Fruit
- Basic grains
- Processed and value-added products
- Off-farm businesses
- Employment



COMPONENTS

Comprehensive and integrated support at the household, local community, and government levels to provide access to opportunities, markets, and services, including:

- Agricultural production, marketing and postharvest, finance, and business skills
- Health and nutrition, healthy homes, and local services
- Natural resource management, protection of water sources, potable water, and water for irrigation



USAID

FROM THE AMERICAN PEOPLE

March 2015 | 1

Prepared by Fintrac Inc.

ADMINISTRATION

The transition from USAID-ACCESO to Feed the Future MERCADO at the community level started March 1. To ensure a smooth transition for household clients, it was necessary to undertake the following administrative tasks:

Negotiations and agreements with sub-contractors. In addition to subcontracts with partners Fundación Hondureña de Investigación Agrícola (FHIA) and El Zamorano, subcontracts were also signed with Proyecto Aldea Global, Organización Cristiana para el Desarrollo Integral de Honduras, and Proyecto e Iniciativas Locales para el Autodesarrollo Regional de Honduras.

Personnel selection and reassignment. The majority of personnel under USAID-ACCESO have continued to work under the new MERCADO structure. Subcontractors reassigned workers according to geographic coverage. The hiring and selection process was completed in March, and each of the three departments have most of its technical team in place.



ACTIVITIES

Training period. Each of the three departments carried out a staff training to discuss the objectives and goals of the project; raise and review work strategies; and consider and reinforce administrative procedures.

Selection of clients and communities. MERCADO will continue to work with approximately 8,000 former USAID-ACCESO households across the three departments. A set of defined criteria to select the clients included access to water, advances in adoption of technologies, willingness to continue receiving technical assistance, and logistical access. This client selection helped identify communities that would benefit from an increase in the number of beneficiaries via MERCADO. Also, technical work plans were drawn up to ensure consistent and regular coverage for each client.

Health diagnostic in selected communities. After target communities have been identified, MERCADO staff responsible for the health and nutrition component started to gather the requisite information for a health diagnostic in each of these communities. Certain factors assessed include: the number of children under five years of age, presence of health volunteers, implementation of the community-based, integrated child care program, and the involvement of the community as a whole. MERCADO staff visit primary health centers in the communities to promote the project and identify potential ways to coordinate efforts.



MERCADO | April 2015



Feed the Future MERCADO is a five-year project supported by the people and the government of the United States, implemented through the United States Agency for International Development (USAID) as part of the US government's global hunger and food security initiative.

MERCADO will work with more than 18,000 household clients living in poverty and extreme poverty across the departments of Ocotepeque, Copan, and Santa Bárbara. The project aims to improve household malnutrition and reduce poverty levels through economic development that will increase revenues and generate employment.

Macro-level strategies include: promote profits, not subsistence; facilitate private sector investment; strengthen rural markets; reduce gender gaps; promote healthy households; and empower local leadership.

GOALS

Increase agricultural sector growth, including:

- Productivity
- Market demand and access
- Investments and employment opportunities
- Financial services

Improve nutrition, including:

- Access to a diverse and quality diet
- Proper sanitation and hygiene practices in the community and at home
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GENERAL

- Recruited 98 employees, including managerial and administrative, and specialists and technicians of each component.
- Economic development and health/nutrition components are working together to integrate the implementation of activities at the household level. Health and nutrition prioritized production communities for the start of the health diagnostic.



MANAGEMENT

- Reached out to representatives from *mancomunidades*, private businesses, and other potential strategic partners for the implementation of projects in the three departments. Fourteen representatives attended a meeting convened to present Expressions of Interest.
- Renewed the partnership with ANAVIH for the supply of eggs to nutrition education centers and preschools.

MARKETING

Project staff continued negotiations with OLAM regarding the continued purchase of specialty coffee from MERCADO clients. Areas of improvement were identified to ensure the partnership achieves expanded results in the next year.

A meeting with La Cooperativa Capucas, a purchasing and beneficiary cooperative that exports coffee in the municipality of San Pedro Copan, led to discussions and agreement on areas of common interest, such as the commercialization of chia, organic coffee, and lemongrass.

The planting of high-value vegetables for Hortifruti, La Colonia, APROCEL, and APROALCE was started.

Two small community markets (*mercaditos verdes*) in Reales Valladolid and Zacualpan Tomalá began operations; the identification of new communities for the establishment of *mercaditos verdes* continued.

FINANCE

MERCADO continued to facilitate access to credit for clients in the sowing period with the following organizations: CADELGA, BANRURAL, Hermandad de Honduras, Del Campo, BANADESA, Corredor del Quetzal, various cooperatives, *cojas rurales*, and others.



ACTIVITIES

Technical assistance. Offered technical assistance in the implementation of basic production practices with new plantings of maize, handling of coffee, and timetables for vegetable planting; trained MSMEs in new processing practices. Other activities included the identification of financing options for MERCADO clients and meeting for developing alliances with representatives of various municipalities, mancomunidades, private sector businesses, and health sector organizations.

Study on gender equality. This study was conducted with MERCADO clients to identify the dynamics of the relationship between men and women that affect economic development at the household and community level. The study was performed with nine focal groups in three departments. The information from this report was used to define strategies and activities the project can implement to promote gender equity and involvement in production processes promoted at the household and commercial level.

Diagnostic of health situation in selected communities. After identifying communities continuing under MERCADO, health and nutrition staff started to gather information for a diagnostic on the health situation in selected communities. They identified the number of children under 5 years old, the existence of health volunteers or monitors, the functioning of the AIN-C strategy, and the presence of other actors in the community. Additionally, visits were conducted to health centers that serve as the primary facilities for these communities to promote the project and find potential opportunities for coordination.

