



USAID
FROM THE AMERICAN PEOPLE

TRANSPARENT LOCAL GOVERNANCE AND IMPROVED SERVICE DELIVERY

SEMI ANNUAL TECHNICAL PERFORMANCE REPORT

OCTOBER 01, 2014 – MARCH 31, 2015

April 30, 2015

This publication was produced for review by the United States Agency for International Development and prepared by Deloitte Consulting LLP.

TRANSPARENT LOCAL GOVERNANCE AND IMPROVED SERVICE DELIVERY

**SEMI ANNUAL TECHNICAL PERFORMANCE REPORT
OCTOBER 01, 2014 – MARCH 31, 2015**

Prepared for:

USAID/Honduras, Office of Democracy & Governance

Prepared by:

Deloitte.

Contract No. AID-522-C-11-00002

April 30, 2015

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

Table of Contents

Abbreviations	4
1. Executive Summary	1
2. Introduction & Overview	5
2.1 Scope and Objective	5
2.2 Strategic Framework	5
2.3 Transparent Local Governance & Improved Service Delivery Goals	6
2.4 Performance Ranking	7
3. Performance Assessment by Result	14
3.1 Result 1: Civil Society Advocacy for Improved Local Services Increased	14
3.2 Result 2: Local Institutional Capacity to Deliver Decentralized Services Strengthened	24
3.3 Result 3: Structures and Systems to Implement Reform Strengthened	36
3.4 Activity Area 1: Small grants	41
3.5 Activity Area 2: Small infrastructure projects	43
3.6 Rapid Response Fund	45
4. Gender	46
5. Communication Strategy for the Program	47
6. Training Events.	48
7. Deliverables Submitted	49
8. Summary of Challenges and Remedial Actions.	49
9. Conclusions	50
10. Annexes	53
Annex A: Errata for reported values during the fourth and sixth semester in the PMP	53
Annex B: Open town hall meetings per municipality (2013 and 2014)	54
Annex C: Agreements between civil society and local governments per municipality (Oct. 2014 - March 2015 2015)	56
Annex D: Results of recovery of tax arrears per municipality by year	58
Annex E: Efficiency indicator for collection of service fees by municipality	59
Annex F: Collection from service fees per municipality by year (in Lempiras)	60
Annex G: Civil society organization monetary grants to March 31, 2015	61
Annex H: Summary of Small Infrastructure Projects (SIP). Approved by USAID as of March 2015.....	62
Annex I. Success story: Promoting a better quality of life for women.....	64

Tables

TABLE 1: RANKING CRITERIA.....	8
TABLE 2: GOALS AND INDICATORS OF THE PMP FOR SEMESTER SIX AND SEVEN.....	9
TABLE 3: NUMBER OF LOCAL GOVERNMENTS ASSISTED BY AREA (C AND D).....	12
TABLE 4: NUMBER OF MEN AND WOMEN WHO RECEIVED USG ASSISTED TRAINING (C AND D MUNICIPALITY)	13

TABLE 5: NUMBER OF MEN AND WOMEN WHO RECEIVED USG ASSISTED TRAINING INCLUDING MANAGEMENT SKILLS AND FISCAL MANAGEMENT TO STRENGTHEN DECENTRALIZATION.....	13
TABLE 6: NUMBER OF WATER BOARDS THAT GAVE ACCOUNTABILITY REPORTS PER MUNICIPALITY (OCT. 2014-MARCH 2015).....	15
TABLE 7: SOCIAL OVERSIGHT IMPLEMENTED IN THE PERIOD FROM OCT. 2014 - MARCH 2015, PER MUNICIPALITY	15
TABLE 8: ACTIVITIES IMPLEMENTED BASED ON THE SOCIAL OVERSIGHT EXERCISES DEVELOPED IN THE PREVIOUS PERIOD.....	16
TABLE 9: FOLLOW-UP OF AGREEMENTS TAKEN BETWEEN CIVIL SOCIETY AND LOCAL AUTHORITIES FROM SANTA BARBARA AND PUERTO CORTES DURING 2014.....	19
TABLE 10: PROGRESS IN THE IMPLEMENTATION OF THE COMMUNICATIONS STRATEGY'S ACTION PLAN PER MUNICIPALITY	20
TABLE 11: AGREEMENTS WITH CIVIL SOCIETY TAKEN BY TARGET MUNICIPALITIES BETWEEN OCTOBER 2014 AND MARCH 2015	22
TABLE 12: PROGRESS IN THE RUC IMPLEMENTATION, TO MARCH 2015	25
TABLE 13: RECOVERY OF TAX, RIGHTS AND MUNICIPAL SERVICE ARREARS, PER YEAR (JANUARY – DECEMBER).....	25
TABLE 14: RESULTS OF CADASTRE IMPLEMENTATION FOR THE FIRST TIME IN TARGET MUNICIPALITIES	26
TABLE 15: PROGRESS ON AGREEMENT ON CADASTRAL VALUES BY MUNICIPALITY	27
TABLE 16: PROGRESS IN IMPLEMENTATION OF STRENGTHENING PROPOSAL FOR LOCAL SERVICE PROVISION BY MUNICIPALITY	29
TABLE 17: LOCAL SERVICES FEE APPLIED FROM JANUARY 2015 IN CORQUIN	29
TABLE 18: WATER FEES INCLUDED IN THE 2015 TAX PLAN FOR AZACUALPA.....	31
TABLE 19: SEWAGE FEES INCLUDED IN THE 2015 TAX PLAN FOR AZACUALPA	31
TABLE 20: SOLID WASTES FEES INCLUDED IN THE 2015 TAX PLAN FOR AZACUALPA	31
TABLE 21: ESTIMATED BUDGET FOR THE 2015 JOINT ROAD MAINTENANCE PLAN	34
TABLE 22: ESTIMATED BUDGET FOR THE 2015 JOINT ROAD MAINTENANCE PLAN	35
TABLE 23: PER CAPITA INCLUDED IN THE HEALTH AGREEMENTS BY PROVIDER, PER YEAR	38
TABLE 24: CONTRIBUTIONS OF CHORTI AND MOCALEMPA DURING THE EXCHANGE OF EXPERIENCES	39
TABLE 25: ASSESSMENT RESULTS PER PROVIDER MANCOMUNIDAD BY YEAR, TO DECEMBER 2014.....	40
TABLE 26: ACCUMULATED AWARDED GRANTS TO MARCH 31, 2015.....	42
TABLE 27: PROJECTS COMPLETED DURING THE PERIOD FROM OCT. 2014 - MARCH 2015.....	44
TABLE 28: PROGRESS IN ONGOING PROJECTS FOR THE OCT. 2014 - MARCH 2015 PERIOD.....	44
TABLE 29: PROJECTS EXECUTED BY WOMEN'S GROUPS TO MARCH 2015, PER MANCOMUNIDAD.....	47
TABLE 30: TRAINING EVENTS SUMMARY FOR Y4S1	48
TABLE 31: SUMMARY OF CHALLENGES AND REMEDIAL ACTIONS	50
TABLE 32: REPORTED VALUES IN THE 4TH AND 6TH SAR FOR THE PMP FINANCIAL INDICATORS	53
TABLE 33: ADJUSTED VALUES FOR THE 4TH AND 6TH SAR OF THE PMP FINANCIAL INDICATORS	53

Table of Figures

FIGURE 1: USAID/HONDURAS DG PROGRAM STRATEGIC FRAMEWORK.....	6
FIGURE 2: RANKING DEFINITIONS.....	7
FIGURE 3: SELECTED INDICATORS AND THEIR LEVEL OF IMPACT.....	8
FIGURE 4: PROGRESS ACHIEVED ON THE INDICATOR 6 TH BY GENDER (A AND B MUNICIPALITIES)	10
FIGURE 5: PROGRESS ACHIEVED ON THE INDICATOR 6 TH BY GENDER (C AND D MUNICIPALITIES)	10
FIGURE 6: PROGRESS ACHIEVED ON THE INDICATOR 9 TH BY GENDER (A AND B MUNICIPALITIES)	11
FIGURE 7: PROGRESS ACHIEVED ON THE INDICATOR 9 TH BY GENDER (C AND D MUNICIPALITIES)	12
FIGURE 8: BROAD TIMELINE OF ACTIVITY TYPES FOR PROJECT YEAR 4.....	14
FIGURE 9: PARTICIPATION IN OPEN TOWN HALL MEETINGS BY GENDER 2014.....	21
FIGURE 10: RESULT 1 PROGRAMMED ACTIVITIES FOR Y4S2.....	23
FIGURE 11: BEHAVIOR OF OWN REVENUES BY YEAR IN LEMPIRAS (JAN-DEC)	28
FIGURE 12: REVENUE FROM SERVICE FEES FOR 14 MUNICIPALITIES THAT IMPLEMENTED THE CUSP, PER YEAR.....	34
FIGURE 13: RESULT 2 PROGRAMMED ACTIVITIES FOR Y4S2.....	36
FIGURE 14: RESULT 3 PROGRAMMED ACTIVITIES FOR Y4S2	41
FIGURE 15: SMALL INFRASTRUCTURE PROJECTS PROGRAMMED ACTIVITIES FOR Y4S2.....	45

Abbreviations

ADELSAR*	Local Strategic Development Agency of Santa Rosa de Copan
AJAAM*	Association of Municipal Water Boards
AMHON*	Honduran Municipal Association
ASIS	Health Situation Analysis
CAS	Country Assistance Strategy
CECUP*	Specialized Center for Practical Courses
CDCS	Country Development Cooperation Strategy
CESAL	Study and Solidarity Center for Latin America
CCT*	Citizens Commission of Transparency
CEFASA	Family and Community Census
CESAMO*	Health Unit with Doctor and Dentist
CESAR*	Rural Health Unit
CMI*	Maternal-Infant Clinic
CODECO*	Community Development Committees
COMAS*	Municipal Water and Sanitation Commission
COMDE	Municipal Council for Educational Development
CSO	Civil Society Organization.
CUSP	Public Services Users Cadaster
DIA*	Alternate Integral Development
DG	Democracy & Governance
DEE	Decentralization Enabling Environment
FHIS	Honduran Social Investment Fund
FOCAL	Strengthening of Local Capacities Program
FOVIMA*	Joint Road Fund
GJD	Governing Justly and Democratically
GL	Local Government
GIZ	International Cooperation Agency of Germany
IR	Intermediate Result
INE	Statistics National Institute
JAAP	Potable Water Managing Boards
MC	Municipal Commissioner

NIP*	Participatory Intervention Core
OIDH	Integral Development Agency of Honduras
OSC*	Civil Society Organization
PMP	Program Monitoring Plan
PPI*	Small Infrastructure Projects
PIR*	Rural Infrastructure Program
RCS	Health Committees Network
RFA	Request for Application
RRCTO	Western Regional Network of Citizens Commission of Transparency
RUC*	Single Tax Payers' Registry
SAFT*	Financial and Tax Administrative System
SAMI	Municipal Financial Management System
SEFIN*	Ministry of Finance
SERNA*	Ministry of Natural Resources and Environment
SESAL	Ministry of Health
SIMAFI*	Municipal Administrative and Financial Information System
TSC	Superior Accountability Court
UMA*	Municipal Environmental Unit
USAID	United States Agency for International Development
SDHJGD*	Ministry of Human Rights, Justice, Interior and Decentralization
UFAU	Customer Service Functional Unit
ULAT	Technical Assistance Local Unit
USCL*	Local Control and Monitoring Unit
USG	United States Government
UTI*	Inter-Municipal Technical Unit
UTVM*	Joint Technical Road Unit
WMO	Women's Municipal Office

*Acronyms in Spanish

1. Executive Summary

The USAID Transparent Local Governance and Improved Service Delivery Program (heretofore called “the Program”) seeks to achieve the following objective during the implementation of the contract: strengthen Honduran democracy in approximately ten networks that include approximately forty municipalities, by increasing citizen satisfaction with and participation in decentralized, democratic government-provided or regulated services through improved service delivery, which will result in more accountable, transparent government.

This is the seventh semi-annual report presented in compliance to section F of the contract. It covers all activities developed between October 2014 and March 2015. The main results are described as follows:

In relation to Result 1, "Civil society advocacy for improved local services increased", the strengthened civil society organizations developed different advocacy actions such as: i) accountability sessions with water boards and health service providers; ii) social oversight exercises to improve services; iii) establishment of agreements between citizens and municipal governments; and iv) design of communication strategies with civil society.

Managers and/or providers of local services developed accountability events as effective mechanisms to generate confidence among service users, primarily water and health.

Water boards from the municipalities of HIGUITO and MANCOSOL (53) presented accountability reports to citizens on their management. This process, coordinated by the Association of Municipal Water Administration Boards (AJAAM) of each municipality, allowed strengthening of their institutionalism and improved joint work with each community's water boards.

The decentralized health service providers also increased accountability with service users. In Mapulaca and Candelaria, the mancomunidad MOCALEMPA, as health service providers, improved accountability by presenting to civil society on the system's performance, progress and obstacles in the process. In Lepaera, the provider's accountability report strengthened the relationship with the service providers and citizens.

Likewise, Citizen Commissions of Transparency (CCT) and Municipal Commissioners (MC) from nine municipalities implemented social oversight exercises for water, education and health services. In MAVAQUI, these same organizations monitored compliance of agreements from social control exercises developed in the previous period.

In municipalities of CAFEG, the implementation of social oversight exercises improved transparency and accountability of projects executed by women, with funds transferred from central government. Mayors showed political will in this mancomunidad to support women through fund transfers for execution of income generation projects based on the women's agenda.

On the other hand, strengthening of these women groups has helped to improve their quality of life and economies through income generation (women engage in several activities, such as

grain commercialization, sale of staple foods, broiler chicken farms, and coffee nurseries, among others).

In Puerto Cortes and Marcala, the respective local governments enhanced accountability on the solid waste service, strengthening the social dialogue with civil society. The CCT and the MC verified compliance of agreements rendered in 2014 for service improvement.

Advocacy actions were also evident in the agreements established between local government and civil society during the implementation of different participation mechanisms (open town hall meetings, community assemblies, among others). Among the agreements established for service improvement are: reduce child mortality, promote institutional childbirths, penalize midwives that deliver babies in houses, update of fees, recovery of arrears, improve quality and coverage of services, mandatory chlorination of water, and mandatory school attendance of children.

The advocacy process is also receiving strengthening with the implementation of an action plan based on communication strategies with civil society. In municipalities such as Cucuyagua, Belen, Azacualpa and Lepaera, civil society influenced the adoption of several measures for service improvement, such as issuing of municipal ordinances for proper water usage, formation of health committees with advisory functions and support to the health decentralization process, implementation of campaigns to reduce tax arrears, among others.

Currently, the implementation of strategies for own income generation, under Result 2, “Local institutional capacity to deliver decentralized services strengthened”, is showing satisfactory results. Because of this process, revenues increased in approximately 4.8 million Lempiras, from L. 7.9 million in 2013 to L. 12.7 million in 2014. In addition, in 2014, the recoveries from tax and service arrears reached collection levels higher than 2012 and 2013.¹

At the closing of this report, all municipalities participating in this assistance had concluded the dialogue on cadastral values to implement them in the second quarter of 2015. This will also contribute to increase of own revenues.

In relation to services, USAID|NEXOS is promoting in nine municipalities the development of models that help improve service provision. More than 70% approved the proposal for the institutional strengthening plan, and are currently showing implementation progress between 36% and 57%. Most of the municipalities have physical spaces for the operation of the public service offices; they have approved operations and administrative procedures manuals, have increased efficiency in recovery of service fees in 2014 and are making progress in completing the users' service cadaster. Despite the adoption of new fees, the main challenge is to achieve sustainability of the services provided.

In Nueva Frontera, the municipality began the billing process for the solid waste collection service, distributing 83% of collection notices. This allowed for a revenue collection of over eight thousand Lempiras between Dec. 2014 and Feb. 2015. However, it is still necessary to achieve sustainability of the service and improve the existing coverage.

¹ Honduran calendar years (Jan- Dec).

Among the positive results of this service's implementation are construction of two trenches for waste treatment, distribution, covering and compaction of collected waste in trenches, and removal of two illegal dumpsites that operated prior to the new service's implementation.

Because of the implementation of the public service users' cadaster, the municipalities showed an increase in revenues for collection of fees from water, sewage and solid waste services of 57%, 15% and 2% respectively, in the period from Jan. - Dec. 2014. From 2011 to 2013, incomes from this source showed a similar growth rate, until 2014 in which this rate was much higher than previous years.

During this period, CAFEG included within its organizational structure the Joint Technical Road Unit (UTVM). Its operation has allowed the execution of two maintenance and road rehabilitation projects, for an estimated amount of more than six-hundred thousand Lempiras, benefiting five municipalities of this mancomunidad. The joint road service provision is contributing to this service's improvement.

Health is another service supported by the Program, which continued strengthening the decentralized health service providers through technical assistance processes, trainings and knowledge exchanges.

The results of the performance evaluations conducted by SESAL were used to focus technical assistance to those service providers whose ratings fell in relation to the previous years (MOCALEPMA, COLOSUCA, MANCOSOL, Gualcinse - San Andres, Lepaera and Proteccion).

The Program continued supporting the implementation of the National Basic Curriculum for Training Health Service Providers, coordinating activities with SESAL and the Local Technical Support Unit (ULAT).

Technical strengthening concentrated on the design of plans to improve performance of providers and developing plans to reduce maternal deaths.

During this period, USAID|NEXOS intensified activities related to grants and infrastructure projects components. The grants' component completed the first RFA, submitting nine grants to equal number of civil society organizations. Likewise, the second RFA launched, receiving 24 applications, of which the established committee is evaluating eight. To date, more than US\$ 1.3 million have been committed in in-kind grants (46.8%) and monetary grants (53.2%).

The implementation of infrastructure projects is contributing to improve health units for better patient care. The construction of a health center building in Macuelizo generated savings to the municipality, since it had to pay rent for the health unit's operation. In Proteccion, both medical and administrative staffs are now working in the same building, facilitating coordination of activities. During this period five projects concluded, four in the health area and one for social cohesion.

In relation to the rapid response funds, USAID|NEXOS supported the conclusion of the strategic plan for the Inter-municipal Technical Units, institutional strengthening of AMHON, and delivered a donation to HIGUITO of furniture and equipment (conference table, executive chairs, training chairs and tables, whiteboard, data show, screen, router and installation, laptop and copy machine).

All of these results contributed to the compliance of the goals established in the Performance Monitoring Plan. Overall, USAID|NEXOS achieved more than 80% of the goals with a rating of "acceptable" or "above expectations". The remaining 20% shows a level of compliance "at risk", which is why the necessary actions will be taken during next period to ensure improvement in performance.

2. Introduction & Overview

2.1 Scope and Objective

This is the seventh semiannual report submitted in compliance with the Contract AID-522-C-11-00002 for the “Transparent Local Governance and Improved Service Delivery Program” (USAID|NEXOS), in support of the USAID’s strategic objective of *More Responsive Governance and Intermediate Result 2*, “Locally-provided services in response to citizen needs improved”.

The Program is currently part of the second strategic objective of the new USAID|Honduras Country Development Cooperation Strategy (CDCS) for FYs 2015-2019: “extreme poverty sustainably reduced for vulnerable populations in Western Honduras”. Likewise, it contributes to the Intermediate Result 2.3, “human capital improved, with a focus on children”.

The Contract calls for the contractor to submit a semiannual report, to be delivered within 30 days of the end of each period. The report shall be structured to highlight achievements, obstacles faced, and any other significant information for all components.

2.2 Strategic Framework

The Transparent Local Governance and Improved Service Delivery Program will contribute to broader USG policy efforts to strengthen democracy and governance in Honduras. The 2007 – 2012 Joint State-USAID strategic foreign assistance framework aims “To help build and sustain democratic, well-governed states that respond to the needs of their people, reduce widespread poverty and conduct themselves responsibly in the international system.” One of the five objectives supporting this overarching goal is “Governing justly and democratically”, which, for countries like Honduras, translates into support for policies and programs that accelerate and strengthen public institutions and the creation of a more vibrant local government and civil society. In addition, USAID’s Country Assistance Strategy (CAS) 2009 - 2013 states that “Governing Justly and Democratically” (GJD) is one of the primary goals of the United States Government (USG) foreign assistance efforts in Honduras. The goal of USG assistance in the GJD sector area is to strengthen democracy by improving governance, increasing transparency and accountability, and ensuring a credible electoral process.

The current USAID/Honduras Democracy & Governance (DG) Strategic Framework supports USAID’s strategic objective of More Responsive Governance. Three (3) intermediate results and seven (7) sub-intermediate results hold a hypothetical causal link to USAID’s strategic objective. Figure 1 shows the USAID/Honduras DG Strategic Framework and highlights in dark blue the results and objectives related to the Transparent Local Governance and Improved Service Delivery Program.

