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TRANSPARENT LOCAL GOVERNANCE AND IMPROVED SERVICE DELIVERY

SEMI ANNUAL TECHNICAL PERFORMANCE REPORT
OCTOBER 01, 2015 – MARCH 31, 2016

April 30, 2016

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OCTOBER 01, 2015 – MARCH 31, 2016**

Prepared for:

USAID/Honduras, Office of Democracy & Governance

Prepared by:

Deloitte.

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

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Abbreviations

AJAAM*	Association of Municipal Water Boards
AMHON*	Honduran Municipal Association
CAS	Country Assistance Strategy
CASM	Mennonite Social Action Commission
CCS	Community Health Committees
CCT*	Citizens Commission of Transparency
CEPUDO	NGO for Training, education, production, unification and organizational development.
CESAMO*	Health Unit with Doctor and Dentist
CESAR*	Rural Health Unit
CM*	Municipal Commissioner
CMI*	Maternal-Infant Clinic
COMAS*	Municipal Water and Sanitation Commission
COMDE*	Municipal Council for Educational Development
CSO	Civil Society Organization.
CUSP	Public Services Users Cadaster
DEC	Development Experience Clearinghouse
DEE	Decentralization Enabling Environment
DEI*	Executive Revenue Directorate
DG	Democracy & Governance
DIA	Alternate Integral Development
FOVIMA*	Joint Road Fund
FHIS*	Honduran Social Investment Fund
FUNBANHCAFE	Foundation for Honduran coffee development
IR	Intermediate Result
JAAP	Potable Water Managing Boards

MC	Municipal Commissioner
M&E	Monitoring & Evaluation
OCDIH*	Christian Organism for the Integral Development of Honduras
ODECO*	Organization for the Development of Corquin
OIDH*	Integral Development Agency of Honduras
ONG*	Non-governmental Organization
PIR	Rural Infrastructure Program
PMP	Performance Monitoring Plan
POA*	Annual Work Plan
RCS*	Health Committees Network
PPR	Performance Plan Report
RUC*	Single Tax Payers' Registry
RFA	Request for Application
SDHJGD*	Ministry of Human Rights, Justice, Interior and Decentralization
SESAL*	Ministry of Health
SIMAFI*	Municipal Administrative and Financial Information System
SO	Strategic Objective
Sub IR	Sub Intermediate Result
UGD	Decentralization Unit
ULAT	Local Technical Assistance Unit
USAID	United States Agency for International Development
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 ninth semi-annual report submitted in compliance to section F of the contract. It covers all activities developed between October 2015 and March 2016. The obtained relevant results are described below.

In relation to Result 1, "Civil society advocacy for improved local services increased", civil society organizations (CSOs) involved in social control developed various advocacy actions. In this context, the Citizens Commissions of Transparency (CCTs) and Municipal Commissioners (MCs) of 15 municipalities from COLOSUCA, MANCOSOL and MAVAQUI monitored the recommendations generated from the audits developed in 2014 and 2015 to water, health and education services.

The audit recommendations for health have allowed for the health managers of MANCOSOL and COLOSUCA to improve the processes of hiring medical and administrative staff based on merit; substantial improvement in managing financial resources, which are necessary to provide the health service; automatization of accounting processes; improvement of institutional child birth (use of the maternal and child clinic); reduction of maternal deaths; opening of single bank account to manage funds for health service provision; and substantial improvement in storage of medicines, among others.

Likewise, the Program's technical assistance included strengthening of 11 Health Committee Networks (RCS), through the development and approval of their 2016 Annual Work Plans. The networks received assistance in identifying strategies for resource allocation and institutional recognition from MANCOSOL, COLOSUCA and the municipalities of Protección and Macuelizo in Santa Barbara, and Lepaera in Lempira.

On the other hand, the Program continued to monitor and train the Water and Sanitation Municipal Commissions (COMAS), Local Control and Monitoring Units (USCL) and Associations of Municipal Water Boards (AJAAM) of 14 municipalities, in the development of their 2016 work plan. This assistance is significant, considering the multiplier effect the AJAAM has with all its members, where accountability is favored, as well as operation and maintenance of water systems in order to provide a better service to users.

The Program's technical assistance in Marcala promoted dialogue between civil society organizations involved in social control, solid waste service's users and the local government, in order to subscribe agreements that will improve the solid waste service.

The agreements emphasize the expansion of the service's coverage in seven neighborhoods of the urban area and the approval of municipal financial resources to ensure the construction of a landfill.

The Participative Mechanisms Plan oriented to public services continued its execution in the Program's municipalities. During 2015, 142 open town hall meetings were held, where most of these were for decision-making and accountability in relation to services.

In relation to Result 2, "Local institutional capacity to deliver decentralized services strengthened", the technical assistance focused mainly on income generation through the implementation of the Single Taxpayers' Registry (RUC), cadaster reassessment, recovery of arrears and Public Service Users' Cadaster (CUSP). This has had an impact in the increase in incomes from tax and fee collection. Because of this assistance, the municipalities now have an updated and more realistic taxpayers' database, in accordance to taxes, services and rights, which allows having a more accurate data on tax arrears for an effective collection.