USAID visit: USAID representatives visited household clients and MSMEs in the department of Copan.



MERCADO | May 2015



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MANAGEMENT

- Launched solicitation for applications for partnership agreements with private companies across the three target departments.
- Renewed partnerships with service providers, local and national buyers, and other stakeholders in each department.
- Met with FHIS-PODER representatives to coordinate activities related to irrigation and renewable energy.



GENERAL

- 8,809 client households received technical assistance in production; business skills and finance; processing and value addition; postharvest; marketing; natural resource management and disaster mitigation; and health and nutrition.
- 1,172 training events included 9,016 participants (23 percent women) around themes such as: basic production practices in basic grains, horticulture, and coffee; livestock management; irrigation; pests, weeds, and diseases; health and nutrition strategies; and financing, among others.



PRODUCTION

A total of 8,307 households in the three departments have transitioned from USAID-ACCESO to MERCADO as of May 31, of which 10 percent (815) are women.

Technical staff have conducted 7,317 agricultural production visits and 601 animal production visits. MERCADO has also continued to develop the planting program for selected crops (broccoli, cauliflower, lettuce, carrots, and beets) in the three departments to meet the demands of local and national buyers. In total, 64 new hectares have been planted in May for a total assisted area of 9,214 hectares, including permanent crops.



FINANCES

MERCADO continued negotiations with CADELGA, BANRURAL, Hermandad de Honduras, Del Campo, BANADESA, Corredor del Quetzal, UNICEMOCH, and various cooperatives, *cajas rurales*, and other finance institutions to facilitate access to credit for clients during the planting period. Also, negotiations with distributors of agricultural equipment are underway to offer discounted prices to project clients. With various *cajas rurales*, MERCADO initiated trainings in pledging grain and developing *agro-tiendas*.



DEVELOPMENT PARTNERSHIPS

MERCADO met with 13 mayors of the *Mancomunidad Consejo Higuito* to present the project's objectives and strategies. This meeting discussed the different options for strategic alliances with each municipality to increase incomes and reduce poverty levels.

A meeting and field visit was conducted in Copan with management of the Centro *Universitario Regional de Occidente (CUROC)* to create a strategic alliance for collaboration with MERCAO in the agriculture, processing, and health components.



ACTIVITIES

Coffee cupping. In coordination with the cooperative CAFEL MERCADO organized a coffee cupping event in La Elencia with producers from La Elencia y Las Palmeras to identify quality coffee and promote good postharvest practices that could lead to better coffee prices. Seven samples were evaluated and three were of good enough quality that the buyer offered twice the price of the coffee that did not qualify.

Health and nutrition. Baseline data was completed on the health and nutrition status of 2,324 children under 2 and 2,687 children 2-5 years in 112 communities in 30 municipalities of the three departments. Each of the data collection visits measured weight and height, and where appropriate parents received counseling based on the findings as well as referrals to health centers.





MERCADO | June 2015



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PARTNERSHIP DEVELOPMENT

Continued to develop partnerships with mancomunidad Consejo Higuito in Copan; mancomunidades in Ocotepeque; CATIE Plan Trifinio; NGOs; and municipalities in Santa Barbara. Discussion topics included support to farmers with planting materials; logistics for moving products from farm to market; and the protection and conservation of water sources that supply irrigation systems.



GENERAL

- Technical staff conducted 10,853 visits this month; 90 percent of which focused on economic development.
- 10,781 participants (24 percent women) attended 1,462 training events on the following topics: basic practices in basic grains; livestock management; irrigation; pest, weed, and disease control; health and nutrition strategies; and financing.

PRODUCTION

A total of 8,387 client households have transitioned from USAID-ACCESO to MERCADO of which 10 percent (816) are women. This month, 356 new hectares were planted; main crops are maize, beans, rice, tomatoes, coffee, plantains, yuca, carrots, chilies, and watermelon. Several field days were carried out, including plantains in Olosingo, Lempira and beans in Santa Elena, Ocotepeque.



FINANCE / BUSINESS SKILLS

MERCADO continued to facilitate access to credit for clients during plantings, with CADELGA, BANRURAL, IHCAFE, Hermandad de Honduras, Del Campo, BANADESA, Corredor del Quetzal, OLAM, UNICEMOCH, OPDFs, cooperatives, cajas rurales, and others. Activities related to obtaining RTNs and invoices for farmers were expanded, including meetings with DEI in regional and headquarter offices.



ANIMAL PRODUCTION

In June, the animal production specialist focused on assisting household clients in developing of protein blocks using mulberry that are used to feed cattle, goats, chickens, and rabbits. More than 20 client households have introduced the mulberries in combination with *modreodo* as a source of protein for animal feed.



HEALTH AND NUTRITION

This month, health and nutrition technical staff conducted 227 technical assistance visits. Through strategic alliances with NGOs and *Vida Mejor*, client households in Ocotepeque and Copan now have bathrooms, latrines, and sinks in their homes; these organizations are exploring opportunities to extend this benefit to other communities in the three departments. As part of the alliance with ANAVIH, egg delivery is benefiting 687 children under the age of 5 in 16 communities.

NATURAL RESOURCE MANAGEMENT

MERCADO has developed a draft of the environmental protocols for installing and operating irrigation systems, which is currently under review and validation in each of the departments. Five training events were held on the safe handling of pesticides, calibration of equipment, and management of empty containers.



MARKETING

The project began compiling a list of local buyers. Producers visited processing plant buyers in Copan to discuss the supply of cattle and chicken feed. New market links were established for passion fruit and corn. Additionally, MERCADO assisted an exporter in Comayagua to locate a site for a packing plant in Santa Bárbara.



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MERCADO
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