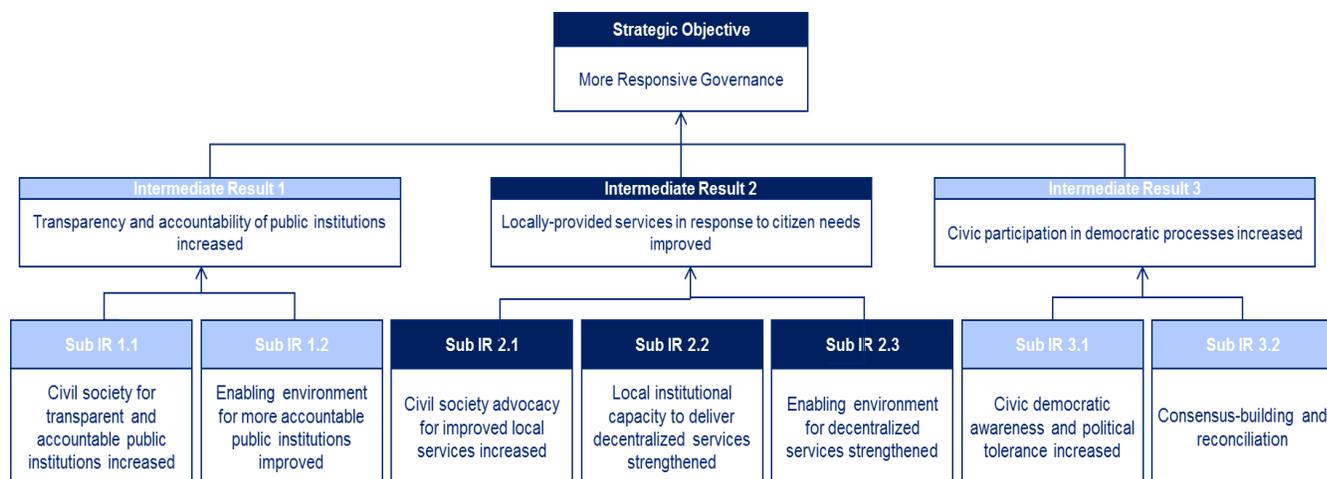


Figure 1: USAID/Honduras DG Program Strategic Framework

2.3 Transparent Local Governance & Improved Service Delivery Goals

USAID|NEXOS had a direct impact on Intermediate Result (IR) 2: “Locally-provided services in response to citizen needs improved”. The objective of the Program is to strengthen Honduran democracy in approximately ten networks that include approximately forty municipalities by increasing citizen satisfaction with and participation in decentralized, democratic government-provided or regulated services through improved service delivery, which will result in more accountable, transparent government.

In support of that IR, the Program has three main components or expected results:

- The first component, IR 2.1: *Civil society advocacy for improved local services increased* focuses on increasing civil society’s support and demand for decentralized services and understanding of their role in services delivery.
- The second component, IR 2.2: *Local institutional capacity to deliver decentralized services strengthened* focuses on strengthening the institutional capacity of local governments to respond to citizen demand and oversight of improved decentralized services.
- The third component, *Structures and systems to implement reform strengthened*, focuses on the implementation of decentralization frameworks through the strengthening of structures and systems at various levels of government. This component feeds into IR 2.3: *Enabling environment for decentralized services strengthened* and complements the results of the Decentralization Enabling Environment (DEE) Program.

The Small Grants, Infrastructure, and the Rapid Response Fund are three additional technical components of the Program.

In the second year of the Program, USAID|NEXOS began small grants administration to carryout local projects related to service delivery.

The purpose of this activity is to have a mechanism that may finance activities that will contribute to achieving the Program's goals, emphasizing innovation and creativity.

Small grants activities may include small purchases of equipment and goods, training, and technical assistance. In order to sponsor services overseeing outreach campaigns and other initiatives that support municipalities and mancomunidades capacity building, and the achievement of performance target in accordance with agreements with partners.

USAID|NEXOS works with municipalities, mancomunidades, and civil society to identify priority projects.

Through the small grants program, activities with civil society organizations also support projects related to the strengthening of local service provision in the communities of target municipalities.

In addition to small grants, USAID|NEXOS executes or administers subcontracts to develop small infrastructure projects related to improved service delivery. These projects include improvements to health, education and other facilities, water and sanitation infrastructure, roads, street lighting, parks, and markets among others.

Finally, the Program has Rapid Response funds available to provide technical assistance, training, or provision of raw materials in response to unexpected opportunities and /or crisis that may occur during the project's duration.

2.4 Performance Ranking

In compliance with Section F of the contract, each of the three Program results has been designated a ranking to capture Program achievements as a function of the expected or planned progress. The definitions for each rank are explained in the figure below.

**BEYOND
EXPECTATIONS**

The planned activities, indicator goals, and targets for the relevant components are reached before planned or have been significantly surpassed.

ACCEPTABLE

All activities or all of the most significant planned activities, indicator goals, and targets for the relevant component are reached within the estimated time and conditions in the annual plan.

AT RISK

More than half, but not all, of the significant planned activities, indicator goals, and targets for the relevant component are reached within the estimated time and conditions in the annual plan.

**BELOW
EXPECTATIONS**

All activities or some of the most significant planned activities, indicator goals, and targets for the relevant component have not been reached as planned.

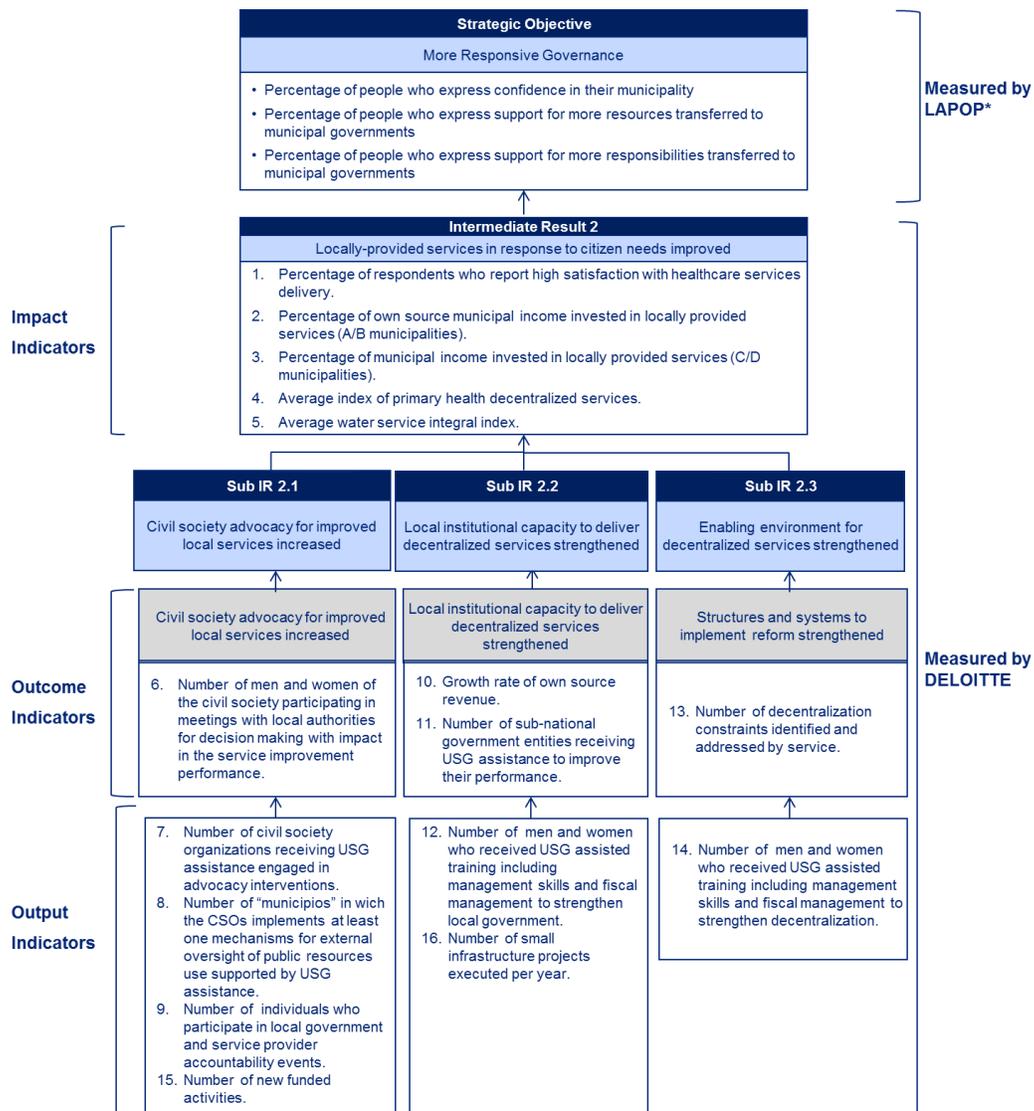
Figure 2: Ranking definitions

RANKING		
Category	Greater than or equal to (%)	Less than (%)
Below Expectations	0	50
At Risk	50	75
Acceptable	75	100
Beyond Expectations	100	

Table 1: Ranking Criteria

This section presents the progress towards achieving the goals established in the contract and in the Program Monitoring Plan (PMP), considering the above-mentioned ranking.

According to PMP, sixteen (16) indicators are used to monitor progress and manage performance throughout the life of the program. Figure 3 below illustrates the selected indicators and the level of impact they measure within the results framework.



* Latin American Public Opinion Project, Vanderbilt University
 ** See appendix 1 (Indicator Reference Sheets) for explanation of indicators.

Figure 3: Selected indicators and their level of impact

Each semi-annual report will include the progress achieved for the reported period, as for the previous one.

The following table shows the achievement of this period's goals:

No.	Indicator	Type	BL	Year 3 (Oct13-Sept14)				Year 4 (Oct14-Sept15)			
				Semester6				Semester7			
				Target	Actual	% performance	Ranking	Target	Actual	% performance	Ranking
Result 1: Civil society advocacy for improved local services increased											
6	Number of men and women of the civil society participating in meetings with local authorities for decision-making with impact in the service improvement performance.	A/B	0	65M 35F	78M 26F	104%	<i>Beyond Expectations</i>	60M 40F	50M 32F	82%	<i>Acceptable</i>
		C/D	0	1,040M 560F	856M 800F	104%	<i>Beyond Expectations</i>	960M 640F	1,004M 632F	102%	<i>Beyond Expectations</i>
7	Number of civil society organizations receiving USG assistance engaged in advocacy interventions (cumulative).	A/B	0	12	10	83%	<i>Acceptable</i>	15	11	73%	<i>At Risk</i>
		C/D	0	120	151	126%	<i>Beyond Expectations</i>	129	151	117%	<i>Beyond Expectations</i>
8	Number of "municipalities" in which the CSOs implements at least one mechanism for external oversight of public resources use supported by USG assistance (cumulative).	C/D	0	15	15	100%	<i>Acceptable</i>	n/a	n/a	n/a	n/a
9	Number of individuals who participate in local government and service provider accountability events.	A/B	0	32M 18F	46M 18F	128%	<i>Beyond Expectations</i>	30M 20F	29M 30F	118%	<i>Beyond Expectations</i>
		C/D	0	312M 168F	242M 287F	110%	<i>Beyond Expectations</i>	816M 544F	913M 593F	111%	<i>Beyond Expectations</i>
Result 2: Local institutional capacity to deliver decentralized services strengthened											
10	Growth rate of own source revenue.	C/D	20.0%	8%	-6.6%		<i>Below Expectations</i>	n/a	n/a	n/a	n/a
11	Number of sub-national government entities receiving USG assistance to improve their performance (cumulative)	A/B	0	5	5	100%	<i>Acceptable</i>	5	5	100%	<i>Acceptable</i>
		C/D	0	35	35	100%	<i>Acceptable</i>	35	35	100%	<i>Acceptable</i>
12	Number of men and women who received USG assisted training including management skills and fiscal management to strengthen local government.	A/B	0	10M 5F	11M 8F	127%	<i>Beyond Expectations</i>	9M 6F	10M 6F	107%	<i>Beyond Expectations</i>
		C/D	0	94M 50F	117M 39F	108%	<i>Beyond Expectations</i>	86M 58F	95M 57F	106%	<i>Beyond Expectations</i>
Result 3: Structures and systems to implement reform strengthened											
13	Number of decentralization constraints identified and addressed by service.	n/a	0	2	2	100%	<i>Acceptable</i>	n/a	n/a	n/a	n/a
14	Number of men and women who received USG assisted training including management skills and fiscal management to strengthen decentralization.	all	0	81M 43F	73M 52F	101%	<i>Beyond Expectations</i>	74M 50F	61M 66F	102%	<i>Beyond Expectations</i>

Table 2: Goals and indicators of the PMP for semester six and seven

In the current period, USAID|NEXOS conducted a revision of the reported values for the financial indicators, due to registry errors in the on-balance account item. This led to changes in the PMP values for semesters 4 and 6, previously reported (see Annex A).

The above table does not show the impact indicators, the Program will report these in the next SAR due to their nature. The main results related established goals for the first semester of year 4 are shown below.

2.4.1. Result 1: Civil society advocacy for improved local services increased

Indicator 6: Number of men and women of the civil society participating in meetings with local authorities for decision-making with impact in the service improvement performance

Technical assistance for A and B municipalities was oriented at implementing advocacy actions such as social controls and accountability from municipal governments.

Because of this assistance in Puerto Cortes, representatives from the municipality and civil society held an open town hall meeting where the citizens learned in detail the investments done for the solid wastes service and problems or obstacles found for this service's provision.

During the event, both actors made new agreements to improve service provision, such as conduct inspections on solid waste management in communities located in the vicinity of the landfill; develop information campaigns on the proper disposal for solid wastes; develop campaigns to socialize the service's operational costs; raise awareness in users on fee payment and develop a frequency-cost analysis of the service in 6 communities in the municipality.

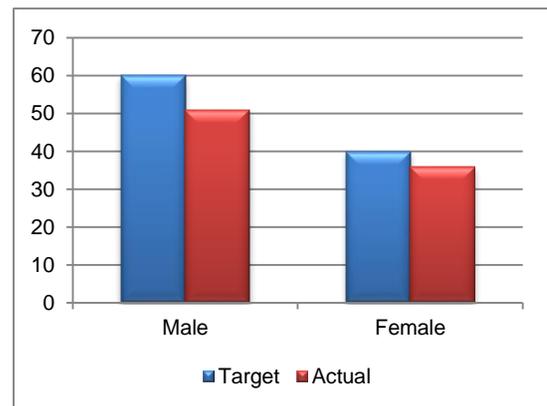
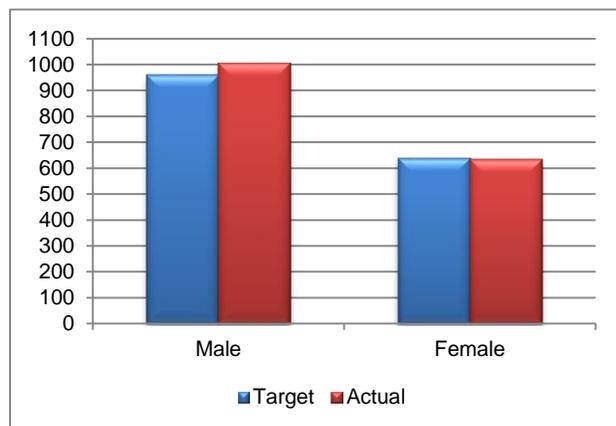


Figure 4: Progress achieved on the indicator 6th by gender (A and B municipalities)

The indicator reached a value above 85%, with 40% participation from women and 60% from men.



In C and D municipalities, civil society's incidence in terms of public service improvement is prominent once again with the development of open town hall meetings, where organization representatives present problems for a particular service. In many cases, they present possible solutions, making agreements with local governments to validate agreed commitments. The main topics addressed are included in Section 3.1.1.B. of this report.

Figure 5: Progress achieved on the indicator 6th by gender (C and D municipalities)

Indicator 7: Number of civil society organizations receiving USG assistance engaged in advocacy interventions (cumulative)

As a result of the technical assistance, during this period different civil society organizations are conducting advocacy actions, such as 185 Potable Water Management Boards (JAAP), 16 Associations of Municipal Water Management Boards (AJAAM), 16 Municipal Commissioners, 16 Citizens Commission of Transparency, and 8 Health Committee Networks in 7 mancomunidades and 26 municipalities.

More than 50 JAAPs from the municipalities of Cucuyagua, Corquin, San Pedro de Copan, Tambla, Tomalá and Valladolid developed accountability sessions in their communities. During these sessions, several commitments were taken between service providers and users, such as revision of fees for service sustainability, petty cash and accounting records management and implementation of accountability for users once a year.

Likewise, technical support was given to the CCTs and MCs in the municipalities of Cucuyagua, Corquin, San Pedro de Copan, San Antonio and San Nicolas, who developed nine social oversight exercises in water, health and education issues.

Indicator 9: Number of individuals who participate in local government and service provider accountability events

The goal for A and B municipalities reached a level of compliance above 100%. The Municipal Corporation and civil society representatives from Santa Barbara developed an accountability session. Citizens learned in detail about the investments made, problems and obstacles for provision of the solid wastes service.

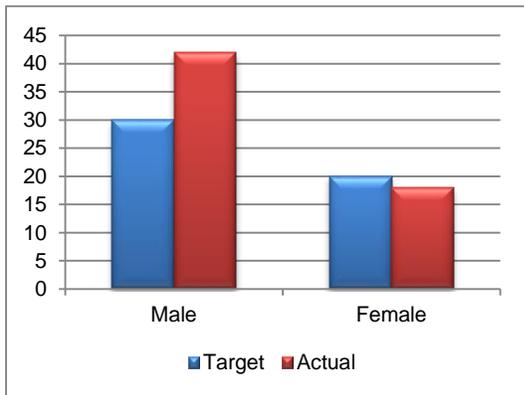
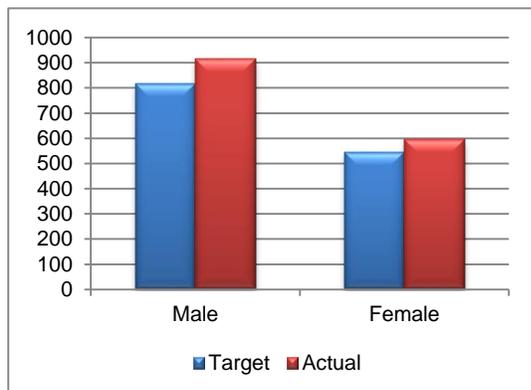


Figure 6: Progress achieved on the indicator 9th by gender (A and B municipalities)

The indicator shows the same tendency for C and D municipalities, achieving a result higher than the established goal. Fifteen municipalities developed accountability sessions in health, education, and water and infrastructure investment for service improvement.



It is important to mention that the municipality of Candelaria had not developed open town hall meetings in past years. However, during the reporting period, it held two meetings, the first for accountability of the municipal budget and election of the MC and CCT, and the second for accountability of the decentralized health service.

60% men and 40% women formed gender participation.

Figure 7: Progress achieved on the indicator 9th by gender (C and D municipalities)

2.4.2. Result 2: Local institutional capacity to deliver decentralized services strengthened

Indicator 11: Number of sub-national government entities receiving USG assistance to improve their performance (cumulative)

Since this is a cumulative indicator, it has 100% compliance. The following table details the topics of assistance provided by the Program during the reported period:

Technical assistance area	Number of Municipalities
Development of the GL accountability.	34
Preparation of the 2015 budget.	34
Implementation of the Single Taxpayers' Registry (RUC).	25
Implementation of the cadaster values consultation strategy.	19
Recovery of arrears.	15
Real estate cadaster.	14
Implementation of financial accounting.	6
Users' service cadaster	9
Strengthening of municipal units that provide public water and sanitation services.	6
Delegation of sanitation services to the urban JAAP.	4
Implementation of the urban solid waste collection and transportation service.	3
Development of the GL accountability.	1

Table 3: Number of local governments assisted by area (C and D)

Indicator 12: Number of men and women who received USG assisted training including management skills and fiscal management to strengthen local government

During the current period, the Program provided training to the municipalities of Puerto Cortes, Marcala, and Santa Barbara in the subject of "Modernization of Local Public Service Management", so that municipal employees include good practices in service production and provision, improving the municipality's capacity and efficiency as service provider.

The indicator shows a compliance value of 107%. Of the total number of trained people, 62% were men and 38% women.