In relation to services, USAID|NEXOS continues to promote in eight municipalities the implementation of sustainable models for local service provision with improved delivery. The strengthening proposal for municipalities that provide urban water and sanitation services shows progress between 30% and 90% in its implementation.

As for the delegation of sewage and/or solid waste services promoted by USAID|NEXOS, the municipality of San Antonio approved the integrated fee for water and sanitation services, which will be effective from April 2016. With the collection of this fee, the sewage service will be charged for the first time, since the service has been operating for two years without charge from the municipality. In Belen, the water board is using an automated public service module and has the updated users' cadaster database, which was provided by the municipality.

In Protección, the Ministry of Human Rights, Justice, Interior and Decentralization (SDHJGD) gave legal status to the Urban Water Board (JAAU) through resolution No. 1524-2015. However, at the closing of this report, the delegation agreement for the solid waste collection service has not been formalized between the JAAU and the municipality.

In Nueva Frontera, MAVAQUI presented to the municipal corporation a report on the solid waste service's situation, detailing the service's problems and recommendations to ensure service sustainability. In response to the report, the municipal corporation agreed to monitor these recommendations, expecting to have a positive outcome during the next period.

During this period, CAFEG concluded the development of the 2016 Joint Road Maintenance Plan, developed in accordance to the projects included in the Municipal Investment Plan (MIP), and which the Joint Technical Road Unit (UTVM) will execute. The budget amounts to Lps. 5.9 million to give maintenance to 405.6 kms of roads.

The urban water plans have been implemented between 57% and 80% in the municipalities of CAFEG with the Program's assistance. As a positive outcome of this assistance, the municipalities of Candelaria, San Andres and Gualcinse have made investments for service infrastructure, improving service delivery and users' satisfaction.

In relation to Result 3, "Structures and Systems to Implement Reform Strengthened", USAID|NEXOS continues to execute activities in coordination with other civil society programs,

institutions or organizations. In this context, the Program coordinated with the Ministry of Health (SESAL) the development of the Strategies for Community Work Module, which is part of the implementation of the National Basic Training Curriculum for Health Managers. The training was given to 26 managers nationwide.

Likewise, decentralized health service managers received assistance in the three areas (institutional, technical and social) in order to continue implementing their strengthening plans. Technical assistance was focused on the areas each service provider must optimize. In the case of MAMBOCAURE, the Program supported the institutional area; COLOSUCA, CHORTI and MANCOSOL received assistance to strengthen the technical area. Three service managers received assistance in the social area for accountability to citizens.

In relation to the Grants Component, four donations from the first RFA were concluded and inaugurated during this period, totaling five concluded donations. In this context, three new grant agreements were signed, completing eight grants from the second RFA. On the other hand, 40 in-kind donations were approved, of which 37 are for equipping the JAAs that have delegation of municipal services and three will complement monetary grant activities (CAFEG, COLOSUCA and Water for the People).

To date, more than US\$ 2.4 million have been committed in in-kind donations (35%) and monetary grants (65%).

The execution of infrastructure projects is contributing to improve school facilities in Lepaera, Candelaria, San Manuel Colohete, La Jigua and Trinidad. The projects included the construction and renovation of bathrooms and classrooms. The Rural Health Center (CESAR) was renovated in Corquin (in the village of Poterillos), and a maternal and child home was built in San Marcos de Caiquin, thus facilitating access of pregnant women for childbirth in the Maternal and Child Clinic. In relation to water, the Program assisted in the construction and repair of water storage tanks in the municipalities of San Antonio and Tambla. During the reported period, nine projects were concluded, five in education, two in water and two in health.

Regarding the rapid response funds, USAID|NEXOS financed seven socialization events for the new municipal categorization and delivered an in-kind donation consisting in construction materials to rehabilitate the water system in the municipality of San Sebastian. The donation totals more than Lps. 475,000.

As part of the implementation of the women's agenda, the Program continued to assist the Women's Municipal Offices (WMO) and women's networks from 29 municipalities, to develop their 2016 operational plan. In this context, 24 plans in equal number of municipalities were socialized and approved by their respective municipal corporations. Likewise, at the request of the women's groups, these local governments held open town hall meetings to inform the public about the achievements, obstacles and challenges faced by the women and the WMOs to consolidate their work. These spaces were also used to present the 2016 operational plans, where the women and the WMO presented the activities and strategies to be developed this year.

During the reported period, USAID|NEXOS initiated activities comprised in the Work Plan of Year 5. These activities included visiting three new municipalities which will be diagnosed, visit to the Program's six mancomunidades in order to explain the scope of the new activities, revision of the local service diagnostic methodology and preparation of induction workshop to develop the diagnostics.

All these results contributed to the fulfillment of the goals established in the Performance Monitoring Plan. Overall, USAID|NEXOS complied with more than 80% of the goals with an "Acceptable" or "Beyond Expectations" score. The remaining 20% of the goals showed a level of compliance of "At Risk", which is why the necessary actions will be taken during the next period to ensure compliance.

2. Introduction & Overview

2.1 Scope and Objective

This is the ninth 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 Contract calls for the contractor to submit a semiannual report, to be provided within 30 days of the end of each period. At a minimum, these semi-annual reports shall describe: progress of the major activities in process during the period in relation to requirements of the contract, indicating any problems encountered, and proposing remedial actions as appropriate. 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.