In C and D municipalities, the Program supported their institutional strengthening in the areas of cadaster, budget, modernization and municipal public service provision. 93% of participants were technical municipal staff, 3% mayors, 3% vice mayors and 1% council members:

Position	Men	Women	Total	Percentage
Municipal executives and technicians	73	40	113	93%
Mayors	2	1	3	3%
Vice mayors	3	0	3	3%
Councilmen	1	0	1	1%
TOTAL	79	41	120	100%

Table 4: Number of men and women who received USG assisted training (C and D municipality)

2.4.3. Result 3: Structures and systems to implement reform strengthened

Indicator 14: Number of men and women who received USG assisted training including management skills and fiscal management to strengthen decentralization

The decentralized primary health service index and improved service provision strengthens health service providers. The workshops developed by the Program during the period include exchange on institutional topics between MOCALEMPA and CHORTI; Module on Health Situation Analysis (ASIS) - Community Family Census (CEFASA); and workshop for analysis of the performance evaluation results under the new health model.

The active participation of the health service providers achieved compliance of the indicator, exceeding the established goal. Gender participation was 52% women and the remaining 48% men.

The following table details the number of people per workshop who received training during this period.

Workshop	Gender		Total	Percentage
	Men	Women		
Institutional Strengthening to Decentralized Service Providers.	23	22	45	35%
ASIS-SCV and CEFASA module with Decentralized Service Providers.	16	17	33	26%
Experiences on development of the decentralized health model between MOCALEMPA and CHORTI.	14	15	29	23%
Training session for analysis of performance evaluation results under the new health model.	8	12	20	16%
TOTAL	61	66	127	100%

Table 5: Number of men and women who received USG assisted training including management skills and fiscal management to strengthen decentralization

3. Performance Assessment by Result

The objective of this section is to provide an assessment of USAID|NEXOS’s performance in the activities supporting each of the Program Results.

As per the Annual Work Plan, USAID|NEXOS’s technical implementation approach for Year 4 consists of three (3) areas: 1) technical assistance, 2) small grant and 3) infrastructure projects. Figure 8 below as presented in the fourth Annual Work Plan.

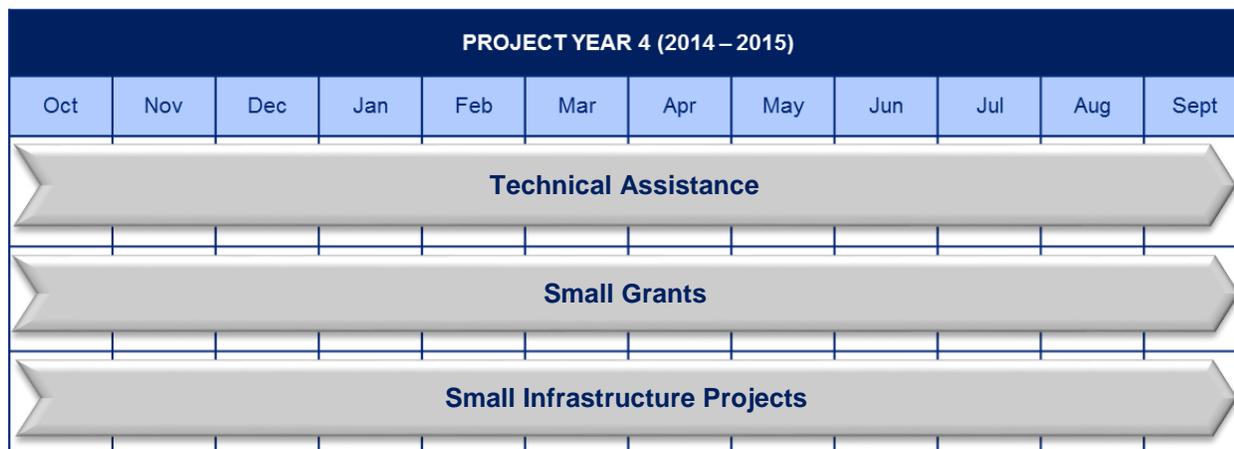


Figure 8: Broad timeline of activity types for project year 4.

3.1 Result 1: Civil Society Advocacy for Improved Local Services Increased

Technical assistance for this result consists of strengthening CSOs to improve their understanding and comprehension of their role and that of local governments in the decentralized services management cycle. This also involves strengthening municipalities so that they can develop participatory and transparent governance mechanisms that enable CSO and citizen participation.

3.1.1. Achievements/Progress

Based on the Program’s work plan for the fourth year, this component’s activities focused on two main areas:

- A. Implementation of the Strengthening and Development of Local Capacities Plan for Civil Society Organizations.

During the seventh semester of the Program’s implementation, the developed activities in this component provided the following results:

- *Strengthening the roles of actors involved in local services management.*

During this semester, activities focused on consolidating the strengthening process for civil society organizations who are directly involved in local service management. Because of this process, different organizations are conducting advocacy activities.

Local service providers / managers hosted accountability events as effective mechanisms to generate confidence among service users, especially water and health.

Water boards from the municipalities of HIGUITO and MANCOSOL (53), gave an accountability report to the public about their management. The Association of Municipal Water Administration Boards (AJAAM) of each municipality coordinated the entire process, consolidating its institutional structure and improving joint work with water boards from each community.

Mancomunidad	Municipality	Number of Boards
HIGUITO	Corquín	9
	Cucuyagua	11
	San Pedro	11
MANCOSOL	Tambla	8
	Tomalá	3
	Valladolid	11
TOTAL		53

Table 6: Number of water boards that gave accountability reports per municipality (Oct. 2014-March 2015)

The Municipal Commissions for Water and Sanitation (COMAS) and the Local Supervision and Control Units (USCL) of the aforementioned municipalities are also showing their capacity by leading the commencement of the implementation process of the rural water plans. In HIGUITO, these organizations are involved in the preparation of project proposals based on rural plans, establishing strategic alliances with NGOs.

The MC and CCT continued implementing social oversight exercises (9) in the following municipalities:

Mancomunidad	Municipality	Service	Social oversight exercises
HIGUITO	Corquín	Water	Operation of the water management board in the community of Jimilile.
		Education	Painting and management project for "Copán Galel" High school
	Cucuyagua	Health	Satisfaction level of patients and health care quality in the "Bessy de Lara" health center, in the community of Yaruconte.
		Education	Evaluations of the School Meal Program in school centers in the municipality of Cucuyagua.
	San Pedro	Health	Satisfaction level of patients and health care quality in the "Rafael Orlando Monge" health center, in the community of Capucas.
		Water	Operation process of the Potable Water Management Board (JAAP) in the community of San Francisco El Ejido.
CHORTÍ	San Nicolás	Water	Operation of the JAAP in the community of El Porvenir.
	San Antonio	Health	Satisfaction level of patients and health care quality in the urban health center.
		Water	Operation process of the JAAPs in the communities of Quebrada Onda, La Zumbadora and Peña Blanca.

Table 7: Social oversight implemented in the period from Oct. 2014 - March 2015, per municipality

In the municipalities of MAVAQUI, the organizations mentioned above continued monitoring compliance of agreements made and social oversight exercises implemented during the previous year. The following table shows the activities developed in the current period.

Municipality	Social oversight exercises	Agreements/actions taken during the period Oct. 2014 - March 2015.
Nueva Frontera	Performance of the Water Board in the "El Buen Samaritano" settlement.	i) Strengthening of technical and administrative capacities of the Water Board in the "El Buen Samaritano" settlement. ii) Conduction of supervision activities to promote proper solid waste management by the "El Buen Samaritano" Water Board.
	Satisfaction level of patients and health care quality in the "Vilma Gutierrez" health center.	i) Development of the first evaluation of quality of patient care and performance of the health center's staff. ii) Implementation of cleanup campaign to prevent mosquito-borne diseases.
Protección	Performance of the municipality's urban area Water Board.	i) Development of reforestation campaign to protect the water sources that supply the system. The JAAP from the urban area developed the campaign in coordination with the MC, the municipality and school centers. ii) Development of supervision activities to promote proper waste management in the water source that supplies water to the municipality, coordinated by the urban area JAAP in coordination with the MC.
	Satisfaction level of patients and health care quality in the "Teresa Sarmiento" health center.	i) Development of workshops with the health center's staff to promote and create awareness for providing the service with quality, warmth and kindness towards patients. ii) Implementation of cleanup campaign to prevent mosquito-borne diseases.
Azacualpa	Collection and purpose of the funds from the tuition charged in the "Carlos Villalvir Castro" High School.	i) Identification of teaching needs in order to improve the school's conditions, developed in an assembly with parents, municipal authorities and other actors. ii) Development of work session with the teaching and administrative staff and the Parents' Association, to analyze the national education legal framework regarding the collection of funds. iii) Development of work sessions for discussion and planning for fund collection for the next school year (teaching-administrative staff and Parents' Association).
	Satisfaction level of patients and health care quality in the health center.	i) Development of workshops with the health center's staff to promote and create awareness for providing the service with quality, warmth and kindness towards patients. ii) Establishment of priority criteria for health service provision to patients.
	Performance of the Water Management Board in the "San Francisco" settlement.	i) Development of reforestation campaign to protect the system's water sources, activity done by the school centers and civil society, in coordination with the municipality. ii) Development of training sessions on technical and administrative topics for the JAAP's board members and users. The topics included operation, construction, maintenance, improvement and sustainability of the water system.
Macuelizo	Use of school meals in 11 elementary schools in equal number of communities.	i) Delivery of school meals with variety of foods and adequate quantity in accordance to the beneficiaries' satisfaction. ii) Implementation of a control and supervision process by the management of each school for preparing the school meals. iii) Coordination of activities for the 2015 academic year, with different local and municipal actors for improvement of the school meal program in the municipality's schools.
	Performance of the Water Management Board in the community of Masicales.	i) Development of training session with the JAAP from the community of Masicales, activity held jointly with the municipality and the AJAAM. ii) Development of supervision activities to promote proper waste management.

Table 8: Activities implemented based on the social oversight exercises developed in the previous period

During the previous period, the CCT from San Andres implemented for the first time social oversight exercises for projects executed by groups of women.

The improvement in internal control of projects executed by the group of women from the village of "La Caona" in San Andres is substantial. Different accounting books are being utilized, unlike the previous situation, in which several records were kept in the attendance book, such as expenditures.

Felipa Morales, treasurer of the group of women "Nueva Alianza" and member of the social control committee in Gualcinse, said: "with the social control we can verify which groups are doing a good job, which groups take suggestions into account and which don't. If the mayor and the women's network consider these issues, then the coming decentralized funds will be in good hands".

The CCTs are also conducting advocacy through the social oversight process of the decentralized health service provided by CHORTI and COLOSUCA.

The audit process that began in the previous period is focused on three aspects: i) verify the degree of capacity development of the provider to ensure proper management of the health service; ii) verify management and availability of equipment and medicines in the different health centers under the provider's responsibility; and iii) verify the quality and coverage of prenatal care service in the providers' area of influence. The results will be reported once the process is completed (three months after the start of next period).

Based on the governance model promoted by USAID|NEXOS, some A/B municipalities also received support to strengthen civil society organizations involved in social control of services.

At the end of the current period, the MC and CCT from Santa Barbara and Puerto Cortes developed a social control exercise to determine compliance of agreements taken during 2014, as part of the assistance provided by the Program for improving solid waste management. On the other hand, the respective municipal governments gave accountability of this service, providing information to citizens on the investments done, problems and obstacles found in its management.

No.	Agreements	Compliance Yes/No	Actions Taken	Comments
	Santa Bárbara			
1	Ratify commitments and agreements taken between the municipal government and civil society in relation to the selection and evaluation of the landfill site: a. Approve the site of El Mogueite as the place selected for the landfill. b. Approve the construction of a perimeter fence in the selected site. c. Approve the technical closure of the current dumpsite. d. Rehabilitate the access through the Jilote settlement of 2.4 kms. to the selected site for the landfill.	Yes	<ul style="list-style-type: none"> Expansion of crematorium. Repair of vehicles. Technical closure of dumpsite. Enabling of a new site for better disposal of solid wastes, which included opening of streets within the landfill and investment of 300 hours of heavy machinery work (equivalent to 1.5 kms. of streets in places where illegal dumpsites operated). 	<ul style="list-style-type: none"> The Ministry of Health is included in dealing with complaints. There are limiting factors for maintaining the improvements done. There are inconveniences for proper site management due to the garbage pickers' (pepenadores) interests. Construction of the perimeter fence is pending due to lack of resources.

No.	Agreements	Compliance Yes/No	Actions Taken	Comments
2	Initiate actions to change the service management model to a comprehensive management that impact on environmental conditions, by practicing the Urban Non-Hazardous Solid Waste Management Program.	No	None	
3	Implement the recommended adjustments in solid waste and street cleaning service fees (a 20% increase for solid waste collection and 75% for street cleaning).	Yes	Increase applied to both services (19.65% for solid waste collection and 72.5% for street cleaning).	
4	Hire the study for design of the landfill and environmental study to request the project's license to the Ministry of Natural Resources and Environment (SERNA).	Partially	Development of some activities by the municipal technicians.	Pending completion due to lack of resources to hire a specialist.
5	Implement recommended adjustments to optimize current collection routes, in order to improve and expand public service delivery in the urban area.	No	None	Limitations due to availability of a single vehicle. Other vehicles are broken, in need of repairs.
Puerto Cortés				
1	Civil society supports and accompanies the municipality to speed up the process of a new model for solid wastes management.	Yes	The municipality received the request for route expansion from the Garifuna's community boards. Development of initiatives for socializing and promoting the service.	To obtain continued support from community board members, it is necessary to improve the exchange of technical information for service improvement.
2	To the knowledge of civil society representatives, a committee composed of municipal authorities and technicians and civil society will make <u>recognition of the landfill site on September 18, 2014.</u>	Yes	From civil society's perception, the visit allowed to establish a dialogue with the municipal technicians, who explained in situ all the project's specifications that were unknown, as the incinerator and scales, among others.	The media and two municipal council members were present during the visit.
3	To ensure the support from civil society, the municipality must meet the recommendations resulting from the Landfill Situation Diagnosis, as well as alternatives to improve the site's operation and disposal of wastes.	Yes	According to the technicians' opinion, most of the diagnosis' recommendations were considered, such as: a. Improve the track vehicle's performance, preparation of slopes and leachate management. b. Research and quote request in domestic market for the 40 ton scale. c. Changes in classification and collection of solid wastes. Currently, 78% of deposited waste is organic. d. Design of a business plan for plastic recycling from women's groups. e. Definition of fees by areas, however, it is necessary to develop a fee study.	It is necessary to monitor and evaluate the implemented initiatives.
4	Expand the collection service in suburban areas: Eco-Tourism, El Pantano and Garifuna.	Yes	Progress of more than 70% on costs, fees and collection routes study. Incorporation of Bajamar sector.	

No.	Agreements	Compliance Yes/No	Actions Taken	Comments
5	Support the municipality in the development of current solid waste collection route maps in urban areas, in order to update the service users' lists and improve revenues from collection fees, and contribute to the service's efficiency and sustainability.	Yes	Analysis of routes to make necessary modifications and expansions for cost estimation and service arrears.	The Cadaster Unit and Revenue Control are in charge of this commitment, providing users' data and arrearage.
6	Develop 2 accountability sessions per year for solid waste service, so citizens can learn, comment and incide on the service, thus improving efficiency and quality.	Yes	Presentation of the 2014 Municipal Management Report (which included specific information on solid waste management). The second accountability session was developed within the framework of the Program's assistance.	New agreements were established during the second accountability session, such as revision of internal rules of procedure for collection and management of solid wastes, development of campaign to socialize the costs of collecting solid wastes and request the municipality to enable previously identified collection centers to avoid undercover centers.

Table 9: Follow-up of agreements taken between civil society and local authorities from Santa Barbara and Puerto Cortes during 2014

The San Miguel Cooperative (concessionaire of the administration of the municipal market in Marcala) prepared its 2015 work plan with the Program's technical assistance. This plan includes key elements to support the municipality in solid waste management. The plan's design allowed for the cooperative's members, the municipal corporation, the MC and the CCT to contribute elements for coordinated actions aimed at efficient management of solid wastes in urban areas of Marcala.

- *Strengthening civil society's through communication strategies*

During the previous period, the municipalities of Cucuyagua, Azacualpa, Belen and Lepaera designed communication strategies, where civil society's support is essential for delivery and sustainability of local services. These strategies allowed an effective relationship between citizens and local government, reaching agreements for service improvement.

No.	Activity in the communication strategy's action plan	Agreements/actions taken during the Oct. 2015 - March 2015 period.
CUCUYAGUA	Issued a municipal ordinance to regulate and sanction those users who misuse water.	Issued of municipal ordinance to sanction users who misuse water.
	The Municipality conducted a Campaign for recovery of arrears of the water service.	Decrease of arrears from 70% to 8%, as part of the actions taken in the campaign.
	Organized the USC with support from civil society.	Issuance of municipal agreement for the formation of the USCL.
	Designed of expansion of collection routes between civil society and municipality, exclusively to promote the decentralization of the solid waste collection service in the urban area.	Discussion of specific actions between citizens and municipal government to strengthen the public services unit for better service provision.
AZACUALPA	Reactivated the creation of the USCL with the support from the Participatory Intervention Core (NIP), socializing its role to facilitate its operation.	Issuance of municipal agreement for the establishment of the USCL.
	Campaigned for recovery of arrears of water service, to improve the arrears portfolio and start decision making for proper system operation.	Implementation of massive campaign with the municipal government and citizens for recovery of arrears of water and solid waste services, this process is under execution

No.	Activity in the communication strategy's action plan	Agreements/actions taken during the Oct. 2015 - March 2015 period.
		through agreements and commitments taken in open town hall meeting.
	Issuance of municipal ordinance for periodic cleaning of vacant lots, businesses, markets and public places.	Issuance of municipal ordinance (effective) for proper management of solid wastes.
BELEN	Informative session to socialize the action plan to be implemented (local government and civil society).	Establishment of short-term agreements and commitments to operationalize an agenda for service improvement.
	Creation of health committees with the following functions: recommend and validate hiring of new staff, monitor coverage and quality of medical services to target population and coordinate specific subjects with the water board (basic sanitation, water quality and environmental protection).	Health committee created in community assembly with support from the municipality of Belen, to advise and support the decentralized health service management.
LEPAERA	Develop clear and specific route for water service management in the urban area.	Municipal agenda created with civil society and municipality for service improvement.
	Development of topographical study of the water system distribution network, to allow for short and medium term allocation of resources for service improvement.	Allocation of resources for the topographical study of the water system distribution network in the urban area.
	Creation of the Municipal Health Committee to improve the decentralized health service and transparent management with full involvement from the CCT.	Health committee composed of civil society representatives, receiving support from the municipality as service provider.
	Accountability of the decentralized health service provider.	Accountability from the municipality (as decentralized health service provider) to citizens on its 2014 management.

Table 10: Progress in the implementation of the communications strategy's action plan per municipality

- *Strengthening civil society for sustainability of small infrastructure projects (PPI) financed by the Program.*

As part of the work coordinated among the Program's different components, it supported the youth group that manages the sports complex in Nueva Frontera, which was remodeled through the infrastructure component of the project. In this context, in November 2014, the Program made an analysis of maintenance costs and field operation, reaching the following agreements to ensure that revenues cover operating costs:

- Local teams that use the complex at night must pay L. 400.00 per game.
- Each team that is part of the management committee (10 in total) will pay L. 200.00 on a monthly basis for field maintenance. These funds will be deposited in the committee's bank account, between the 25th and 30th each month, starting on December 2014.
- The field's maintenance costs (lawn mowing, cleanup of facilities, among others) must be paid by the teams using the field.
- The teams' representatives will support the administration committee board, in order to develop an efficient and transparent job, in accordance to the rules of use of the sports facility.

The field is currently managed according to the established regulations and directly supervised by the municipality through the Vice Mayor.

- *Design of strategic health plans for the service provider mancomunidades of COLOSUCA, CHORTI and MANCOSOL.*

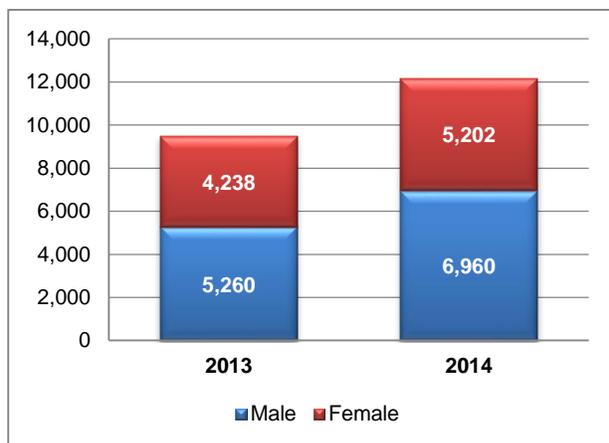
The development of strategic health plans for three service provider mancomunidades began during this period, activity coordinated with the Program's technical team from Result 3. These plans include all local actors that participate in the service and are being prepared based on a practical guide prepared by the Program.

B. Implementation of the Strengthening and Development of Local Capacities Plan in the municipality as participatory governance.

This period's most notable achievements include:

- *Opening participation spaces through planning, approval and implementation of participatory mechanisms.*

During this period, USAID|NEXOS continued to promote implementation of different participatory mechanisms among the municipalities, in order to improve local services and relationship with civil society.



Between January and December 2014, the Program's target municipalities celebrated 123 open town hall meetings, 19 more than 2013 (see Annex B). Most of the meetings were decision-making about services. Regarding participation, men's was higher than women's (57% and 43%, respectively).

Figure 9: Participation in open town hall meetings by gender 2014

In municipalities like Candelaria, two open town hall meetings were celebrated for the first time in five years (December 2014), one for electing the Municipal Commissioner and the CCT (civil society instances that were inactive for a long time), and the other for accountability on the decentralized health service management.

Another important aspect are the open town hall meetings held in San Andres and Gualcinse, in which citizens and the municipal government agreed on key aspects to reduce infant mortality, promote institutional child birth and sanction midwives who attend home births.

- *Follow up on agreements between the local government and civil society.*

In municipalities such as Azacualpa, Protección, Macuelizo, Nueva Frontera, Mapulaca, San Sebastián, Belén, Gracias, Duyure, Concepción de María, San Pedro, Corquin, San Andrés and

Gualcinse, the municipal government and citizens continue strengthening social dialogue relating services, reaching the following agreements in these areas (see Annex C):

- a) Health: municipal ordinances involve citizens in cleanup works, cleanup of vacant lots and mandatory fumigation of houses; promotion of institutional births and sanctions to midwives who deliver babies in their houses; articulate the decentralized health management with active participation from the providers and health committee network.
- b) Water and sanitation: update of fees, recovery of arrears, improvement of quality and coverage, mandatory chlorination of water and approval of municipal strengthening plans to implement the public services department.
- c) Education: ordinances to require attendance of children to preschool and elementary school.

Between October 2014 and March 2015, 18 municipalities uploaded to the database more than 700 agreements taken between local government and civil society. Of the total number of agreements, 26.85% to others (sewage, solid wastes, environment, electrification and others), 25.76% correspond to institutional strengthening, 20.0% to education, 7.97% to health, 6.99% to infrastructure, 5.45% to roads, 4.9% to water and the remaining 2.1% to security. The level of compliance of these agreements is approximately 63%.

Municipality	Agreements October 2014 – March 2015				
	Uploaded to the database (number)	Complied (in relation to local services)	Percentage of compliance	In process of compliance	Not complied
Azacualpa	16	3	19%	13	
Corquín	28	20	71%	8	
Cucuyagua	33	25	76%	8	
Gracias	4	4	100%		
Lepaera	15	8	53%	7	
Macuelizo	86	37	43%	49	
Nueva Arcadía	5	2	40%	3	
Nueva Frontera	42	26	62%	14	2
Piraera	65	48	74%	17	
Protección	18	17	94%	1	
San Andrés	40	35	88%	5	
San Antonio	20	5	25%	15	
San Manuel Colohete	20	13	65%	3	4
San Marcos de Caiquín	33	21	64%	11	1
San Nicolás	19	10	53%	9	
San Pedro de Copán	153	107	70%	45	1
San Sebastián	72	40	56%	29	3
Valladolid	28	18	64%	10	
Virginia	18	10	56%	6	2
TOTAL	715	449	63%	253	13

Table 11: Agreements with civil Society taken by target municipalities between October 2014 and March 2015

- *Promotion of accountability to citizens.*

The Program continued to promote an accountability culture during this period, in order to inform civil society and raise awareness on the importance of establishing collaboration and coordination bonds with local government and local service providers.

As part of the communication strategy with civil society designed for Lepaera, the municipality, as provider of the health service, and at the request of the Participatory Intervention Core (NIP, composed by prominent citizens), held an accountability session of the health service. This session generated a dialogue and promoted the good relationship that should exist between the provider and citizens, in order to articulate efforts to strengthen the health service.

Likewise, in Candelaria, MOCALEMPA, as a health service provider, gave an accountability report for the first time in an open town hall meeting on the system's performance, progress and obstacles in the process.

In Mapulaca, MOCALEMPA developed a similar activity, having a positive response from the municipal government and citizens to support the health decentralization process.

In addition, local governments improved the process of accountability for the 2014 municipal budget. Most of them emphasized on investments made in public services, in order to inform citizens on the use of public resources and results obtained.

3.1.2. Programmed Activities for the Year 4, Semester 2 (Y4S2)

Activities for the second semester of the fourth year of the Program are shown in figure 10:

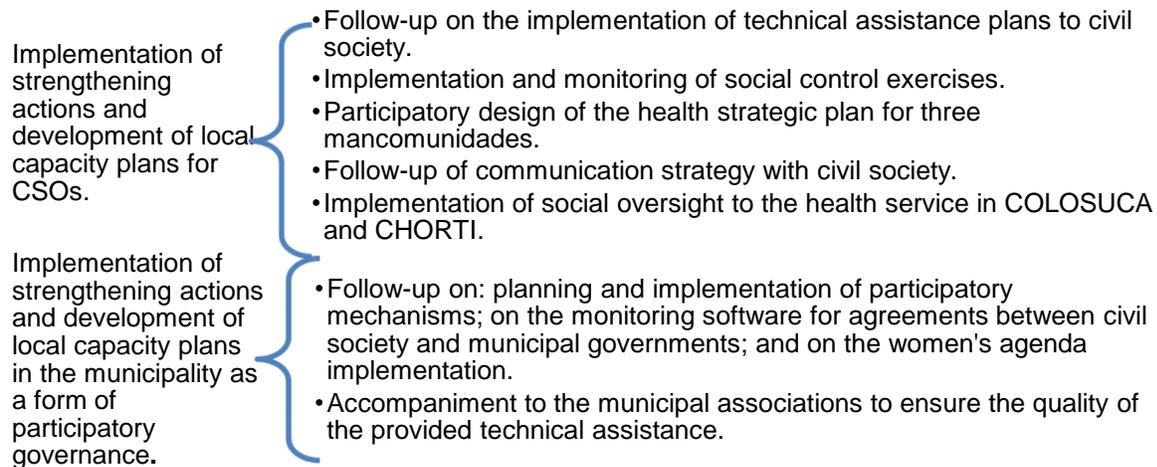


Figure 10: Result 1 Programmed Activities for Y4S2

3.2 Result 2: Local Institutional Capacity to Deliver Decentralized Services Strengthened

Program Result 2 aims at developing local capacity to deliver target services effectively in response to the demand for better services.

3.2.1. Achievements/Progress

During this period, USAID|NEXOS continued implementing institutional strengthening plans in 38 target municipalities. Strengthening plans include two basic components: 1) improvement of municipal administrative and financial management, and 2) improvement of local service provision.

A. Improvement on municipal administration and financial management.

USAID|NEXOS implemented different strategies for income generation. The results are as follows:

- *Implementation of the Single Taxpayers' Registry (RUC).*

At the closing of this period, the target municipalities made progress with debugging and updating the taxpayers' databases, uploading between 750 and 16,010 taxpayers to the RUC database. This is contributing to improve customer service for taxpayers and increase the collection of taxes, services fees and rights.

Mancomunidad	Municipality	Evaluated aspect	
		Initial number of registered taxpayers	Final number of taxpayers (debugged and updated) included in the RUC database
COLUSUCA	Gracias	6,127	16,010
	Belén	1,514	2,161
	San Manuel Colohete	3,382	4,780
	San Sebastián	2,312	2,934
	San Marcos de Caiquín	1,369	2,113
HIGUITO	Corquín	n/d	2,287
	Cucuyagua	2,360	4,918
	San Pedro	n/d	3,845
MAVAQUI	Azacualpa	7,836	7,834
	Macuelizo	11,671	7,107
	Protección	6,142	10,575
	Nueva Frontera	5,974	6,457
CHORTÍ	La Jigua	1,551	n/d
	Nueva Arcadia	11,390	n/d
	San Antonio	n/d	n/d
	San Nicolás	3,600	n/d
MANCOSOL	Cololaca	664	1,160
	Guarita	1,657	2,041
	San Juan Guarita	793	1,259
	Tambla	2,713	2,963
	Tomalá	2,981	3,591

Mancomunidad	Municipality	Evaluated aspect	
		Initial number of registered taxpayers	Final number of taxpayers (debugged and updated) included in the RUC database
	Valladolid	1,085	2,145
INDEPENDIENTE	Lepaera	550	750
MAMBOCAURE	Concepción de María	n/d	5,421
	Duyure	n/d	1,417
	San Marcos de Colón	9,470	10,900

Table 12: Progress in the RUC implementation, to March 2015

- *Implementation of administrative process for recovery of arrears.*

Since the second semester of the Program's third year of implementation, 15 municipalities² are receiving technical assistance for recovery of arrears. This allowed the availability of updated taxpayers' databases, identifying the tax arrears for further collection.

As a result of this process, the revenues for recovery of arrears increased by approximately 4.8 million Lempiras, from 7.9 million in 2013 to 12.7 million by the end of 2014. Since 2012, income from recovery of arrears represent more than 60% of non-tax revenues.

In addition, during 2014, both recovery of arrears and service tax collections reached higher levels than those from 2013 and 2012. It is important to mention that collection from service taxes showed a growth rate higher than 100% in 2014.

On the other hand, municipalities that did not receive technical assistance during 2014 (19 municipalities) had lower income from recovery of arrears than those that received assistance. The first show a low level of economic development, high dependence of government transfers and low levels of human development, which shows that the cost of providing this assistance is highly beneficial.

Concept	Year (in thousands of L.)			Variation 2013/2012		Variation 2014/2013	
	2012	2013	2014	Relative	Real	Relative	Real
Municipalities with technical assistance (15)							
Recovery of tax and rights arrears	8,717.1	6,525.0	9,652.5	-25.1%	-29.2%	47.9%	40.0%
Recovery of arrears in municipal services	1,387.3	1,336.7	2,880.6	-3.6%	-8.8%	115.5%	103.1%
Total	10,104.3	7,861.7	12,533.1	-22.2%	-26.4%	61.3%	52.0%
Municipalities with no technical assistance (19)							
Recovery of tax and rights arrears	2,707.6	1,881.9	2,960.6	-30.5%	-34.2%	57.3%	48.9%
Recovery of arrears in municipal services	9.5	17.6	0.3	86.2%	76.2%	-98.6%	-98.7%
Total	2,717.0	1,899.6	2,960.9	-0.3%	-0.3%	0.6%	0.5%

Table 13: Recovery of tax, rights and municipal service arrears, per year (January – December)

² Five of COLOSUCA, 3 of HIGUITO, Azacualpa, Macuelizo, Nueva Arcadia, San Nicolás, San Marcos de Colón, Lepaera and Trinidad.

Eighty percent of assisted municipalities show increases in incomes of at least 3% (in nominal terms) for recovery of arrears during 2014. Corquin, San Sebastian and Gracias showed the highest percentage of income increase from this source (see Annex D for more information).

- *Implementation of tax audits.*

In the reporting period, the municipalities focused their efforts in activities for recovery of arrears, consensus of cadaster rates, among others; this is why there are no reported tax audit processes.

- *Update the cadaster survey.*

The majority of assisted municipalities concluded the process of application of the land survey, property valuation and improvements. The process of updating values in the database is still pending, for which the results of billing and collection of real estate taxes of the new properties included in the cadaster will be detailed in the next report.

No.	Municipality	Evaluated Aspect		
		Final number of new properties included in the municipal cadaster	Final number of properties included in the municipal information system	Billing conducted in accordance to update (yes/no)
1	Gualcinse	68	107	Yes
2	Candelaria	382	382	Yes
3	Valladolid	68	68	Yes
4	Tomalá	683	683	Yes
5	Guarita	139	139	Yes
6	San Juan Guarita	303	303	Yes
7	Tambla	141	141	Yes
8	Cololaca	192	192	Yes
9	Duyure			No
10	Concepción de María	540	n/d	No

Table 14: Results of cadastre implementation for the first time in target municipalities

Local authorities from Duyure and Concepcion de Maria decided to update the cadaster information in rural areas in addition to urban areas, which is why they continue to perform these tasks.

- *Definition or Expansion of Urban boundaries*

To date, three municipalities³ have sent the study to define their urban boundaries to the Ministry of Justice, Human Rights, Interior and Decentralization (SDHJGD) for approval, pending its socialization with the communities.

Because of these studies, there will be changes in the cadaster database of each municipality after socialization with the affected communities. This will help improve collection of own revenues from real estate taxes, by changing the rates of the areas to be included in the urban boundaries, as well as the provision of basic services.

³ Cucuyagua, Nueva Arcadia and Macuelizo.

The municipality of Gracias developed a Land Use Plan that includes the expansion of the urban boundaries, which is currently under analysis along with the study prepared with the Program's assistance. Given this, it is still pending submittal to the SDHJGD.

- *Definition of the new cadastral values catalog to be implemented in 2015.*

As of this report, all municipalities have agreed upon the cadastral values, its implementation will improve collection of real estate taxes.

No.	Municipality	Percentage of agreed upon value		Date of value agreement	Number of participants in town hall meetings Total
		Urban	Rural		
1	Gracias	27%	21%	20-mar-14	47
2	Belen	0%	50%	12-dic-14	
3	San Manuel Colohete	0%	22.38%	05-mar-15	70
4	San Sebastián	25%	16.19% (cultivated land) 9.42% (uncultivated land)	23-mar-15	n/d
5	San Marcos de Caiquin	0%	14.98%	06-abr-15	n/d
6	Corquín	0%	0%	27-mar-15	
7	Cucuyagua	0%	0%	10-abr-15	
8	San Pedro	3%	3%	15-abr-15	
9	Nueva Arcadia	20%	0%	12-feb-15	70
10	San Nicolás	65%	65%	December 2014	90
11	San Antonio	40%	40%	December 2014	137
12	La Jigua	40%	60%	December 2014	100
13	Macuelizo	27%	17%	05-mar-15	93
14	Azacualpa	34%	30%	13-mar-15	159
15	Protección	20%	60% (cultivated land) 80% (uncultivated land)	06-mar-15	233
16	Nueva Frontera	40%	40%	20-mar-15	144
17	Trinidad	40%	40%	22-feb-15	145
18	Lepaera	25%	25%	19-feb-15	140
19	San Marcos de Colón	35%	20%	07-mar-15	51
	Total				1,479

Table 15: Progress on agreement on cadastral values by municipality

At the end of 2014, USAID|NEXOS evaluated the behavior of own revenues in the last four years for the target municipalities. The analysis conducted from January to December of each year, shows that these revenues have been growing in relation to 2011. In 2012, the payment of the cell phone companies' debt to municipalities explains the increase in income. The year 2013 records a decrease, although it shows higher levels than 2011 given the start of the technical assistance.

In 2014, the main tax item was the industry, commerce and services tax, representing 22% of the total collection for own revenues. The second tax item was for municipal rights with 19%, service taxes with 11%, real estate taxes and telecommunications taxes with 9% each, and in less percentage, personal income and neighborhood tax, tax on extraction and exploitation of resources and livestock tax.

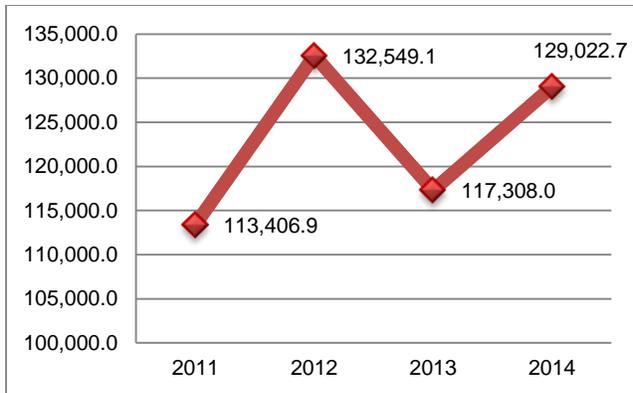


Figure 11: Behavior of own revenues by year in Lempiras (Jan-Dec)

- *Development of GL accountability*

At the closing date of this report, all the Program's target municipalities⁴ have submitted the GL accountability reports for the period of October-December 2014, as well as the 2014 annual settlement.

On the other hand, the strengthening of municipalities contributed in that the majority prepared their budgets without hiring a private consultant, thus generating savings for the municipality.

Despite the timely submission of budgets to the SDHJGD, some municipalities are still waiting for the certifications issued by the General Directorate of Municipal Strengthening of the SDHJGD. This has delayed the upload of the budgets in the municipal information systems, therefore also affecting execution.

B. Improvement of local service provision

- *Implementation of sustainable models for provision of water and sanitation services (Corquin, Cucuyagua, San Pedro, San Nicolás, Lepaera, Azacualpa, San Antonio, Protección and Trinidad)*

This technical assistance is oriented to municipalities that provide urban and rural water and sanitation services. It includes the preparation of the proposal for the Institutional Strengthening Plan for Service Provision and its implementation. The following table summarizes the progress achieved in each municipality.

⁴ Except Candelaria.

No.	Expected Result	Maximum Score (%)	Percentage of Achieved Progress						
			Corquin	Cucuyagua	San Pedro	San Nicolás	Lepaera	Azacualpa	Trinidad
S/N	Approved proposal for the Institutional Strengthening Plan for Municipal Water and Sanitation Service Provision.	Approved	Approved	Approved	Approved	Approved	Approved	Approved	To start
1	Specialized structure for provision of water and sanitation services, created and operating. Includes the development and approval of an organization and functions manual.	10	10	10	10	6	4	6	0
2	Physical space enabled for the operation of the public services office, with the necessary minimum furnishings and equipment.	10	10	10	10	10	10	5	0
3									
3.1	Users' cadaster for water and sanitation services updated.	10	0	10	10	10	6	10	0
3.2	Rate list implemented to recover actual costs of service delivery.	10	5	5	5	0	10	5	0
3.3	Separated and integrated billing of services and periodic distribution of payment notices to users.	10	0	0	5	5	10	5	0
3.4	Increased efficiency in collection of revenues billed for services.	10	5	6	7	8	0	5	0
4	Administrative Procedures for Public Services Manual approved and implemented.	10	5	5	5	0	0	0	0
5	Availability of infrastructure inventory for municipal water and sewage services.	5	0	0	0	5	0	0	0
6	Availability of route maps for the solid waste disposal service according to established collection days.	5	5	5	5	5	0	0	0
7	Preventive Maintenance Plan for water and sanitation services' infrastructure.	10	0	0	0	0	0	0	0
8	Improved quality of service delivery.	10	0	0	0	0	0	0	0
Total		100	40	51	57	49	40	36	0

Table 16: Progress in implementation of strengthening proposal for local service provision by municipality

During this period, the municipality of **Corquin** continued updating the users' cadaster for water and sanitation services, pending investigation of 526 properties.

Given the opposition of the users to adjust the fees approved by the municipal council during the previous period, only the water service fee was adjusted, maintaining the other services' fees as shown in the following table:

Concept	Water	Sewage	Solid Wastes (Residential)	Solid Wastes (Commercial)
2014 Fee	25	25	25	100
Proposed fee	63	47	73	104
Approved fee in September 2014	50	50	50	100
Applied fee in 2015	50	25	25	100

Table 17: Local services fee applied from January 2015 in Corquin

As part of the implementation of **Cucuyagua's** proposal, the public services module from Municipal Administrative and Financial Information System (SIMAFI) was installed and a technician will be hired for its set up.

The municipality of **San Pedro** has more than two thousand service users, of which 37.7% receive water services, 37.6% receive solid waste services and the remaining 25.7% sewage services. They socialized the approved fees for these services (approved during the previous period) in an open town hall meeting, resulting in lower fees than the recommended based on the rate analysis.

The mancomunidad of HIGUITO assisted the three municipalities mentioned above in adapting an Administrative Procedures Manual and an Operations Manual for Direct Provision of Water and Sanitation Services, which the respective municipal corporations approved.

In **San Nicolas**, they were charging the solid waste service only to people who used it. Another group of neighbors carried their solid wastes directly to the municipal disposal site, or disposed of them in other ways (such as, burning), even though the collection truck was passing by their houses.

With USAID|NEXOS's technical assistance, they updated the solid waste collection routes and made a proposal to expand coverage to areas that are inaccessible for the collection truck. The municipality decided to include in the tax base all the properties that have access to the municipal service, forcing the owners to use it. It is estimated that the users' registry will expand from 221 to 500, increasing revenues from service fees.

In addition, the proposal included the design of an urban micro metering program, which defines the strategy for installation of micrometers and its implementation costs. It also includes a timeframe of the annual municipal investment in accordance to the recommended strategy.