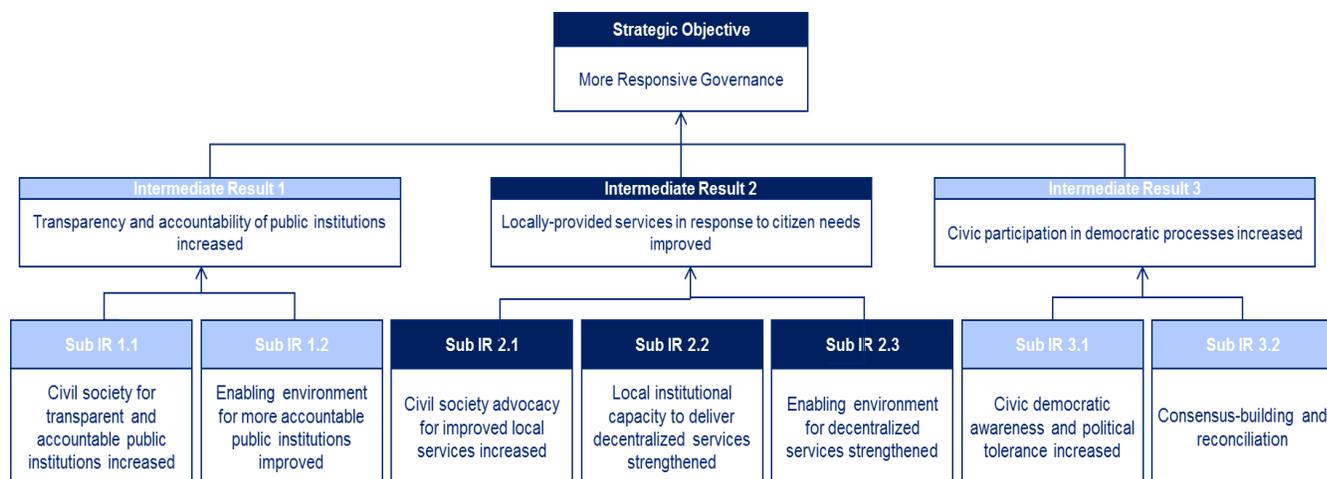


Figure 1: USAID/Honduras DG Program Strategic Framework

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 and the Rapid Response Fund are two 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 achieve the Program’s goals, emphasizing in innovation and creativity.

Small grants activities may include small purchases of equipment and goods, training, and technical assistance for service overseeing, outreach campaigns, and other initiatives to 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.

Activities with civil society organizations are also promoted through the small grants program in order to support projects related to the strengthening of local services provision in the communities of target municipalities.

In addition to the small grants, USAID|NEXOS executes or administers subcontracts to develop small infrastructure projects related to improve service delivery. These projects will 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.