Civil society from the municipality of **Lepaera**, requested the municipality to delegate the water service to a recently created urban water management board. In this context, the municipal corporation requested the Program to make a presentation of the service management models that legally apply in the country.

Given the above, the Program awaits the municipality's decision to continue with the strengthening plan approved in 2014, or reformulate the proposal for a service management model delegated to a Water Management Board (JAAP).

The Program had the mancomunidad PUCA's support for the implementation of the water treatment plant, built with assistance from GIZ in previous years, and which will improve the quality of water received by the users.

In early November 2014, the municipal corporation from **Azacualpa** approved the proposal to strengthen the provision of water and sanitation services, including in the 2015 budget the necessary resources for its implementation. In addition, they approved the appointment of the public services office manager.

The approved service provision model consists of a direct provision by the municipality, in which several municipal units are involved: public services, tax administration and the Municipal Environmental Unit (UMA).

An open town hall meeting was held to inform users about the creation of the new public services department, and the monthly billing of services, separated and integrated.

In addition, the process of updating the public services users' cadaster and the billing database was completed.

Although the strengthening proposal did not consider the need to increase fees, the municipal corporation approved an adjustment in accordance to the following fees:

Category	Fee for 2015 (L./month)	Previous Fee
Residential	60	25
Joint Commercial 1	180	
Joint Commercial 2	120	30
Joint Industry	200	
Nonprofit institution	Exempt	0
Special	Exempt	

Table 18: Water fees included in the 2015 tax plan for Azacualpa

Category	Fee for 2015 (L./month)	Previous Fee
First category	80	Residencial: 50 Comercial: 60 Industrial: 100
Second category	60	
Third category	50	
Fourth category	25	

Table 19: Sewage fees included in the 2015 tax plan for Azacualpa

Category	Fee for 2015 (L./month)	Previous Fee
Commercial first category	150	50
Commercial other categories	70	30
Residential	30	25
Joint	100	50

Table 20: Solid wastes fees included in the 2015 tax plan for Azacualpa

Billing is accomplished through the Financial and Tax Administration System (SAFT), it includes payment of sales tax (for businesses) and fines for late payments. The clients' database was generated in the service-billing module, with information from the users' cadaster promoted by the Program.

As an effective measure to promote the rational use of water, USAID|NEXOS is also supporting the design of an urban micro metering program for this municipality. To date, a draft for review and further submission to local authorities is available.

The six mentioned municipalities improved their efficiency in collection of service fees (water, sewage and solid wastes) in 2014 (see Annex E)⁵.

In San Antonio, the implementation of the proposal approved by the municipal corporation required restructuring the Urban Water Board and obtaining its legal status.

⁵ Only in Cucuyagua and Lepaera, the efficiency in collection of fees for solid wastes and sewage services, respectively, shows negative results.

Among other results, the Board analyzed the current damages and improvements required for the optimal operation of the sewage system, and presented the report to the Mayor.

To date, the water board has been restructured, incorporating seven members as established by law and approving its articles of incorporation. The board is also registered in the municipality and has prepared the documents to obtain its legal status. The board has also implemented the minutes' book, treasury and presidency seals, and accompanied the analysis of the sewage system.

To advance in the process of delegation of the solid waste disposal service in Protección, the JAAP must have legal status in order to sign the agreement with the municipality. Based on this requirement, steps were taken with SANAA to reactivate the process of obtaining this legal status.

To date, the Service Delegation Commission has been formed and the action plan for the delegation process has been socialized. In addition, they made following activities relating the delegation process: a) collection of commercial information of public service provision by the municipality and water board; b) preparation of work plan to characterize solid wastes in January 2015; and c) preparation of users' cadaster for water and solid wastes services. Likewise, a draft of the service delegation agreement was prepared.

Belen is promoting a process to delegate the sewage service to the JAAP. Based on the developed action plan, the following activities were realized: celebration of users' assembly to restructure the board, provisional formalization of acceptance (by the water board) of the rehabilitation works for the sewage system and preparation of diagnosis of the water and sewage systems.

The municipal corporation approved the proposed service delegation prepared by the mancomunidad COLOSUCA, which will be discussed with the water board and service users. Progress was also made in the update of the users' service cadaster and in the preparation of the draft of the delegation agreement.

Following the request made by the municipality of Trinidad, USAID|NEXOS prepared a Diagnosis of the Provision of Municipal Water and Sewage Services. Subsequently, the Program will design the proposal for service management and delivery, to be submitted to the municipal corporation for consideration and approval prior its implementation.

- *Implementation of the urban solid waste collection and disposal service in the urban area of Nueva Frontera (Trascerros)*

The billing process for this service began in December 2014, preparing manually 790 collection notices (equivalent to 89% of users), of which 83% was distributed to the registered users, while the delivery of the remaining 17% was suspended due to protests from users who claimed not to receive this service or had to carry their garbage to the collection truck.

Of the 889 users registered by the municipality, only 95 made the service's payment, equivalent to L.8, 810.00 from December 2014 to February 10, 2015. On the other hand, the cost of

providing the service is higher than the billed amount, which means that the actual cost of delivering the service is not being recovered using the current fees.

In addition, the collection route needs revision because it includes areas that generate few solid wastes, having other areas that do generate more waste but do not receive the service.

In this context, the Program discussed several solution strategies with the municipality. Some of the agreed actions include field research to define precisely current and potential service users, revision and analysis of fees (the municipality is currently charging a lower fee than the one suggested in the proposal designed by USAID|NEXOS), modification or expansion of the collection route, among others.

The municipality developed the following activities while implementing the landfill: installation of perimeter wall around the landfill with barbed wire (pending installation of access gate); contracting workers to cover waste in trenches, cleaning and daytime security; and construction of guardhouse for warehousing equipment and tools.

In addition, in order to ensure that the collected solid wastes are being disposed in compliance to minimum sanitary and environmentally safe standards, the municipality has implemented the following measures: a) construction of two trenches for solid waste treatment, one of which is already covered completely; and b) distribution and compaction of collected wastes in the trench and covered with dirt in layers of at least 10 centimeters.

Because of the efforts done by the Municipal Environmental Unit (UMA) they eliminated two illegal urban dumping sites, which were operating prior to the service's implementation.

- *Implementation of users' cadaster for water, sewage and solid waste collection services (CUSP)*

During this period, more than 85% of the municipalities that receive this technical assistance concluded the deputation of the users' cadaster. Users who were not paying for the services were identified and approximately 50% of all users were updated in the billing system.

This effort allowed the increase in revenues from collection of water, sewage, and solid wastes service fees in 57%, 15% and 2% respectively, for the January - December 2014 period (more details in Annex F).

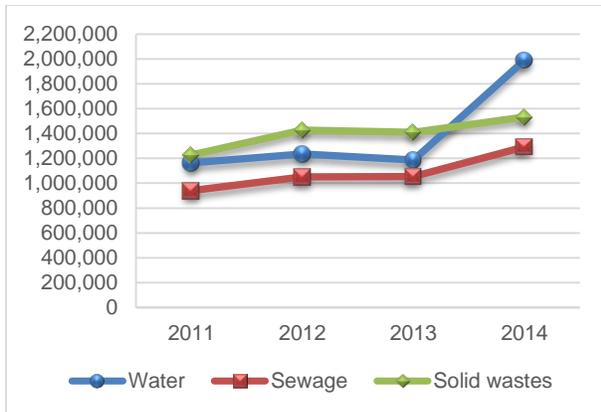


Figure 12: Revenue from service fees for 14 municipalities that implemented the CUSP, per year

- *Implementation of pilot project for the joint decentralized road maintenance service.*

The Joint Technical Road Unit (UTVM) created in the previous period, was incorporated into CAFEG's organizational structure. This unit is implementing all activities related to construction projects, road rehabilitation and maintenance, some of which have financial aid from PIR|FHIS Program.

The development of the 2015 Joint Road Maintenance Plan was concluded, and will be executed by the UTVM with funds from the Joint Road Fund (FOVIMA). This plan requires resources for an estimated 4.8 million Lempiras, as shown in the following table:

No.	Municipality	Kilometers for maintenance	Estimated budget (L.)
1	Piraera	65.00	1,300,000
2	San Francisco	50.00	1,000,000
3	San Andres	46.50	930,000
4	Erandique	25.00	500,000
5	Gualcinse	22.22	400,000
6	Santa Cruz	17.02	340,333
7	Candelaria	15.00	300,000
	Total	240.74	4,770,333

Table 21: Estimated budget for the 2015 Joint Road Maintenance Plan

Between October and December 2014, the mayors of the mancomunidad made the first deposits in FOVIMA's bank account. The following projects were executed with these resources:

No.	Project	Location	Beneficiary municipalities	Estimated budget (L.)	Observations
1	Maintenance of unpaved road section "Los Horcones-San Antonio Valle", with a length of 4.4 kilometers.	Erandique and San Francisco	Erandique, San Francisco and Piraera.	621,131.62	The municipality of Piraera contributed with L. 100,000.00 and the remaining two municipalities with L. 50,000.00 each. An agreement was signed among the three mayors. CAFEG hired a construction company for the project's execution.

No.	Project	Location	Beneficiary municipalities	Estimated budget (L.)	Observations
2	Rehabilitation of 100 mts. of road section leading to San Andres and to the border of Lempira.	San Andrés and Gualcinse	San Andrés and Gualcinse.	31,000	Project financed with resources contributed to FOVIMA by the mancomunidad's seven municipalities.

Table 22: Estimated budget for the 2015 Joint Road Maintenance Plan

Equipment was also bought with FOVIMA resources for two small road companies created by the mancomunidad with support from PIR|FHIS, for the municipalities of Gualcinse and San Andrés. Work vests were also purchased for these companies.

In addition, the FOVIMA Regulations draft was developed, which will establish the local regulatory framework and will apply to all parties involved in its implementation. The draft was socialized in a Board session on December 16, 2014, and is expected to be approved in the next period.

The delivery of the road maintenance service has improved with the UTV. This unit works directly on improving road quality, through actions such as expansion of driving lanes and reduction of slopes.

- *Strengthening of urban solid waste management in four A and B category municipalities (Puerto Cortes, Comayagua, Santa Barbara and Marcala)*

The follow-up of agreements made between local governments and civil society from A and B municipalities that received the Program's assistance were conducted through Result 1, which was addressed in section 3.1.1 A of this report.

- *Design and implementation of proposal to improve slaughterhouse service in Santa Rosa de Copan*

In December 2014, the Program requested to Local Strategic Development Agency of Santa Rosa de Copan (ADELSAR) and Jicutayo to reconsider the proposal for the slaughterhouse management model, considering the limited demand for this service and the operation of another slaughterhouse in Corquin. To date, the Program is evaluating the new proposal.

3.2.2. Programmed Activities for the Year 4, Semester 2 (Y4S2)

For next period, work will continue in the following two areas:

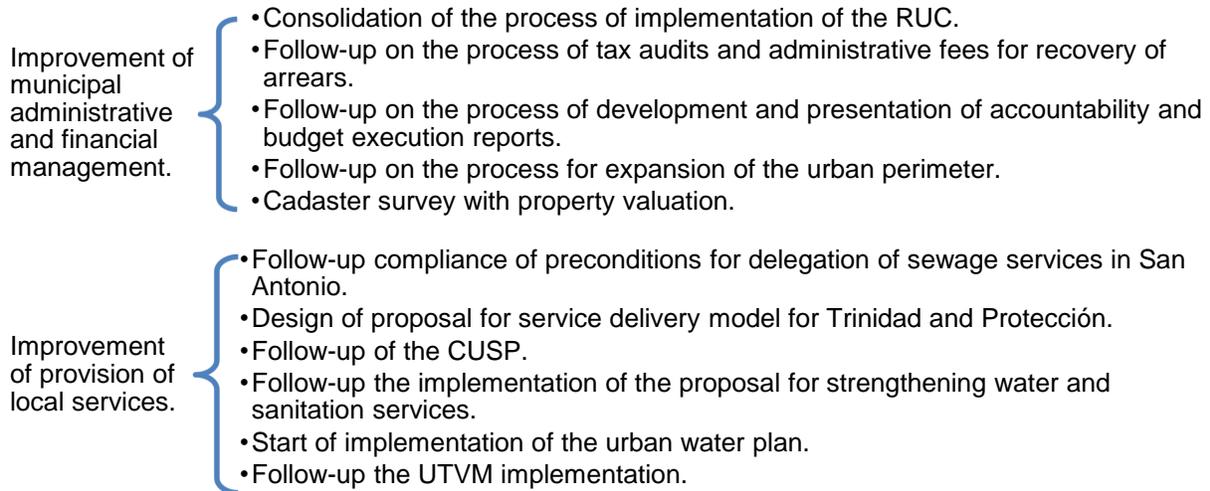


Figure 13: Result 2 Programmed Activities for Y4S2

3.3 Result 3: Structures and Systems to Implement Reform Strengthened

The emphasis of Result 3 is on identifying critical challenges and opportunities for decentralization of each targeted service, including the level of government in which the identified challenges and opportunities lie. This component implies working with all government levels involved in decentralization, including the leading regulatory institutions for each service, its regional representative, and local stakeholders.

3.3.1. Achievements/Progress

This component's implementation mechanism involves coordination with institutions and organizations, both at central and local level, to advance in the process of local service decentralization and strengthening of decentralized health service management. The results achieved are described as follows.

- Advocacy and coordination with other programs

During this period, USAID|NEXOS contributed in the socialization of the new draft version of the Decentralization Law, with representatives from local and central government and civil society. The discussion sessions were coordinated with the Inter-institutional Decentralization Round Table, composed by the Ministry of Human Rights, Justice, Interior and Decentralization (SDHJGD), the Ministry of Finance (SEFIN), the Governance and Decentralization sector, the Municipal Association of Honduras (AMHON), the Federation of NGO's for the Development of Honduras (FOPRIDEH) and the Donor's Round Table in the decentralization sector.

During these sessions, they exchanged information about the new legal instrument, in order to contribute with advocacy and political incidence with the Executive Branch, who will be subsequently responsible of submitting the Law to Congress.

The Program also supported the development of the Forum of Mancomunidades, held in early December 2014. The addressed topics were the Regulations for Municipal Development Plans with Land-Use Approach, the experience of the "Strengthening of Local Capacities Project" (FOCAL II) on joint Land-Use planning, and the exchange of good decentralization practices on health, environment and land planning. The agenda also discussed security issues.

In addition, the Program also continued to monitor the national decentralization process, reviewing agreements, decrees, laws and projects executed by international cooperation institutions. During this period, an agreement was signed between AMHON, the Institute of Access to Public Information (IAIP) and SEFIN, to strengthen transparency and accountability.

- Strengthening of local structures for provision of decentralized services

Strengthening of decentralized health service managers continued to focus on three areas: institutional, technical and social.

In relation to the **institutional** aspect, the Program assisted three mancomunidades (COLOSUCA, CHORTI and MANCOSOL) for the participatory preparation of their strategic health plans.

USAID|NEXOS continued to support the implementation of the National Basic Curriculum for Training Health Service Managers, by coordinating activities with the Ministry of Health (SESAL) and the Local Technical Support Unit (ULAT).

In this context, two training workshops were developed: the first one for the development of the Health Situation Analysis (ASIS) and the Family Health Census (CEFASA), for the mancomunidad of CHORTI and the municipalities of Macuelizo and Protección; the second workshop for the preparation of community assessments, for the mancomunidades of COLOSUCA and MAMBOCAURE.

The Program also monitored the training provided on the National Health Model, (which is a module included in the Curriculum and taught by SESAL) to all decentralized health service providers (36), of which 11 receive technical assistance by the Program.

During this period, the health service providers signed the new agreements for health service provisions with SESAL, which are valid until March or December 2015. USAID|NEXOS conducted an analysis of the monetary amounts agreed upon, to determine the impact of the committed goals.

Since 2012, the value of the agreed per capita had an increase until 2015, in which SESAL reduced this value, affecting the total budget established in the health agreements. In addition, most service providers had experienced budget cuts in 2014 due to penalties from the performance evaluation results. Consequently, 2015 presents a challenge to comply with all agreed terms.

In addition, the service providers will have to purchase contraceptive methods (oral contraceptives, intrauterine devices, etc.) because the health regions do not have these

methods, even though the agreement states that the health regions are responsible for their provision. This also affects the already reduced 2015 budget.

With this scenario, the service providers will be forced to reduce staff and buy fewer medications than in previous years.

Likewise, the estimates of the agreement goals were done based on the 2015 population data from the National Statistics Institute (INE), while the per capita values were estimated based on the 2014 population. This is another negative issue for the providers since they have more requirements to comply with the goals on smallest budget.

The service providers whose budgets experienced a reduction of more than one million Lempiras are MOCALEMPA, CHORTI and Gracias. At a consolidated level, the providers assisted by USAID|NEXOS show a budget decrease of approximately 8.3 million Lempiras in 2015.

N°	Provider/ Mancomunidad	Beneficiary municipalities		Per capita (L.)				Per capita variation 2015/2014	Population	Budget variation 2015/2014 (L.)
		Beneficiary municipalities	Total Municipalities	2012	2013	2014	2015			
1	MAMBOCAURE	San Marcos de Colón and Duyure	3	390.7	450.0	485.0	465.0	-20.0	28,639	-572,780.0
		Concepción de María		337.9	350.0	410.0	400.0	-10.0	27,118	-271,180.0
2	MANCOSOL	Tambla, Tomalá, Valladolid, Guarita, Cololaca and San Juan Guarita.	6	390.0	450.0	495.0	470.0	-25.0	32,757	-818,925.0
3	COLOSUCA	San Manuel Colohete, San Marcos de Caiquín, Belén and San Sebastián.	4	360.0	450.0	475.0	455.0	-20.0	38,941	-778,820.0
4	MOCALEMPA	La Virtud, Piraera, Candelaria, Virginia and Mapulaca	5	410.0	500.0	535.0	500.0	-35.0	34,973	-1,224,055.0
5	CHORTI	Nueva Arcadia, San Nicolás, San Antonio, La Jigua and El Paraíso.	5	348.0	375.0	460.0	440.0	-20.0	69,678	-1,393,560.0
6	MACUELIZO	Macuelizo.	1	N/A	352.0	420.0	420.0	0.0	39,958	0.0
7	PROTECCIÓN	Protección.	1	N/A	350.0	405.0	405.0	0.0	18,250	0.0
8	LEPAERA	Lepaera	1	N/A	420.0	461.0	440.0	-21.0	46,835	-983,535.0
9	GUALCINSE	Gualcinse and San Andrés	2	N/A	500.0	556.0	525.0	-31.0	25,444	-788,764.0
10	GRACIAS	Gracias	1	N/A	430.0	465.0	440.0	-25.0	59,291	-1,482,275.0
4 Regions		29 Municipalities							421,884	-8,313,894.0

Table 23: Per capita included in the health agreements by provider, per year

However, in 2015, the Ministry of Health will transfer 80% of the budget to the service providers after each monitoring and the remaining 20% will be subject of the performance grade obtained. This condition is favorable for the providers, since they will have secured 80% of their budget, regardless if their performance evaluation is below 85%.

Technical strengthening focused in improvement of health service provision by designing an action plan for 2015 for the mancomunidad of MOCALEMPA, which includes activities to improve the results of the performance indicators obtained in 2014. Through a workshop, health

staff from MOCALEMPA analyzed the results obtained in 2014 and evaluated the goals to achieve a better performance in the process.

The Gualcinse - San Andrés service provider also received strengthening for performance improvement, by identifying strategies to improve service delivery and obtain better results in performance evaluations.

During this period, there was a preventable maternal death in the Macuelizo health network, a situation presented for the first time since the health service decentralized in this municipality. USAID|NEXOS assisted the mortality committee ⁶ in analyzing the cause of this death and in the development of the plan to reduce maternal deaths.

The exchange of information among managers was another strategy that contributed to their technical strengthening. During this period, the mancomunidades of MOCALEMPA and CHORTI shared their experiences in implementing the decentralized health model, emphasizing their management achievements, exchange of technical tools used for service management and sharing aspects related to the increase in health coverage. CHORTI shared its experience of the operation of health houses, which are located in the municipality of El Paraiso and allow them to improve service delivery and increase coverage.