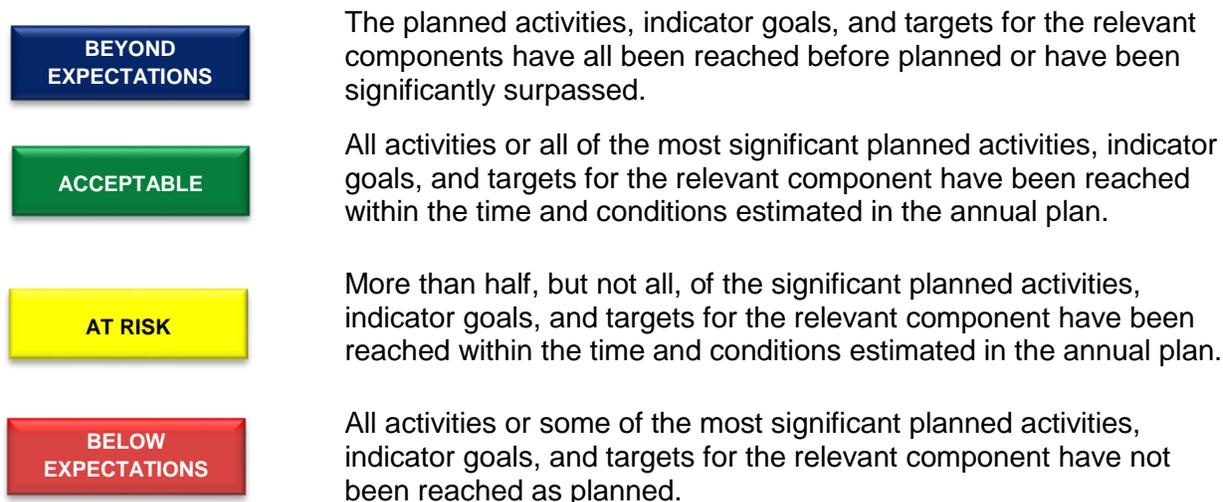


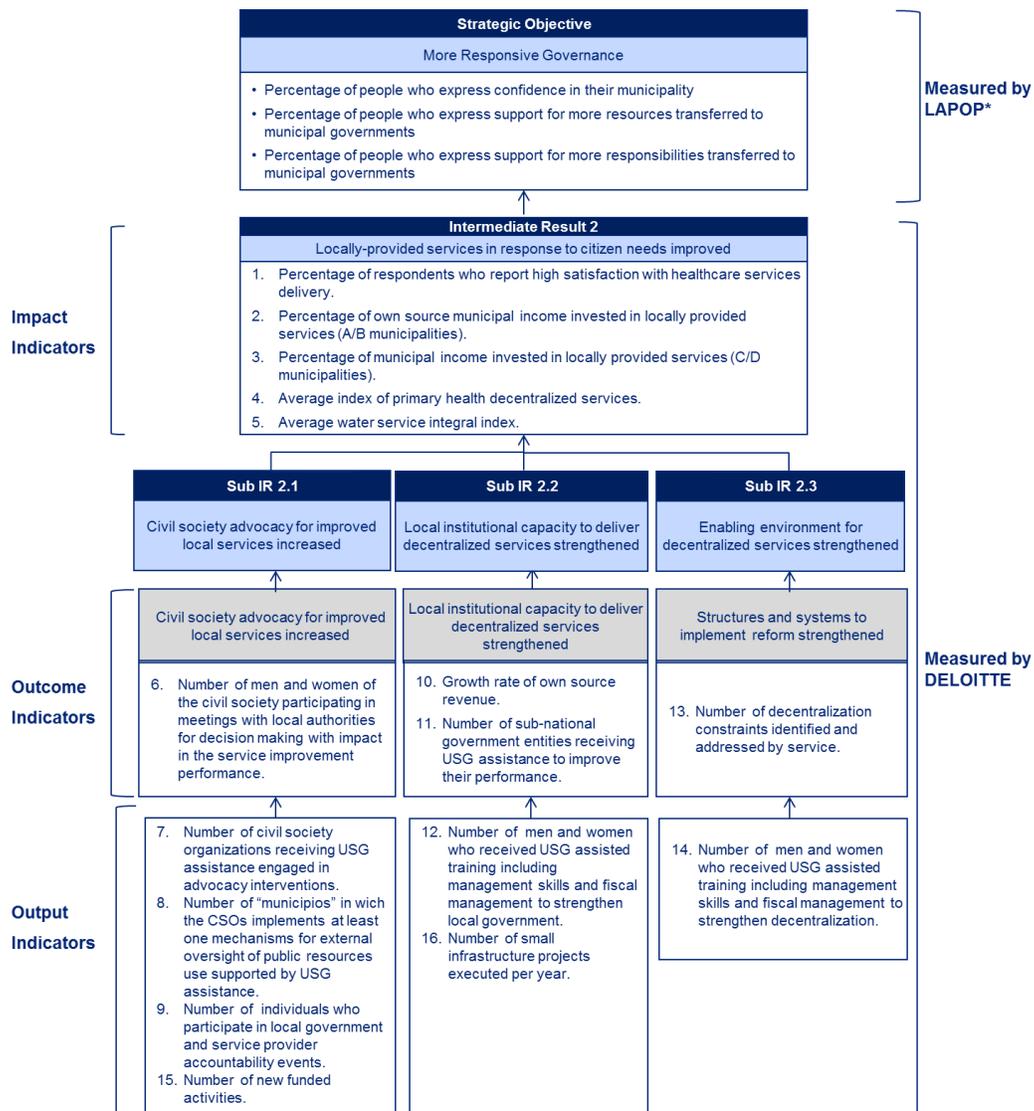
Figure 2: Ranking definitions

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 2 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, including the ranking according to performance:

No.	Indicator	Type	BL	Year 4 (Oct14-Sept15)				Year 5 (Oct15-Sept16)			
				Semester8				Semester9			
				Target	Actual	% performance	Ranking	Target	Actual	% performance	Ranking
Intermediate Result 2: Locally-provided services in response to citizens needs improved											
1	Percentage of respondents who report high satisfaction with healthcare services delivery.	all	67.0%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
2	Percentage of own source municipal income invested in locally provided services.	A/B	41.0%	53.0%	43%	82%	Acceptable	n/a	n/a	n/a	n/a
3	Percentage of municipal income invested in locally provided services.	C/D	41.0%	46.0%	44%	97%	Acceptable	n/a	n/a	n/a	n/a
4	Average index of primary health decentralized services.	C/D	54.0%	75.5%	81.2%	108%	Beyond Expectations	n/a	n/a	n/a	n/a
5	Average water service integral index.	C/D	49.6%	63.5%	58.4%	92%	Acceptable	n/a	n/a	n/a	n/a
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	60M 40F	66M 35F	101%	Beyond Expectations	60M 40F	68M 100F	168%	Beyond Expectations
		C/D	0	960M 640F	1722M 714F	152%	Beyond Expectations	960M 640F	1019M 650F	104%	Beyond Expectations
7	Number of civil society organizations receiving USG assistance engaged in advocacy interventions (cumulative).	A/B	0	15	11	73%	At Risk	15	11	73%	At Risk
		C/D	0	129	151	117%	Beyond Expectations	129	151	117%	Beyond Expectations
8	Number of "municipios" in wich the CSOs implements at least one mechanism for external oversight of public resources use supported by USG assistance (cumulative).	C/D	0	25	30	120%	Beyond Expectations	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	30M 20F	46M 65F	222%	Beyond Expectations	30M 20F	38M 42F	160%	Beyond Expectations
		C/D	0	288M 192F	265M 229F	103%	Beyond Expectations	816M 544F	879M 524F	103%	Beyond Expectations
Result 2: Local institutional capacity to deliver decentralized services strengthened											
10	Growth rate of own source revenue.	C/D	20.0%	10%	12%	124%	Beyond Expectations	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%	Acceptable	5	5	100%	Acceptable
		C/D	0	35	35	100%	Acceptable	35	35	100%	Acceptable

No.	Indicator	Type	BL	Year 4 (Oct14-Sept15)				Year 5 (Oct15-Sept16)			
				Semester8				Semester9			
				Target	Actual	% performance	Ranking	Target	Actual	% performance	Ranking
12	Number of men and women who received USG assisted training including management skills and fiscal management to strengthen local government.	A/B	0	9M 6F	6M 6F	80%	<i>Acceptable</i>	9M 6F	0M 4F	27%	<i>Below Expectations</i>
		C/D	0	86M 58F	81M 53F	93%	<i>Acceptable</i>	26M 18F	29M 18F	105%	<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	26M 18F	25M 49F	168%	<i>Beyond Expectations</i>	26M 18F	16M 30F	105%	<i>Beyond Expectations</i>
Activity Area 1: Small grants											
15	Number of new funded activities.	CSO	0	5-20	6	100%	<i>Acceptable</i>	n/a	n/a	n/a	n/a
		MAN	0	5-10	3	60%	<i>At Risk</i>	n/a	n/a	n/a	n/a
		LG	0	5-10	0	0%	<i>Below Expectations</i>	n/a	n/a	n/a	n/a
Activity Area 2: Small infrastructure projects											
16	Number of small infrastructure projects executed per year.	LG	0	5-15	5	100%	<i>Acceptable</i>	n/a	n/a	n/a	n/a

Table 2: Goals and indicators of the PMP for year five.

The above table does not show the impact indicators, these will be reported in the final report due to their nature.

The main results related established goals for the first semester of year 5 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.

This indicator reports a level of compliance above the established goal for A and B municipalities. Civil society representatives and municipal technicians and officials from Marcala developed two workshops to negotiate agreements that will allow the solid waste service's sustainability and increase of coverage in seven urban neighborhoods¹.

The following main agreements are as follows:

¹ El Rincón, Golondrina, San Juan, Agua Escondida, Santa Emilia, Sigamane and Osorio.

- Approval of budget allocation for 2016 to meet the demand of the solid waste collection service.
- The municipality and Aguas de Marcala agreed to socialize with the presidents and treasurers of the neighborhood boards the expansion of service coverage and rate study for solid waste collection (garbage collection and street cleaning), with the purpose of defining the service rate.
- The service users are asking the municipality to review the terms signed with the company that collects solid wastes, since they are not complying with the quality standards as some garbage is seen in the streets.

In relation to gender, the goal was highly exceeded with 60% of women's participation and 40% men.

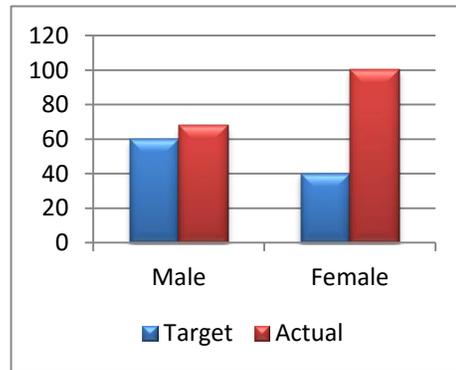


Figure 4: Progress achieved on the indicator 6th by gender (A and B municipalities).

The indicator shows a level of compliance above 100% for C and D municipalities.

Eighteen municipalities held various open town hall meetings and community assemblies during the reported period, to address issued related to services, mainly health, water and social cohesion.

Among the main agreements reached between civil society and municipal governments are: i) in relation to health, issue of municipal ordinances aimed at preventing the ZIKA virus, support the health fairs held by the CESAMOs, promotion of institutional child birth, medicine supply, construction and/or repair of modules in the CESARs/ CESAMOs, and prevention of child and maternal deaths. ii) In relation to water, adjustment and approval of service rates, protection of watersheds and legalization of land in water sources. iii) In relation to social cohesion, it is important to mention the leadership role of the youth network in Tomalá, which subscribed agreements with the local government related to violence and teenage pregnancy prevention, and proper use and maintenance of recreational spaces. See Annex A for further details.

In relation to gender, men's participation was 60% and women's 40%.

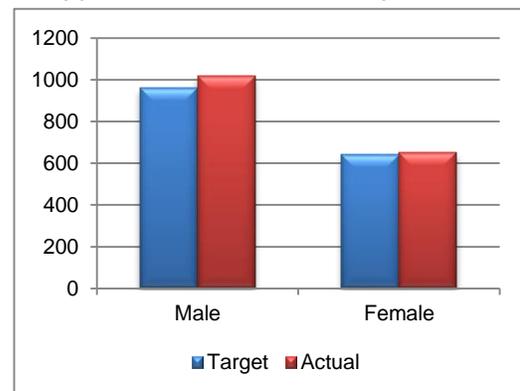


Figure 5: Progress achieved on the indicator 6th by gender (C and D municipalities).