Contributions mancomunidad CHORTI	Contributions Mancomunidad MOCALEMPA
<ul style="list-style-type: none"> • Effective coordination between the mancomunidad's local authorities and the hired technical health unit. There is a direct involvement of the authorities in the agreement's execution. • Successful development of the medication bidding process. • Promotion of transparency through accountability of the technical health unit to civil society and local authorities. • Health system functioning as a whole. • Efficient delivery of health services. • Implementation of community service through the operation of health houses. • Payment to midwives for identifying pregnancies before the twelfth week (100 Lempiras); institutional child birth (100 Lempiras), ie take the pregnant woman to the Child and Maternal Clinic (CMI) and postnatal revision within 7 days after delivery (100 Lempiras). This guarantees the compliance of indicators established in the agreement. • Performance evaluation to employees every six months. • Incentives to employees and health center for better performance. • Implementation of the Customer Service Functional Unit (UFAU). The CMI's external staff receives complaints from users and transfer them to the network. 	<ul style="list-style-type: none"> • Implementation of municipal ordinances to improve health service. • Negotiation with the health region to account for the postpartum attentions referred from other health centers, regardless of the attention level (primary or secondary). • Involvement of midwives in the use of rapid pregnancy tests, which affects indicator compliance. • Contribution of municipal funds for restoration of health centers. • Contribution of municipal funds to transfer patients to health centers outside the country due to frontier issues (El Salvador). • Incidence with the mancomunidad of El Salvador to raise awareness in the population from Honduras to seek health care through MOCALEMPA. In this way, the mancomunidad is more likely to comply with their goals. • Socialization of health issues in open town hall meetings.

Table 24: Contributions of CHORTI and MOCALEMPA during the exchange of experiences

⁶ This committee is formed by the supervisor of health centers, the health network coordinator, the promoters' coordinator, the auxiliary nurse, the doctor in charge of monitoring the pregnancy of the deceased woman, the network administrator and the municipal councilor assigned to the health service (representing the Municipal Corporation).

As part of the responsibilities stipulated in the agreements with the health service providers, SESAL, through the Decentralized Management Unit, conducted in November 2014 the performance evaluations for the mentioned year.

The service providers' evaluations assisted by the Program show that they still require continuous technical assistance to maintain or exceed the marks obtained. Based on these results, USAID/NEXOS oriented its technical assistance prioritizing those providers whose marks decreased in relation to the previous year (MOCALEMPA, COLOSUCA, MANCOSOL, Gualcinse - San Andres, Lepaera and Proteccion).

Both in monitoring as in the 2014 performance evaluations, SESAL considered aspects contemplated in the new 2014 health model, without doing the necessary training required to implement the new health standards (particularly the National Strategy for the Prevention of Teenage Pregnancy, the Strategy for Individual, Family and Community Work and the guidelines for the Primary Health Care Teams). On the other hand, the delay in the transfers also affected execution of activities for the mentioned strategies given their high cost for implementation.

N°	Provider/ Mancomunidad	Beneficiary municipalities		Monitorings									Performance Evaluation		
		Beneficiary municipalities	Total Municipalities	2012			2013			2014			2012	2013	2014
				I Quarter	II Quarter	III Quarter	I Quarter	II Quarter	III Quarter	I Quarter	II Quarter	III Quarter			
1	MAMBOCAURE	San Marcos de Colón and Duyure.	3	80%	75%	79%	72%	79%	86%	88%	90%	96%	73%	91%	80%
		Concepción de María.		84%	85%	86%	85%	92%	97%	82%	87%	91%	93%	79%	80%
2	MANCOSOL	Tambla, Tomalá, Valladolid, Guarita, Cololaca and San Juan Guarita.	6	93%	95%	96%	93%	100%	98%	81%	81%	77%	100%	100%	77%
3	COLOSUCA	San Manuel Colohete, San Marcos de Caiquín, Belén and San Sebastián.	4	71%	68%	81%	87%	93%	95%	76%	81%	88%	78%	92%	69%
4	MOCALEMPA	La Virtud, Piraera, Candelaria, Virginia and Mapulaca.	5	75%	77%	79%	85%	87%	85%	80%	75%	79%	85%	90%	55%
5	CHORTI	Nueva Arcadia, San Nicolás, San Antonio, La Jigua and El Paraíso.	5	85%	87%	86%	85%	86%	99%	90%	91%	89%	80%	97%	90%
6	MACUELIZO	Macuelizo.	1	78%	73%	76%	75%	77%	85%	91%	92%	92%	78%	91%	92%
7	PROTECCIÓN	Protección.	1	76%	86%	81%	90%	89%	86%	85%	94%	93%	77%	91%	68%
8	LEPAERA	Lepaera.	1	89%	86%	86%	92%	93%	98%	87%	81%	89%	81%	91%	69%
9	GUALCINSE	Gualcinse and San Andrés	2	78%	82%		86%	86%	94%	76%	78%	87%		94%	64%
10	GRACIAS	Gracias	1	N/A	N/A	N/A	92%	99%	95%	85%	89%	94%	N/A	99%	91%

Table 25: Assessment results per provider mancomunidad by year, to December 2014

In relation to the **social** aspect, the Program is promoting social oversight for the health service provision based on the agreements signed between SESAL and the service providers. Clause No. 19 establishes that the service provider must be subject to social oversight instances in

order to guarantee transparency in fund management and proper use of resources. This was discussed in Section 3.1.1 of this report.

3.3.2. Programmed Activities for the Year 4, Semester 2 (Y4S2)

For next period, work will continue in these two main areas:

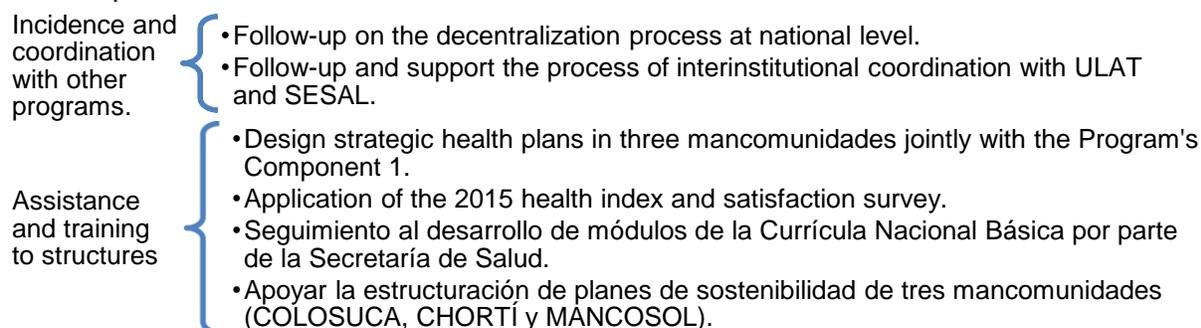


Figure 14: Result 3 programmed activities for Y4S2

3.4 Activity Area 1: Small grants

A. Achievements/Progress

The Grants Component successfully executed the following key activities during the reporting period:

- Implementation and follow-up of the six monetary grants awarded during the previous semester.
- Carryout administrative/financial pre-survey in the field for three new pre-approved grants.
- Awarding of the remaining three approved applications for a total of 9 to close the first RFA process.
- Official closing of the first RFA process and issuing of final document summarizing specific results: 40 applications received, 4 discarded due to non-compliance, 9 approved for awarding, and 27 rejected.
- Signing of the three new grant agreements on February 24, 2015, while at the same time issuing the first disbursement.
- Five Recipients of the initial grants awarded also presented their first financial and technical reports, and three of these received a second disbursement by the end of the semester period.
- Issuing of the second RFA, incorporating the following changes: a) increasing ceiling amount, b) Environmental Impact Evaluation Forms for infrastructure projects, and c) prioritizing of applications from municipalities not benefited through the first RFA.

- Based on lessons learned throughout the first RFA process, the Project issued the second RFA with the corresponding modifications at the end of November 2014, and a deadline date of January 30, 2015 was set for presentation of applications.
- By the end of the reported period, the Grants Component had reviewed the 24 applications received for compliance of RFA conditions and requirements, prior to submitting the first lot of applications for review by the Evaluation Committee. At the closing, 8 applications were under evaluation.
- Year 4 Purchase Orders incorporated Follow-up of Grants Milestones and Small Infrastructure Projects that were issued to Mancomunidades in order to provide closer support to recipients/beneficiaries in their respective geographic coverage areas. Accordingly, the Project held a workshop in March 2015 where 18 Mancomunidad Engineering and Social technical staff received training and guidance on specific assistance required by the Project Grants and Small Infrastructure Components.

Below is a chart depicting the overall performance as of March 31, 2015 with accumulated figures:

# GRANTS	TYPE	DESCRIPTION OF GRANT	GRANTEES	AMOUNT IN USD
33	INKIND	Office Furniture & Equipment, Electronic Equipment	C & D Category Project Municipalities of Copán, Lempira, Santa Bárbara and Choluteca Departments	362,675.70
2	INKIND	Equipping of Laboratories to process tests for Health Provider Units	COLOSUCA and CHORTI Mancomunidades of Lempira and Copán Departments	19,860.82
9	INKIND	Medical Equipment and Office Furniture	Health Units (Municipalities and Mancomunidades) of Departments of Copán, Lempira, Santa Bárbara and Choluteca Departments	236,893.99
TOTAL INKIND				619,430.51
9	MONETARY	Cash grants to 9 civil society organizations	Civil Society Organizations awarded grants through RFA USAID NEXOS 2014 # 001	702,731.30
TOTAL MONETARY				702,731.30
TOTAL ACCUMULATED AWARDED GRANTS TO DATE				1,322,161.81

Table 26: Accumulated awarded grants to March 31, 2015

Some lessons learned are:

- It was necessary to extend the period for submission of applications for the second RFA, due to new requirements particularly for infrastructure projects.
- Open communication with grant contacts and specific guidance and follow-up with less developed grantees has resulted in solving project execution problems and strengthening and capacity building to manage future grants from USAID and other donors.
- The incorporation of a recipient to administer the grant on behalf of a beneficiary local organization without legal status has provided an opportunity for the latter to incorporate the legal recognition process or strengthening within grant activities.
- The incorporation of support provided from the Project Civil Engineering and Environmental staff has resulted in better execution of infrastructure project grants, such as review of Environmental Impact Evaluation Forms and project designs.

B. Programmed Activities for the Year 4, Semester 2 (Y4S2)

- Finalize evaluation and processing of all applications of the second RFA.
- Proceed to prepare pre-approved applications for final concurrence to the COR.
- Send out official rejection letters for applications not approved.
- Provide ongoing guidance and support to grantees in management and reporting of their respective approved projects.
- Process any in-kind grants approved by the COR.
- Execute closing of grants finalized during the period.

3.5 Activity Area 2: Small infrastructure projects

A. Achievements/Progress

Between October 2014 and March 2015, USAID|NEXOS intensified activities related to the execution of infrastructure projects in target municipalities. Likewise, the Program defined a new range of US\$ 25,000 to US\$ 65,000 per project.

Considering the experience gained in project implementation, the Program is considering investments holistically, i.e., improving environments, buildings or systems as a whole. In this context, some of the projects formulated during the previous period underwent changes that affected the total budget; in other cases and due to other circumstance projects will not be implemented⁷.

Thirteen projects were formulated in the **pre-investment** phase, of which eight are approved and five are still being revised. Likewise, three project designs with their budgets were developed for further submission to USAID, five projects are in process of formulation and/or reformulation and five others will require a new inspection.

The developments for the **investment** stage are shown as follows:

- Completion of five projects for improvement of health services in the municipalities of Macuelizo, Proteccion and Cucuyagua; and recreation areas in Nueva Frontera. Each of the beneficiary municipalities provided resources through the payment of skilled labor and delivery of local materials (gravel, sand, wood, among others). On the other hand, civil society also collaborated by providing unskilled labor.

Project Code	Municipality/Village	Project Description	Beneficiary Population
MAVAQUI SIP-2013-05	Macuelizo - La Flecha	Remodeling and completion of the Municipal Health Center (CESAMO) in La Flecha.	6,500 inhabitants.
MAVAQUI SIP-2013-06	Protección – Urban Area	Expansion and improvements to the "Teresa Sarmiento" health	3,100 inhabitants.

⁷ The project planned for San Jeronimo was cancelled due to the Mayor's interest in larger projects

Project Code	Municipality/Village	Project Description	Beneficiary Population
		center.	
SIP-2013-04 MANCORSARIC	Cabañas	Repairs and improvements to health center.	1,626 families from the urban area and population from 18 peripheral villages.
MAVAQUI SIP-2013-09	Nueva Frontera	Lighting of soccer field and multi-use stage.	4,086 inhabitants
HIGUITO SIP-2013-007	Cucuyagua - Gualtaya	Improvement of the GUALTAYA rural health center.	1,772 inhabitants.

Table 27: Projects completed during the period from Oct. 2014 - March 2015

The major improvements done in the health centers (CESAR and CESAMO) in the municipalities of Macuelizo, Proteccion and Cucuyagua are: increased privacy when providing medical care to patients, signaling areas inside the centers, provision of water storage system, provision of containers for solid waste management, construction of toilets, construction of perimeter fences for higher security, and channeling wastewater to treatment systems. All these improvements will contribute to improve patient care in their area of influence.

In Macuelizo, the construction of the building generated savings to the municipality since it rented a space for the CESAMO to operate. In Proteccion, both medical and administrative staffs are now working in the same building, thus facilitating coordination between their activities.

- Four projects are being executed, their progress implementation is shown below:

Project code	Municipality / Village	Project description	% of construction progress	Beneficiary Population
SIP-2013-14	Lepaera - San Matías	Construction of Elementary Rural School "Martiniano Diaz".	30	36 students enrolled. 584 inhabitants.
SIP-2013-15	Tambla - Urban Area	Construction of water storage tank with 25,000 gallons capacity, repair of 15,000 gallons water tank.	35	920 inhabitants.
SIP-2013-24	Corquín- Potrerillos	Construction of CESAR	5	611 inhabitants
SIP-2013-19	San Antonio - Urban Area	Construction of water storage tank with 25,000 gallons capacity	5	3,000 inhabitants

Table 28: Progress in ongoing projects for the Oct. 2014 - March 2015 period

- Three projects are in the process of purchasing materials to begin construction in the next period: construction of maternal and child shelter (San Marcos de Caiquin); repairs and improvements of the "Ruben Villeda Bermudez" rural health center (Gracias); repairs and improvements to the "El Cipres" kindergarten (San Manuel de Colohete).

For the sustainability phase, work continues with civil society organizations that participate in each project's execution to analyze and discuss the sustainability plan, develop the annual activities plan, which include use and maintenance of the infrastructure and development of accountability procedures for the municipal counterpart.

In addition, the mancomunidades subcontracted by the Program will support with the projects' technical supervision. In relation to the social aspect, they will monitor the counterpart commitments from the municipalities and involved civil society organizations.

B. Programmed Activities for the Year 4, Semester 2 (Y4S2)

For the next period, activities will be concentrated in the following three phases for execution of small infrastructure projects:

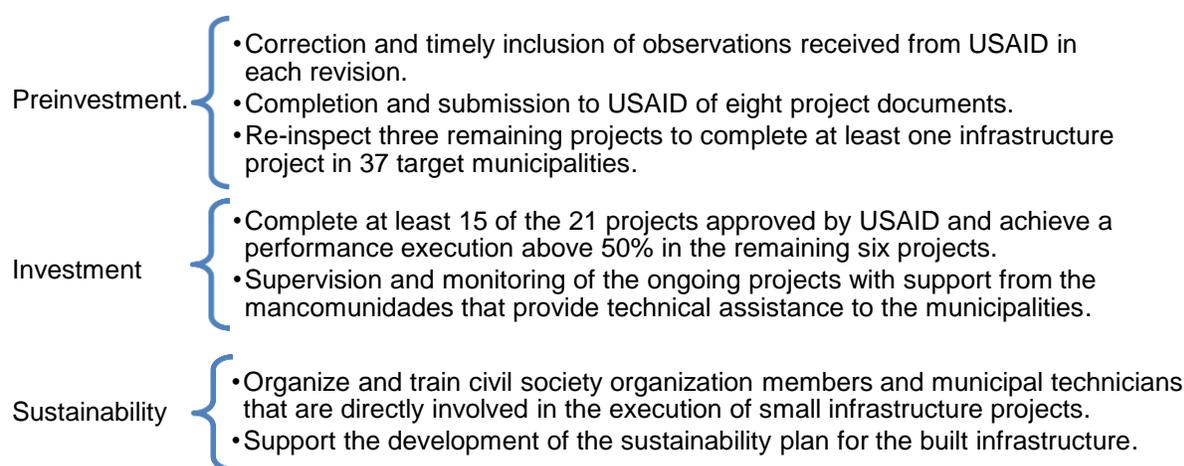


Figure 15: Small infrastructure projects programmed activities for Y4S2

3.6 Rapid Response Fund

During this semester, USAID|NEXOS carried out to activities in relation to this component:

- a) Formulation of a strategic plan for UTIs network. Earlier this period, the final strategic plan for UTIs network was submitted to the board of directors for its implementation.
- b) Institutional strengthening of AMHON through the development of manuals for organization and functions, financial management and control, jobs and wages, and human resource management. The consultancy began in this period, and its products will be completed in the next period.
- c) Donation of equipment to HIGUITO. As part of the capacity building at the local level, the Program benefited this mancomunidad with a donation of office furniture and equipment, which includes: conference table, executive chairs, chairs and tables for training sessions, whiteboard, data show, screen, router and installation, laptop and copier.

4. Gender

During this period, USAID|NEXOS monitored the implementation of the women's agenda, the compliance of recommendations given by the social control exercises made on projects executed by women in the municipalities of CAFEG and MAMBOCAURE, monitoring of projects executed by women with funds transferred from central government and technical assistance for the formulation of the 2015 operation plan for the 25 Women's Municipal Offices (WMO).

Social control exercises helped improve transparency of local projects executed by women, which are financed with a percentage of the transfer from the central government. Among other results from these exercises is the improvement in the internal control of the projects executed by women groups (they are currently using minutes book and accounting books properly registered, receipts have signatures and ID numbers), replication of social control to other projects,⁸ and improvement in accountability processes⁹.

In the words of Juana Diaz, responsible for the WMO in Gualcinse, "social controls were a great opportunity to present proper reports and generate credibility of women's group before the municipal corporation."

The strengthening of these women groups is helping to improve their quality of life and their homes' economy. The women's group from the village of La Caona, in San Andres, contributes with the community's school in special activities, such as Children's Day (purchase of candy). They obtain money for support activities from the rural savings bank, so that families do not have to pay from their own resources.

The president of the women's group in Las Tejas, San Andrés, Doris Sanchez (37), with three children (15, 12 and 6 years old), said: "we buy shoes for our children, clothes and food". Women used to obtain money only during the coffee harvest period, their homes' economies depended exclusively on their husbands and their income was not enough. This has changed with the execution of activities from the Women's Agenda.

These groups are also selling bread, cleaning products (floor disinfectants and soaps), fabric softeners, hand sanitizer and shampoo; they also participate in local and regional fairs to promote their products.

Women's groups are currently executing more than 100 projects, of which 49% correspond to the productive sector, 20% to commercialization of products, 17% to others (production of flowers, eco-stoves, bees) and the remaining 14% to human formation.

No	Mancomunidad	Quantity	Number of direct beneficiaries
1	CAFEG	51	1, 192

⁸ Poultry farm or laying hens' project, in the village of San Jose, Pirarera.

⁹ In San Andrés, the women's groups are doing monthly accountability reports to their partners and are presenting these reports in open town hall meetings. In Gualcinse, they give monthly accountability reports to their partners, every two months to the network and quarterly to the municipal corporation.

2	MAMBOCAURE	13	891
3	MANCOSOL	17	661
4	COLOSUCA	17	425
5	MAVAQUI	5	88
6	CHORTI	6	832
Total Projects		109	4,089

Table 29: Projects executed by women's groups to March 2015, per mancomunidad

The Program coordinated activities with Sula Flour Mill, Free Speech Association and CECUP, to promote projects included in the women's agenda. Some of the beneficiary municipalities are from the mancomunidad of CHORTI, Nueva Arcadia and COLOSUCA.

5. Communication Strategy for the Program

During this period, the Program continued to implement the communication strategy with the purpose of disseminating the work done by USAID|NEXOS, to strengthen institutional image, strategic alliances and promotion of good practices. The developed activities are shown as follows:

- *Establishing partnerships with media with national and regional coverage.* At least eight events developed by the Program had broad press coverage, both from local and national media (TVC News, TN5, Abriendo Brecha, HCH, among others).
- *Production of promotional material for the Program.* The monthly production of newsletters that informs of the Program's activities. These newsletters are distributed among strategic partners, beneficiaries, media, and are posted on the Program's social networks.
- *Updating of the website (www.usaidnexos.org) and social networks.* During this period, social networks were used through the opening of the Instagram and Issuu Network accounts. The latter allows better visualization of bulletins and other technical documents.
- *Monitoring news.* The news is monitored on a weekly basis, in order to keep the Program's staff duly informed and support decision-making. During this period, the publications of the government's official newspaper (La Gaceta) were included in the monitoring.

In addition, the Program's communication area, gave support to the mancomunidad of HIGUITO in designing its communication strategy. This strategy includes three components: Public Relations, Institutional Image and Internal Communication. The implementation process will begin in the next period.