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

During this period, the Program focused on monitoring the advocacy actions developed by different civil society organizations, these actions initiated in previous periods and USAID|NEXOS seeks to identify the results of the technical assistance provided.

Based on the above, the Program assisted 83 civil society organizations (CSOs) in 19 municipalities from 4 mancomunidades ² distributed as follows: 14 Associations of Municipal Water Boards (AJAAMs), 14 Municipal Water and Sanitation Commissions (COMASs) and 14 Local Control and Monitoring Units (USCLs), 11 Health Committee Networks (RCSs), 15 Citizens Commissions of Transparency (CCTs) y 15 Municipal Commissioners (MCs). The first four received assistance in monitoring the implementation of their 2015 operational plans and in the preparation of the 2016 plans. In addition, the RCSs received assistance in identifying strategies for resource allocation and institutional recognition from the health service managers.

The organizations responsible for social control (MCs and CCTs) were strengthened to monitor the recommendations given in the social audit reports developed to local service providers.

This will contribute to the improvement of the water and health indexes and service provision.

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

Compliance of this indicator in A and B municipalities exceeded expectations. Because of this assistance, municipal officials and civil society representatives from the municipality of Marcala agreed to develop an open town house meeting where citizens learned in detail of the investments made in the solid waste disposal service and obstacles found for service provision.

Male participation represented 40% and female 60%.

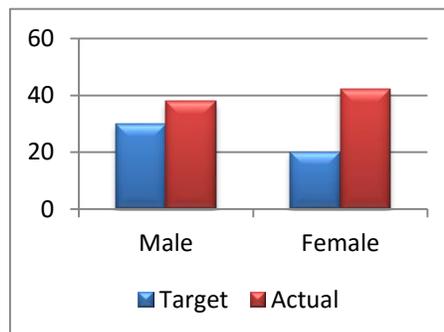


Figure 6: Progress achieved on the indicator 9th by gender (A and B municipalities).

Compliance of the indicator for C and D municipalities showed the same results, exceeding the established goal. Thus, thirteen local governments and service providers held open town hall meetings to be accountable to the citizens on investments made in public services and management of funds for the year 2015.

² COLOSUCA (5), MANCOSOL (6), MAVAQUI (4), HIGUITO (3) and the municipality of Lepaera.

Male participation represented 63% and female 37%.

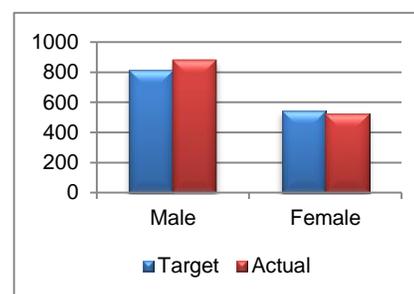


Figure 7: Progress achieved on the indicator 9th by gender (C and D municipalities).

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).

This indicator, being cumulative, has been 100% achieved. The following table lists the various assistances provided by the Program during the reported period:

Technical Assistance Area	No. of municipalities
Development of the GL accountability.	34
Development of the 2015 budget.	34
Implementation of the Single Taxpayer's Registry (RUC).	26
Recovery of arrears	12
Implementation of Financial Accounting	6
Real estate cadaster	4
Strengthening of municipal units that provide water and sanitation services.	5
Joint technical road assistance unit.	4
Implementation of Urban Water Plan	4
Delegation of sanitation services to the Urban Water Board (JAA)	3
Implementation of the urban solid waste collection service.	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 reported period, USAID|NEXOS trained technical staff from A and B municipalities (Marcala and Puerto Cortes) in the administrative procedure for recovery of arrears, with the participation of four municipal technicians, all of them women. The indicator has a compliance of 27%.

C and D municipalities also received the same training for recovery of tax arrears. Likewise, the Program trained and strengthened technicians from the mancomunidades of COLOSUCA and CHORTI, and officials from the municipalities of Belen and San Antonio, in relation to the delegation of the water and sanitation service through an exchange of experiences with the Virtud Water Board. In addition, three mancomunidad technicians were trained to monitor execution of activities related to services for year 5. The indicator shows a level of compliance above 100%.

Participation of municipal staff who received technical assistance through workshops is made up of 70% technical staff, 22% mancomunidad technicians and 4% Council members and vice mayors, respectively.

Position	Gender		Total	Percentage
	Men	Women		
Municipal technicians	18	14	32	70%
Mancomunidad technicians	8	2	10	22%
Council Members	1	1	2	4%
Vice mayors	2	0	2	4%
TOTAL	29	17	46	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.

Two training workshops were developed under this component, one related to the community work module of the National Basic Curriculum for Training Health Service Managers, and the other to develop the first annual operational plan of the health network's strategic health plan, developed with COLOSUCA's technical staff.

Both workshops focused on strengthening the decentralized health model, which allowed the indicator's compliance above 100%.

The following table details participation by gender:

Workshop	Participation by Gender		Total
	Men	Women	
Training in "Community Work Strategies Module" of the National Basic Curriculum for Training Health Service Managers.	9	20	29
Training workshop with technical staff from COLOSUCA to develop the first annual operational plan of the Health Network's Strategic Plan.	7	10	17
TOTAL	16	30	46

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.

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. A new model for managing local services is being promoted, where social auditing and promotion of transparency is executed through organizations such as the Municipal Commissioner and the Transparency Citizen Commission.

3.1.1. Achievements/Progress

Based on the Program's work plan for the fifth 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 ninth semester of the Program's execution, the developed activities in this component allowed the following results:

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

During the reported period, USAID|NEXOS continued strengthening CSOs that are directly involved in local service management through the development of activities aimed at improving public services.

14 AJAAMs, 14 COMASs and 14 USCLs in equal number of municipalities have their Annual Operational Plans for 2016. All these entities have considered stronger coordination links among them to improve service management, water quality and system sustainability.

On the other hand, the Program's training to the CCTs and MCs was fundamental to reactivate the monitoring of the social audits developed in 2014 and 2015. In this context, 15 MCs and 15 CCTs from the mancomunidades of COLOSUCA (5), MANCOSOL (6) and MAVAQUI (4) monitored the recommendations generated from the audits to learn about the progress made and restrictions for their compliance.

The following results are described below, as part of the monitoring to the social audit recommendations:

Manager	Previous Situation	Current Situation
COLOSUCA	Previously the manager used a single bank account to deposit and withdraw money from several funding sources.	Currently, because of the social audit's recommendation, the manager has opened a bank account exclusively to manage funds from SESAL, to comply with the signed agreement.
	Management of financial resources was done through tedious and slow procedures.	Currently, there is gradual progress in the automation and modernization of administrative and financial processes; in addition, there is also the financial audit that has been developed during the last five years to the manager, for the transparency of COLOSUCA's management system.
	Recruitment of personnel was based on random criteria and low levels of rigidity.	The recruitments made in the last six months have been based on a personnel selection and recruitment manual approved by the manager, in accordance to the job profile.

Manager	Previous Situation	Current Situation
	Recruitment of pregnant women during 2014 by the health units represented 23% of coverage.	The Inter-municipal Social Audit Committee recommended that 100% of pregnant women should be recruited and treated in each health unit. The monitoring activities show that for 2015, the health service provider made efforts to increase the recruitment target for pregnant women, achieving 75% of recruitment and treatment.
	Unsuitable place to store medicines.	This condition has improved, as the manager moved the health network's headquarters from San Manuel Colohete to La Campa, and now has ample space for medicine storage and internet services, which facilitates communication with Lempira's Health Region.
MANCOSOL	Recruitment of staff was based on political factors.	An effective recruitment process is now evident, for the selection of medical and administrative staff, based on the required job profile.
	A high incidence of teenage pregnancies was reported in 2014.	According to the monitoring done by the Social Audit Committee, the manager has increased its efforts in order to involve the municipal governments to work directly with adolescents, presenting good results in Guarita and Tomala, where open town hall meetings were held to address the subject.
	The audit done in 2014 presented no maternal deaths, which posed as a challenge for 2015 to maintain these figures by the manager.	No maternal deaths were reported during 2015.
	The technical reports submitted by the manager to the Health Region and SESAL showed inconsistencies, which made difficult an objective analysis of target compliance.	The monitoring shows that this situation has improved by implementing an internal control mechanism that analyzes and reviews the reports submitted to the Health Region, UGD and other units, thus significantly reducing inconsistencies.
MAVAQUI	The social audits developed in 2014 recommended the water boards to strengthen their roles and functions, in order to improve service.	For 2015, the water boards had defined administrative processes, operational plans, update of the service users' database, accounting books and rate adjustments, which allowed financial strengthening to provide a better service.
	The health service provided by the different units lacked quality, showing unconformity among its users.	This condition was reverted after completing personnel training processes, establishing a strategy for prioritizing medical attentions (emergencies, children and elderly), medicine supply and delivering basic health services in communities, thus showing support and motivation from the beneficiaries for the good services received.
	In relation to education, the social audits showed the dissatisfaction among users due to the malpractice of economic charges for service use, which is against the Fundamental Law of Education.	The legal education framework was socialized and discussed in parents assemblies in schools, resulting in the following agreements: i.-The charge for tuition, right to examinations and any other charge that contributes to service improvement was approved. ii.- There was a unanimous agreement to develop activities involving the parents to generate income to address the needs of the schools, and accountability exercises were to be made in periodic assemblies. iii.- Work plans were formulated and socialized during these assemblies, which will guarantee the improvement of the education service.

Table 6: Results of the audit recommendations monitoring.

The Program's technical assistance also included the strengthening of 11 Health Network Committees (HNC) ³ who, in a participative way, identified the obstacles and opportunities faced by the network during 2015, obtaining the necessary information to develop and approve their 2016 work plans.

³ Mancosol (3), Colosuca (5), Mavaqui (2) and Lepaera.

In this context, each network developed a proposal of projects aimed at strengthening and improving primary health services, in order to allocate technical and financial resources, and help motivate the networks' volunteers to aid in strengthening the decentralized health service model, for example:

- Improving the quality of sexual and reproductive life in the municipalities of southwestern Lempira.
- Prevention of teenage pregnancies.
- Reproductive health and masculinity.
- Reducing the hygienic-sanitary risk in my community.
- Cultivating lives in the community gardens in Protección, Santa Barbara.