The purpose of this strategy is to promote the work done by the mancomunidad in order to have financial resources for its sustainability. Likewise, it promotes strengthening of institutional image, strategic alliances and promotion of good practices for local development.

6. Training Events.

Between October 2014 and March 2015, the following training workshops were performed, with a minimum duration of 8 hours.

Name of Training Event	Field of Study	Relationship to Program Objectives	Start & End Dates	Estimated Cost (L.)	Number of Men	Number of Women	Total participants
Participatory formulation of the 2015 annual operation plan of the San Miguel Cooperative.	Strengthening of CSOs	Result 1	Jan 2015	99,793.60	17	11	28
Cadastral Re-assessment Workshop	Strengthening of local governments.	Result 2	Nov-Dic 2014	19,931.00	18	4	22
2015 Municipal Budget Workshop			Jan 2015	99,793.60	28	28	56
Workshop to Implement Strengthening Plan for Municipal Public Services.			Jan - Mar 2015	55,019.58	14	7	21
Socialization of Water and Sanitation Services' Functions Manual			Feb 2015	27,500.00	7	4	11
Development of Baseline and Calculation of Public Services' Experience and Arrears Indicators.			Mar 2015	28,819.78	6	5	11
Modernization of Local Public Services			Mar 2015	103,980	29	11	40
ASIS- CEFASA Module			Strengthening of decentralized health service managers	Result 3	Nov 2014	56,376.54	15
Capacity Building in Community Diagnosis	Nov – Dic 2014	44,869.39			21	20	41
Workshop for Analysis of Performance Results based on the Health Model.	Feb 2015	29,600			8	12	20
Experiences and Development of the Decentralized Health Model between Provider Mancomunidades and Municipalities	Mar 2015	47,455.02			14	15	29
TOTAL				550,395.78	177	135	312

Table 30: Training events summary for Y4S1

7. Deliverables Submitted

During the first semester of the fourth year of the Program, USAID|NEXOS submitted the sixth semiannual report, which was approved by COR. In the next period, the Program will submit the work plan for year 5 of the Program.

8. Summary of Challenges and Remedial Actions.

The Table below summarizes the issues encountered in this period and their corresponding remedial actions.

Issue	Description	Proposed Remedial Action
Result 1: Civil Society Advocacy for Improved Local Services Increased		
Accountability of health service providers.	Municipalities like Belen showed little inclination to develop accountability sessions for the health service.	Dialogue directly with the mayor about the benefits of the activity.
Lack of MC and CCT in the municipalities from the mancomunidad CHORTI.	The figures of MC and CCT have not been created in the municipalities of Nueva Arcadia and El Paraiso in Copan; this represents a challenge to implement social oversight to the health service in CHORTI.	Coordination of activities with the Western Regional Network of Citizens Commission of Transparency (RRCCTO), who took on the challenge of leading the process in these municipalities, supported by health volunteers to implement the query tools in health units.
Result 2: Local Institutional Capacity to Deliver Decentralized Services Strengthened		
Progress in the decentralization process of the water systems from SANAA to the municipalities.	One of the major obstacles in this process is the lack of resources for payment of SANAA's labor liabilities.	Monitor central government's decisions in relation to this process.
Sustainability of water and sanitation services in the municipalities of Cucuyagua, San Pedro Copan, Corquín and Nueva Frontera.	Municipal councils and governments do not charge necessary fees.	Preparation of new fee analysis in accordance to the fees approved by the municipal corporation, and taking into account the results of the users' cadaster update. In the case of Nueva Frontera, a six-month period will be given so the municipality gains experience in the service's commercialization process and consolidates the tax database, while payment culture is promoted among users. Subsequently, a revision of the tariff system and the values registered as delivery expenses will be made.
Result 3: Structures and Systems to Implement Reform Strengthened		
Consolidate coordination with SESAL for strengthening of health service providers.	Coordination of activities with SESAL will strengthen cooperation.	Complement activities for the implementation of the National Basic Curriculum for Training Health Providers, in coordination with SESAL.
Difficulty to comply with the clauses stipulated in the 2015 management agreements.	The agreement signed between SESAL and the service providers establishes responsibilities for both. For 2015, the providers have greater challenges to comply with the agreement's clauses. Some of the issues that will affect the level of compliance are reduction of the per capita value and penalties given in	Discuss the analysis of the per capita variation in 2015 with different inter institutional coordination agencies, in order to overcome these obstacles and consider support measures.

Issue	Description	Proposed Remedial Action
	2014 that directly affect the 2015 budget, late disbursements, goals and indicators that were already negotiated change when included in the agreements, among others.	
Occurrence of preventable maternal death in the municipality of Macuelizo.	The death was caused by several factors: late detection of pregnancy, mother's rejection to pregnancy due to birth control failure, childbirth attended in the community by an inactive midwife and lack of monitoring by the institutional staff.	Design an action plan for monitoring and prevention of maternal deaths with the Macuelizo service provider.
Activity Area 1: Small grants		
Difficulty and delay in complying with bank and government regulations for opening of accounts.	Recipient civil-society organizations faced some difficulties in complying with bank and government regulations for opening of accounts, which resulted in up to one-month delays in providing the initial grant disbursement	Grant component staff provided support for compliance of necessary documentation and procedures to expedite opening of accounts.
Delays on the processing of environmental permits for infrastructure construction projects.	RFA #1 experience demonstrated a need to have appropriate environmental permits and information to evaluate infrastructure projects.	The second RFA incorporated a specific section with requirements for proposed infrastructure projects, including filling out the USAID Environmental Impact Evaluation Form, designs, construction permits, etc
Activity Area 2: Small infrastructure projects		
Delay in submission of technical information by the municipality (water quality analysis, topographical data, and environmental license) and budget estimation with outdated prices of materials, with no specifications.	The designs presented by the municipality generally lack the necessary technical requirements for the project's formulation documents. The SIP technicians must make an in situ inspection to verify information, including updating of prices and specifications of required materials.	Request in writing to the Mayor the necessary requirements to complete the project's documents. Subsequently, improve monitoring through direct communication with the Mayor, engineers and mancomunidad for a more expedite response.

Table 31: Summary of challenges and remedial actions

9. Conclusions

- Civil society organizations strengthened through the Program's technical assistance are conducting advocacy actions such as: i) accountability sessions with the health service providers and water boards; ii) social control exercises; iii) establishment of agreements between citizens and municipal government; and iv) design of communication strategies with civil society.
- The accountability sessions are contributing in strengthening the relationship between local government and civil society, through the establishment of shared commitments and responsibilities. Likewise, civil society is committed in implementing actions for public service sustainability, creating awareness of their rights and obligations. The participation of more than 1,500 people is worth mentioning in this mechanism, of which 40% were women.

- The MC, CCT and service users in the municipalities of Azacualpa, Macuelizo and Proteccion monitor the agreements established from the social control exercises, achieving to date 42% of compliance of such agreements. This also contributed in strengthening these organizations' leadership and credibility before civil society and municipal authorities.
- Social oversight processes improve transparency and efficiency of service delivery. In relation to health services, citizen participation is fundamental in terms of health prevention and promotion. To date, 156 people from the CCTs, MCs, and other organizations have participated in social audit processes for health services, of which approximately 67% were women.
- The implementation of communication strategies with civil society in municipalities such as Belen, Lepaera, Azacualpa and Cucuyagua is generating greater cohesion between civil society and municipal authorities. The strategy includes different activities that generate opportunities for participation in joint decision-making for improvement of water, health and solid waste disposal services. One of these decisions was related to the approval of the increase in service fees, in which, during 2014, revenues from fees in these municipalities¹⁰ increased (compared to the previous year) in 90%, 22% and 16% for water, sewage and solid waste collection services, respectively.
- Additionally, the implementation of these strategies' action plans allowed the creation of structures such as the USCLs for supervision and control of water service providers, the implementation of municipal ordinances to improve quality, efficiency and coverage of prioritized services, accountability of the decentralized health and water services and the formation of committees to support service managers.
- Most of the WMOs have a work plan, which they executed in accordance to the projects included in the women's agenda. The municipal councils approved about 90% of the plans.
- Strengthening of women's groups improved the processes of accountability to the municipal government and citizens, mainly of those projects funded by the municipal transfer (5%). This was done by preparing reports and using internal control tools for project execution.
- These strengthened groups manage efficiently the funds allocated by the municipal corporations, contributing to improve transparency in the use of these funds.
- Managers and/or service providers continue facilitating opportunities to develop social oversight, and are progressively assuming their obligation to be accountable of their management before civil society.
- In A and B municipalities, the Program promoted a dialogue between local authorities and civil society to improve solid waste services. Likewise, it contributed to improve capacities in civil society organizations for advocacy actions. Thus, these organizations conducted a social oversight exercises to verify compliance of agreements established in 2014, focusing on measures to improve services.
- The Program's municipalities continued making progress in the process of implementation of the RUC. In 2014, both the RUC and the users' service cadaster allowed the increase of revenues from collection of service fees in more than 30% compared to the previous year (Jan - Dec).

¹⁰ Lepaera, Azaculapa and Cucuyagua.

- The strategies for generation of own revenues are proving to be effective. In 2014 (January-December) the growth rate was 3.2% in relation to the previous year, reversing the decline observed in 2013.
- The process of recovery of arrears in 15 municipalities increased revenues in approximately 4.8 million Lempiras, from 7.9 million in 2013 to 12.7 million in 2014.
- At the closing of this report, all municipalities had concluded the dialogue on cadastral values, which will be implemented in the second quarter of 2015. This will also contribute to increase revenues.
- Despite the progress achieved in the implementation of provision models for water and sanitation services in nine municipalities, work must still be done on sustainability and quality of service.
- In Nueva Frontera, the implementation of the collection of solid waste services generated revenues above 8 thousand Lempiras between Dec. 2014 and Feb. 2015. The challenge is to work for the service's sustainability and improved delivery.
- Another strategy that has proven effective is the joint road maintenance service. Through the operation of the Road Technical Unit (UTV) the quality of roads has improved with works such as expansion of circulation lanes and reduction of slopes.
- The differentiation of the technical assistance given to decentralized health service providers will allow the development of sustainability strategies for those providers who have improved their performance and strengthen those who require more work for better performance.
- Inter-institutional coordination in health is contributing to improve the providers' capacity for improved service delivery.
- USAID|NEXOS is contributing to the implementation of the National Basic Curriculum to Train Health Service Providers, by strengthening more than 25% of providers nationwide. The Program designed this curriculum and is being implemented by SESAL.
- The Program monitored the performance evaluation made by SESAL in 2014. Based on the results, the Program focused technical assistance to those providers that need further strengthening to improve performance.

10. Annexes

Annex A: Errata for reported values during the fourth and sixth semester in the PMP

In the fourth (page 10) and sixth (page 10) semiannual report, the following values for the PMP financial indicators were reported for the 4th and 6th semester, respectively:

No.	Indicator	Type	Year 2 (Oct12-Sept13)				Year 3 (Oct13-Sept14)			
			Semester4 (4th SAR)				Semester6 (6th SAR)			
			Target	Actual	% performance	Ranking	Target	Actual	% performance	Ranking
Intermediate Result 2: Locally-provided services in response to citizens needs improved										
2	Percentage of own source municipal income invested in locally provided services.	A/B	49% (BL)	49%	n/a	n/a	56%	45%	80%	Acceptable
3	Percentage of municipal income invested in locally provided services.	C/D	46.0%	41.0%	89%	Acceptable	49%	31%	63%	At Risk
Result 2: Local institutional capacity to deliver decentralized services strengthened										
10	Growth rate of own source revenue.	C/D	4%	-16%	0%	Below Expectations	8%	-2%		Below Expectations

Table 32: Reported values in the 4th and 6th SAR for the PMP financial indicators

However, during this period USAID|NEXOS made adjustments to these values due to errors in the registry of the starting balance item. With the SAMI, the municipalities include this item in each quarterly settlement; nevertheless, it was erroneously being accumulated for the estimation of the annual values. This was corrected, resulting in the following values:

No.	Indicator	Type	Year 2 (Oct12-Sept13)				Year 3 (Oct13-Sept14)			
			Semester4 (4th SAR)				Semester6 (6th SAR)			
			Target	Actual	% performance	Ranking	Target	Actual	% performance	Ranking
Intermediate Result 2: Locally-provided services in response to citizens needs improved										
2	Percentage of own source municipal income invested in locally provided services.	A/B	41% (BL)	n/a	n/a	n/a	48%	44%	92%	Acceptable
3	Percentage of municipal income invested in locally provided services.	C/D	46.0%	38.0%	83%	Acceptable	46%	36%	78%	Acceptable
Result 2: Local institutional capacity to deliver decentralized services strengthened										
10	Growth rate of own source revenue.	C/D	4%	-12.3%	0%	Below Expectations	8%	-7.0%		Below Expectations

Table 33: Adjusted values for the 4th and 6th SAR of the PMP financial indicators

Annex B: Open town hall meetings per municipality (2013 and 2014)

No.	Municipality	N° of Open Town Hall Meetings 2013	Total participants meetings 2013			N° of Open Town Hall Meetings 2014	Total participants meetings 2014		
			Men	Women	Total		Men	Women	Total
MANCOMUNIDAD OF LENCA MUNICIPALITIES FROM CENTRAL LEMPIRA (COLOSUCA).									
1	Gracias	N/D	0	0	0	2	53	18	71
2	Belén	4	127	96	223	4	184	228	412
3	San Manuel Colohete	1	0	0	0	N/D	0	0	0
4	San Sebastián	1	38	12	50	2	271	71	342
5	San Marcos de Caiquín	1	0		0	1	88	63	151
INTERMUNICIPAL COUNCIL HIGUITO RIVER (HIGUITO)									
6	Corquín	3	147	141	288	3	265	96	361
7	Cucuyagua	3	185	82	267	3	140	72	212
8	San Pedro	3	81	44	125	2	85	59	144
MANCOMUNIDAD OF THE QUIMISTAN VALLEYS (MAVAQUI)									
9	Azacualpa	5	244	168	412	5	347	239	586
10	Macuelizo	5	258	202	460	7	615	422	1037
11	Protección	5	446	381	827	5	170	218	388
12	Nueva Frontera	4	271	110	381	4	364	197	561
MANCOMUNIDAD OF MUNICIPALITIES OF NORTHERN COPAN (CHORTÍ)									
13	La Jigua	4	187	186	373	5	272	300	572
14	Nueva Arcadia	2	166	223	389	4	344	365	709
15	San Antonio	3	142	138	280	5	339	253	592
16	San Nicolás	5	121	158	279	5	71	127	198
MANCOMUNIDAD OF SOUTHWEST LEMPIRA (MANCOSOL)									
17	Cololaca	2	21	10	31	2	81	78	159
18	Guarita	2	128	70	198	3	123	62	185

No.	Municipality	N° of Open Town Hall Meetings 2013	Total participants meetings 2013			N° of Open Town Hall Meetings 2014	Total participants meetings 2014		
			Men	Women	Total		Men	Women	Total
19	San Juan Guarita	2	65	72	137	2	96	59	155
20	Tambla	3	168	104	272	3	209	175	384
21	Tomalá	6	431	276	707	4	294	89	383
22	Valladolid	4	207	116	323	3	243	128	371
MANCOMUNIDAD OF MUNICIPALITIES OF THE BOTIJA AND GUANCUARE MOUNTAINS (MAMBOCAURE).									
23	Concepción de María	5	294	232	526	4	213	166	379
24	Duyure	6	192	371	563	5	160	180	340
25	San Marcos de Colón	5	158	102	260	5	184	125	309
MANCOMUNIDAD OF MUNICIPALITIES OF SOUTHERN LEMPIRA (MOCALEMPA: MOCAL AND LEMPA RIVERS)									
26	La Virtud	1	25	16	41	2	70	33	103
27	Mapulaca	1	57	53	110	4	74	76	150
32	Virginia	3	160	176	336	4	213	222	435
MANCOMUNIDAD CAFEG									
33	Candelaria	N/D	0	0	0	3	79	72	151
34	Gualcinse	2	95	82	177	5	154	110	264
35	San Andrés	4	421	339	760	5	479	350	829
36	Piraera	N/D	0	0	0	5	242	122	364
OTHERS									
37	Lepaera	3	155	105	260	2	209	233	442
38	Trinidad	6	270	173	443	5	229	194	423
TOTAL		104	5,260	4,238	9,498	123	6,960	5,202	12,162

Note: Figures estimated to December 2014

Annex C: Agreements between civil society and local governments per municipality (Oct. 2014 - March 2015)

Municipality	Local Service	Agreements	Minutes/date
San Pedro de Copán	Water	<ul style="list-style-type: none"> Approve readjustment of L. 10.00 and L. 15.00 to water and sewage services, respectively, resulting in a L. 30.00 fee for both services in 2015. 	Minute N° 24, 10/04/2014
Concepción de María	Health	<ul style="list-style-type: none"> Issue municipal ordinance for cleanup of vacant lots, water collection basins and cemetery to prevent mosquito breeding. Implement solid waste collection service for proper waste treatment. Build a pit to bury hazardous wastes generated by the maternal and child clinic and health unit. Collect L. 10.00 every month from every house in the municipality to finance the purchase of food, supplies and medical equipment to provide emergency care. Delegate the administration of the collected funds to the Health Committee, which will be audited by the organizations responsible of the social control exercises in the municipality. 	Minute N° 19, 10/15/2014
Belén	Education	<ul style="list-style-type: none"> Approve municipal ordinance for parents to send their school-aged children to school, otherwise they will be penalized with the rate established in the Tax Plan. 	Minute N° 16, 10/15/2014
Mapulaca	Education, health, water and sanitation	<ul style="list-style-type: none"> The communities are committed to provide a counterpart for each project approved by the municipal corporation. The municipality agrees to respect the prioritization of projects presented by the communities according to their technical and financial feasibility. Likewise, it agrees to develop projects in a participatory and transparent manner. The CCT and MC are committed to supervise transparency in these projects' execution. 	Minute N° 20, 10/16/2014
San Sebastian	Health, sewage and solid waste collection	<ul style="list-style-type: none"> The community agrees to pay a fee of L. 40 starting in January, for sewage and treatment plant maintenance. COLOSUCA agrees to give maintenance to the treatment plant with the SR2 chemical and fumigate for mosquito control, in coordination with SESAL. The Municipal Corporation agrees to issue an ordinance for cleanup of vacant lots and burning of wastes, while the project for collection of solid waste is under negotiation. 	Minute N° 24, 10/25/2014
Duyure	Water	<ul style="list-style-type: none"> Civil society and municipal government agree to the compulsory chlorination of water distributed by tanks, or any other water service administered by boards. Reforestation of all water sources in the municipality and develop work for prevention of forest fires in the perimeter of each watershed. 	Minute N° 21, 10/28/2014
Gracias	Dialogue on municipal service fees.	<ul style="list-style-type: none"> Approve fees for municipal solid waste and firefighters services' fees. The application of the new fees will be from January 1, 2015. 	Minute N° 12, 11/03/2014
Corquín	Socialization of new public services fees.	<ul style="list-style-type: none"> The assembly approves and supports the mandatory collection from the municipality to lower the high service arrear rate. Likewise, the mayor presented the new public services fees, which will be paid from January 2015: L. 50.00 for each service provided by the municipality (solid waste collection service, sewage and water). 	Minute N° 31, 11/09/2014

Municipality	Local Service	Agreements	Minutes/date
Mapulaca	Accountability from the health provider and the municipality.	<ul style="list-style-type: none"> The municipality agrees to improve the health center facilities, by including in the 2015 Municipal Investment Plan the construction of two modules in the urban health center. 	Minute N° 24, 11/20/2014
Duyure	Education	<ul style="list-style-type: none"> The municipal corporation agrees to give unconditional support to the education sector during 2015. To eradicate child malnutrition, the municipality will order lab tests and necessary treatment to all children with low body mass index. Failure to comply with the above will be penalized with a fine. Enroll school-aged children, especially those receiving a conditional monetary transfer. Provide a school kit at the start of the school year and continue supporting the school meals program. 	Minute N° 24, 11/27/2014
San Andrés	Health with the women's network	<ul style="list-style-type: none"> Penalize midwives who attend pregnant women in their homes. All pregnant women must take their pregnancy controls and give birth in the respective health center; if by negligence the child dies, the woman shall be fined. 	Minute N° 132, 12/01/2014
San Antonio	Socialization session of the sewage service proposal to the municipal urban water board.	<ul style="list-style-type: none"> Restructure the urban JAAP and obtain its legal status. Monitor the process to obtain the environmental license of the sewage system projects and the water storage tank's process (to be financed by USAID NEXOS with municipal and community counterparts). Review the components of the sewage system to identify, quantify and plan improvements that are required to deliver a properly working system. 	N/A N° Minute 12/02/2014
Azacualpa	Water	<ul style="list-style-type: none"> Present to users the amount of arrears for service payment in the urban area. Send the respective payment notices, establishing a determined period so users can make a payment plan or cancel arrears. 	Minute N° 174, 12/15/2014
Gualcinse	Health	<ul style="list-style-type: none"> Penalize all pregnant women without prenatal care to prevent child deaths. Sanction midwives who attend childbirths in houses. 	Minute N° 31, 12/16/2014
Concepción de María	Education	<p>The COMDE and the municipal corporation agree as follows:</p> <ul style="list-style-type: none"> Invest the percentage corresponding to education based on a necessities plan presented by the School Councils of Educational Development and the COMDE. Support with school kits to all students who have no access to schools for lack of supplies. Establish a literacy program for young people who have stayed behind in their schooling. Issue ordinances for all children to remain in school. <p>COMDE COMMITMENTS:</p> <ul style="list-style-type: none"> Conduct an educational diagnosis in all school centers to learn the needs in infrastructure, furniture and human resources. 	Minute N° 27 01/20/2015

Annex D: Results of recovery of tax arrears per municipality by year

Municipality	2012			2013			2014			Variation 2013/2012		Variation 2014/2013	
	Recovery of tax and rights arrears (L.)	Recovery of municipal service arrears (L.)	Total recovery (L.)	Recovery of tax and rights arrears (L.)	Recovery of municipal service arrears (L.)	Total recovery (L.)	Recovery of tax and rights arrears (L.)	Recovery of municipal service arrears (L.)	Total recovery (L.)	Relative	Real	Relative	Real
Corquín	187,356.7	106,085.0	293,441.7	146,966.1	74,325.0	221,291.1	371,445.8	423,173.9	794,619.6	-24.6%	-28.6%	259.1%	238.4%
San Sebastian	7,612.1	0.0	7,612.1	17,997.5	0.0	17,997.5	50,109.8	0.0	50,109.8	136.4%	123.8%	178.4%	162.4%
Gracias	337,316.7	215,697.7	553,014.4	364,100.3	175,314.4	539,414.7	844,995.4	357,801.0	1,202,796.4	-2.5%	-7.7%	123.0%	110.1%
Azacualpa	746,418.9	100,765.5	847,184.4	519,407.6	137,751.5	657,159.2	959,846.5	377,492.2	1,337,338.7	-22.4%	-26.6%	103.5%	91.8%
Nueva Arcadia	2,170,084.9	35,530.4	2,205,615.3	1,525,170.6	48,284.2	1,573,454.8	2,578,178.7	264,441.6	2,842,620.3	-28.7%	-32.5%	80.7%	70.2%
San Marcos de Colón	821,715.9	356,737.7	1,178,453.7	543,323.9	223,486.8	766,810.6	1,072,808.1	240,351.0	1,313,159.1	-34.9%	-38.4%	71.2%	61.4%
Cucuyagua	1,088,158.0	0.0	1,088,158.0	535,725.9	0.0	535,725.9	667,860.2	245,024.0	912,884.2	-50.8%	-53.4%	70.4%	60.6%
San Pedro de Copán	54,701.9	54,210.0	108,911.9	154,762.9	68,265.0	223,027.9	273,712.3	103,780.0	377,492.3	104.8%	93.8%	69.3%	59.5%
Macuelizo	824,573.2	67,963.0	892,536.2	730,156.8	129,251.5	859,408.3	1,209,756.4	82,870.0	1,292,626.4	-3.7%	-8.9%	50.4%	41.7%
San Nicolás	1,151,969.0	132,573.9	1,284,542.9	319,444.5	108,307.8	427,752.3	324,233.4	312,750.0	636,983.4	-66.7%	-68.5%	48.9%	40.3%
Lepaera	367,046.6	5,300.0	372,346.6	539,049.1	80,910.0	619,959.1	579,951.7	68,486.6	648,438.3	66.5%	57.6%	4.6%	-1.4%
Belén	282,461.6	0.0	282,461.6	73,577.5	0.0	73,577.5	75,862.5	0.0	75,862.5	-74.0%	-75.3%	3.1%	-2.8%
Trinidad	552,817.1	244,410.5	797,227.6	816,023.4	280,867.7	1,096,891.1	661,808.0	409,598.5	1,071,406.5	37.6%	30.2%	-2.3%	-8.0%
San Marcos de Caiquín	41,118.2	54,997.5	96,115.7	64,902.4	2,320.0	67,222.4	38,951.7	2,720.0	41,671.7	-30.1%	-33.8%	-38.0%	-41.6%
San Manuel Colohete	83,712.7	12,990.0	96,702.7	174,388.8	7,580.0	181,968.8	54,461.2	31,143.2	85,604.4	88.2%	78.1%	-53.0%	-55.7%
TOTAL	8,717,063.5	1,387,261.3	10,104,324.8	6,524,997.1	1,336,663.9	7,861,661.0	9,763,981.5	2,919,632.0	12,683,613.6	-22%	-26%	61%	52%

Note: Figures estimated from January to December of each year

Annex E: Efficiency indicator for collection of service fees by municipality

Municipality	Service	Revenues (L.)		# users	Monthly fees (L.)		Annual billing (L.)		Collection efficiency	
		2013	2014		2013	2014	2013	2014	2013	2014
Corquín, Copan	Water	199,525.00	284,129.31	1,736	25.00	25.00	520,800.00	520,800.00	38.31%	54.56%
	Sewage	124,970.50	164,947.54	1,507	25.00	25.00	452,100.00	452,100.00	27.64%	36.48%
	Solid waste disposal	132,122.50	137,541.79	1,498	25.00	25.00	449,400.00	449,400.00	29.40%	30.61%
	TOTAL	456,618.00	588,632.64				1,422,300.00	1,422,300.00	32.10%	41.39%
San Pedro, Copan	Water	85,840.00	102,100.00	808	25.00	25.00	242,400.00	242,400.00	35.41%	42.12%
	Sewage	39,225.00	47,205.00	528	15.00	15.00	95,040.00	95,040.00	41.27%	49.67%
	Solid waste disposal	136,100.00	153,165.00	806	20.00	20.00	193,440.00	193,440.00	70.36%	79.18%
	TOTAL	261,165.00	302,470.00				530,880.00	530,880.00	49.19%	56.98%
Cucuyagua, Copan	Water	223,550.00	394,058.00	1,100	30.00	50.00	396,000.00	660,000.00	56.45%	59.71%
	Sewage	70,480.00	80,084.00	930	15.00	15.00	167,400.00	167,400.00	42.10%	47.84%
	Solid waste disposal	109,035.00	104,016.00	870	15.00	30.00	156,600.00	313,200.00	69.63%	33.21%
	TOTAL	403,065.00	578,158.00				720,000.00	1,140,600.00	55.98%	50.69%
San Nicolás, Copan	Water	165,497.77	249,827.93	804	34.00	34.00	328,032.00	328,032.00	50.45%	76.16%
	Sewage	73,244.95	112,586.00	532	25.00	25.00	159,600.00	159,600.00	45.89%	70.54%
	Solid waste disposal	24,115.00	34,027.00	221	25.00	25.00	66,300.00	66,300.00	36.37%	51.32%
	TOTAL	262,857.72	396,440.93				553,932.00	553,932.00	47.45%	71.57%
Azacualpa, Santa Barbara	Water	201,823.35	439,040.97	1,792	25.00	25.00	537,600.00	537,600.00	37.54%	81.67%
	Sewage	130,116.85	184,634.06	533	50.00	50.00	319,800.00	319,800.00	40.69%	57.73%
	Solid waste disposal	99,834.85	142,436.90	1,592	50.00	50.00	955,200.00	955,200.00	10.45%	14.91%
	TOTAL	431,775.05	766,111.93				1,812,600.00	1,812,600.00	23.82%	42.27%
Lepaera, Lempira	Water	252,971.46	455,919.20	1,098	30.00	40.00	395,280.00	527,040.00	64.00%	86.51%
	Sewage	148,886.39	163,067.55	982	30.00	40.00	353,520.00	471,360.00	42.12%	34.60%
	Solid waste disposal	159,644.44	180,246.00	1,075	10.00	10.00	129,000.00	129,000.00	123.76%	139.73%
	TOTAL	561,502.29	799,232.75				877,800.00	1,127,400.00	63.97%	70.89%

Note: Figures estimated from January to December of each year

Annex F: Collection from service fees per municipality by year (in Lempiras)

Municipio	Water (L.)				Sewage (L.)				Solid waste disposal (L.)			
	2011	2012	2013	2014	2011	2012	2013	2014	2011	2012	2013	2014
Corquín	211,220.73	217,730.00	199,525.00	284,254.31	127,048.29	132,305.08	124,970.50	164,798.54	113,508.08	121,460.00	132,122.50	137,466.79
Cucuyagua	264,490.00	233,230.00	223,550.00	394,058.00	88,520.00	84,685.00	70,480.00	80,084.00	128,415.00	109,655.00	109,035.00	104,016.00
Nueva Arcadia	0.00	0.00	0.00	0.00	268,406.02	237,206.84	227,335.00	255,743.63	620,387.50	618,616.66	597,248.00	619,215.85
San Pedro de Copán	63,400.00	74,420.00	85,840.00	104,200.00	37,185.00	45,990.00	39,225.00	46,995.00	21,369.95	158,595.00	136,100.00	156,215.00
San Marcos de Colón	0.00	0.00	100.00	1,440.00	161,011.39	172,947.95	179,010.37	192,973.15	101,909.72	115,319.25	134,334.90	143,732.36
Lepaera	197,230.75	282,874.25	252,971.46	455,919.20	73,649.50	127,135.00	148,886.39	163,067.55	113,527.55	161,211.84	159,644.44	180,246.00
Azacualpa	166,259.50	173,478.55	201,823.35	439,040.97	66,340.00	108,865.00	130,116.85	184,634.06	92,895.00	103,533.55	99,834.85	142,436.90
Macuelizo	54,124.35	65,003.00	54,641.00	56,289.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
San Nicolás	204,589.00	183,286.80	165,497.77	249,827.93	59,728.00	78,086.11	73,244.95	112,586.00	25,507.50	23,410.64	24,115.00	34,027.00
Belén	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
San Manuel Colohete	2,455.00	6,069.00	3,220.00	3,632.00	10,475.00	10,920.50	12,725.00	13,182.50	0.00	2,144.00	1,133.00	1,076.00
San Sebastián	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Tomalá	0.00	0.00	0.00	0.00	29,220.00	36,890.00	35,000.00	54,293.67	9,050.00	13,470.00	14,740.00	14,240.00
San Marcos de Caiquín	0.00	0.00	680.00	0.00	18,488.00	15,240.00	13,780.00	23,862.40	0.00	0.00	0.00	0.00
Total	1,163,769.33	1,236,091.60	1,187,848.58	1,988,661.41	940,071.20	1,050,271.48	1,054,774.06	1,292,220.50	1,226,570.30	1,427,415.94	1,408,307.69	1,532,671.90

Note: Figures estimated from January to December of each year

Annex G: Civil society organization monetary grants to March 31, 2015

GRANTEE AND BENEFICIARY ORGANIZATION IF APPLICABLE	PROJECT NAME	USAID NEXOS GRANT BUDGET IN USD	COST-SHARING BUDGET IN USD	TOTAL BUDGET IN USD	EXECUTION PERIOD IN MONTHS	DATE AGREEMENT SIGNED	USAID NEXOS DISBURSEMENT TO DATE IN USD	COST-SHARING TO DATE IN USD
Junta Administradora de Agua, Belén Centro	Improved Administration and Access to Water Service in Belén, Lempira.	101,296.83	103,047.68	204,344.51	12	9/29/2014	19,898.29	
Organización Desarrollo Integral Alternativo (DIA)/ Red Regional de Comisiones Ciudadanas de Transparencia de Occidente.	Transparency with Citizen Participation to Transform.	95,417.87	79,765.23	175,183.10	12	10/20/2014	10,252.01	
Fundación BANHCAFE para el Desarrollo de las Comunidades Cafeteras de Honduras (FUNBANHCAFE)	Equitable and Sustainable Access to Quality Water in 5 Communities of the Nueva Arcadia Municipality in the Copán Department	98,544.34	44,117.63	142,661.97	12	9/29/2014	48,631.28	2,296.79
Fundación Helvetas Honduras.	Local Service System for Management of Third Category Roads.	100,818.01	21,223.00	122,041.01	12	9/29/2014	43,355.19	4,408.63
Junta Administradora de Agua y Saneamiento de la Comunidad de Agualote	Improvement of 2,215 Meters of Pipeline for the Potable Water System.	17,652.47	5,710.85	23,363.32	3	9/29/2014	17,034.30	6,338.00
Organismo Integral de Desarrollo de Honduras (O.I.D.H)	Strengthening of Social Initiatives for Water Quality Improvement in 4 Municipalities of the Department of Copán.	68,430.08	14,329.97	82,760.05	12	9/29/2014	13,442.09	3,391.07
Centro de Estudio y Solidaridad para America Latina, CESAL-Honduras.	Whit Entrepreneurial Youth, Culture, Sports and Work, United for Violence Prevention.	81,556.89	35,941.65	117,498.54	12	02/24/2015	15,898.99	
Mancomunidad de Municipios del Valle de Quimistan MAVAQUI	Strengthening of Local Capacity of Water Boards and Municipal Associations of Water Boards in the MAVAQUI Influence Area.	44,682.65	9,243.06	53,925.71	6	02/24/2015	23,550.96	
Junta de Agua Municipal de Concepción de María	The AJAM Present in Environmental Conservation and Human Development, with Training of New Community Leaders.	94,332.16	19,887.35	114,219.51	12	02/24/2015	18,389.45	
TOTAL AMOUNT OF GRANTS - OCTOBER 1, 2014 TO MARCH 31, 2015		220,571.70	65,072.06	285,643.76				
TOTAL ACCUMULATED AMOUNT OF GRANTS - LIFE OF PROJECT		702,731.30	333,266.42	1,035,997.72			210,452.56	16,434.49

Annex H: Summary of Small Infrastructure Projects (SIP). Approved by USAID as of March 2015.

No.	Municipality	Community	Code	Name	Status	% de avance Físico	Total cost estimated of SIP (USD)	Estimated NEXOS' contribution (USD)	Contribution (USD)	Attended Service
1	San Sebastián	Agua Fria - La Chorrera	SIP-2013-001	Repair water storage tank.	Completed	100	6,984.25	4,127.11	2,857.14	Water
2	Copán Ruinas	El Quebracho	SIP-2013-002	Improvements to the premises of the "Policarpo Bonilla" Rural School	Completed.	100	30,850.00	23,000.00	7,850.00	Education
3	Santa Rita	El Jaral	SIP-2013-003	Construction of Perimeter Fence for the Maternal and Child Clinic "Hector Bueso Arias"	Completed	100	35,062.04	23,627.84	11,434.20	Health
4	Cabañas	Urban Area	SIP-2013-004	Expansion and improvement of the Municipal Health Care Unit (CESAMO)	Completed.	100	30,252.38	18,818.16	11,434.22	Health
5	Macuelizo	La Flecha	SIP-2013-005	Completion of Rural Health Center in La Flecha	Completed	100	59,404.49	33,900.79	25,503.70	Health
6	Protección	Urban Area	SIP-2013-006	Expansion and improvement to the "Teresa Sarmiento" Health Care Unit (CESAMO)	Completed.	100	47,028.40	21,524.70	25,503.70	Health
7	Cucuyagua	Gualtaya	SIP-2013-007	Improvements to the Gualtaya Rural Health Center.	Completed.	100	22,574.32	15,710.14	6,864.18	Health
8	Azacualpa	Urban Area	SIP-2013-008	Improvements to the water distribution network	Completed.	100	39,690.56	21,169.96	18,520.60	Water
9	Nueva Frontera	Urban Area	SIP-2013-009	Lighting of public spaces	Completed.	100	43,460.23	23,500.00	19,960.23	Security
10	San Manuel de Colohete	El Cipres	SIP-2013-010	Improvement to "El Cipres" Kindergarten	Request of purchasing materials		61,166.14	54,466.14	6,700.00	Education
12	San Marcos de Caiquín	Urban Area	SIP-2013-012	Construction of Maternal and Child Home	Request of purchasing materials		67,546.13	52,181.23	15,364.90	Health
13	Gracias	La Asomada	SIP-2013-013	Remodeling of "Ruben Villeda Bermudez" Health Center	Request of purchasing materials		42,548.51	34,048.51	8,500.00	Health
14	Lepaera	Rural	SIP-2013-014	Remodeling of "Martiniano Diaz" Rural Elementary School	Execution.	30%	56,545.49	34,045.49	22,500.00	Education

No.	Municipality	Community	Code	Name	Status	% de avance Físico	Total cost estimated of SIP (USD)	Estimated NEXOS' contribution (USD)	Contribution (USD)	Attended Service
15	Tambla	Urban Area	SIP-2013-015	Construction and repair of water tanks	Execution.	35%	24,749.73	15,225.92	9,523.81	Water
16	San Juan Guarita	Urban Area	SIP-2013-16	Construction of technological classroom	Approved		47,081.58	37,052.04	10,029.54	Education
19	Candelaria	Urban Area	SIP-2013-019	Improvements to Career Center	Execution.	5%	58,446.11	48,446.11	10,000.00	Education
20	Gualcinse		SIP-2013-020		Formulation.					Education
21	San Andrés	Urban Area	SIP-2013-021	Expansion of Technical School	Formulation.					Education
22	Mapulaca	Urban Area	SIP-2013-022	Remodeling of Manuel Bonilla School	Under review by USAID		70,566.89	51,203.63	19,363.26	Education
24	Corquín	Aldea Potrerillos	SIP-2013-024	Improvements to Rural Health Center	Execution.	5%	63,142.53	45,642.53	17,500.00	Health
25	San Pedro	Several Aldeas	SIP-2014-025	Improvement of water supply system	Formulation.					Water
26	San Antonio	Urban Area	SIP-2014-026	Improvement of water supply system	Execution.	5%	46,243.00	37,003.74	9,239.26	Water
27	La Jigua	La Tejera	SIP-2014-027	Reparation of "Estrellas Fugaces" Kindergarten	Under review by USAID		74,635.88	52,145.99	22,489.89	Education
33	Valladolid	Urban Area	SIP-2014-033	Improvements in the water supply system.	Formulation.		95,645.81	57,769.36	37,876.45	Water
34	Piraera	San Felipe	SIP-2014-34	Expansion and remodeling of CESAR	Formulation.					Health
36	Concepción de María	Urban Area	SIP-2014-036	Improvements in the water supply system.	Approved		83,215.32	68,213.32	15,002.00	Water
							1,106,839.80	772,822.71	334,017.09	

Note: preliminary data

Annex I. Success story: Promoting a better quality of life for women



"Nueva Alianza" women's group, developing activities in poultry projects in the municipality of Gualcinse, Lempira.



Women's network from CAFEG, receiving training in project management and sustainability.

USAID|NEXOS has strengthened the Women's Municipal Office and female community leaders from CAFEG, through the donation of equipment and capacity training for an effective project implementation.

40 projects are currently being executed by women in the mancomunidad, of which 24 are poultry projects (laying hens and broiler chickens), as part of the economy and poverty areas of the agenda for the development and protection of women.

Encouragement of entrepreneurship in local women's groups is an essential part of economic development, which is why USAID|NEXOS promotes capacity building in communities.

To promote women's engagement in 2013 an agenda for women was implemented in the municipalities of the Intermunicipal Council CAFEG (Gualcinse, Candelaria, San Andrés and Piraera), which in the promote employment and income policies for women in order to improve the economy and reduce poverty.

These women's groups, in the department of Lempira, which has the highest poverty rate in the country, with a Multidimensional Poverty Index of 0.394 and a Human Development Index of 0.555. These groups executed approximately 40 activities in different sectors, 24 of them are poultry farms, which have been strengthened through technical assistance.

Among the beneficiary women's group is the "Nueva Alianza" group, located in the town of Gualcinse, organized since 2010 with a membership of 18 women partners, who hold monthly meetings to report and plan activities. Approximately 90% of the women attend these meetings and also participate in a rural savings and credit bank, which allows them access to financing to carry out income-generating activities.

There was a high demand and a low supply of eggs in this municipality. Pastora Villanueva, one of the partners, used to travel to the village of San Marcos, located 10 kilometers away, to buy eggs and resell them at her house. According to Pastora: "I had to get up at 4 in the morning, make tortillas for lunch and then go out at six in the morning to buy the eggs and return at two in the afternoon". This is a widespread problem in the area, since they lack the conditions and opportunities for development.

The marketing and distribution of products (eggs and meat) has currently allowed the generation of income of L. 8,000 per month for 16 groups of women in these 4 municipalities, contributing to a better quality of life for the women and their families.

Considering these projects directly affect the community's food security, USAID|NEXOS remains committed in the technical strengthening of these women's groups.