In addition, the 11 HNCs received assistance from MANCOSOL, COLOSUCA, Protección and Macuelizo (Santa Barbara) and Lepaera (Lempira) to identify strategies for resource allocation and institutional strengthening.

In relation to the legal status of the AJAAMs and HNCs, 19 records have been completed (14 AJAAMs and 5 HNCs). These documents will be submitted to the Ministry of Human Rights, Justice, Interior and Decentralization during the next period, for the necessary processing.

- *Strengthening of CSOs in A and B municipalities*

In relation to the assistance provided to civil society organizations in A and B municipalities, the Program supported follow-up activities related to the solid waste service in the municipality of Marcala.

These activities consisted in meetings with municipal and civil society authorities, in order to coordinate actions for the signing of agreements between the municipal government and civil society to expand the solid waste service's coverage and its sustainability. The agreements are also to technically assist a work session with the mayor, municipal staff, MC, CCT and service users to analyze the service's operation and promote dialogue for service improvement.

The Program's technical assistance had significant results, since the issue of solid wastes was analyzed in an open town hall meeting. This has allowed the promotion of an integral service management among civil society, as well as the commitment from the municipal government to allocate resources from the 2016 municipal budget, for L.472, 000 for the construction of a landfill. The expansion of the service's coverage was also made official, attending other urban neighborhoods such as El Rincon, Las Golondrinas, San Juan, Agua Escondida, Santa Emilia, Sigamané and Osorio.

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 of participation spaces, through planning and approval of participatory mechanisms to be implemented in the fifth year*

During the reported period, the municipalities continued developing their participative mechanisms plan, oriented to services. Civil society participation in service management has been important in influencing local governments to improve service delivery. On the other hand, service providers are informing users of achievements, obstacles and investments made to improve and expand service coverage.

During 2015, the Program's target municipalities celebrated 142 open town hall meetings (see Annex B). Most of the meetings were held for decision-making in relation to services and accountability on their management. Men had a higher participation than women (58% and 42%, respectively).

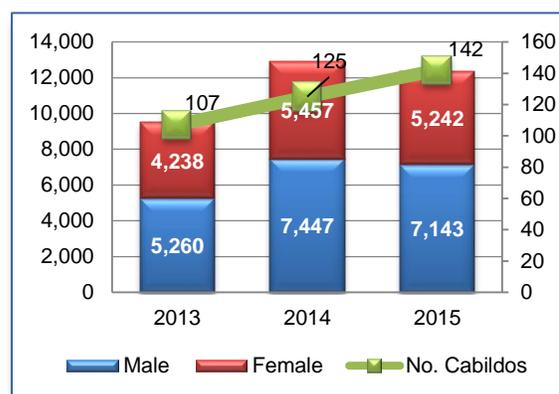


Figure 8: Participation in open town hall meetings, by gender (Jan-Dec. 2015).

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

During this period, civil society and local governments established agreements to improve water, health and education services. In water, the agreements are related to the analysis and approval of service rates, water chlorination, reforestation and maintenance of water sheds. In health, agreements were made to promote institutional childbirths, medicine supply in health units, construction and/or remodeling of health units, and cleanups and prevention activities against Zika. In education, the municipal government, CSOs and COMDE agreed to implement the Educational Strategic Plan, and approved the respective operational plans, which will be executed by the COMDE.

Between Oct. 2015 and March 2016, 17 municipalities uploaded in the database more than 400 agreements made between local governments and civil society. Of all the agreements, 22% correspond to education, 20% to institutional strengthening, 17% to others, 11% to health, 5% to infrastructure, 6% to water and sanitation, 6% to roads, 6% to security, 2% to electrification and 1% to environment. The level of compliance of these agreements is approximately 62%.

N°	Municipality	Agreements October 2015 - March 2016				
		Registered in the database (number)	Complied (in relation to local services)	Percentage of compliance	In process of compliance	Not complied
1	Azacualpa	26	22	85%	4	
2	Corquín	25	10	40%	15	
3	Cucuyagua	28	20	71%	8	
4	Gracias	20	13	65%	6	1
5	Gualcince	16	11	69%	5	

N°	Municipality	Agreements October 2015 - March 2016				
		Registered in the database (number)	Complied (in relation to local services)	Percentage of compliance	In process of compliance	Not complied
6	Macuelizo	49	34	69%	15	
7	Nueva Arcadia	3	1	33%	2	
8	Nueva Frontera	44	18	41%	19	7
9	Piraera	17	5	29%	12	
10	Protección	21	16	76%	5	
11	San Andrés	8	1	13%	7	
12	San Antonio	21	12	57%	8	1
13	San Manuel Colohete	13	10	77%	3	
14	San Marcos de Caiquín	20	12	60%	8	
15	San Nicolás	1		0%	1	
16	San Pedro de Copán	108	73	68%	35	
17	San Sebastián	27	20	74%	7	
TOTAL		447	278	62%	160	9

Table 7: Relevant aspects from the implementation of participatory mechanisms, by municipality or mancomunidad.

3.1.2. Programmed Activities for the Year 5, Semester 2 (Y5S2)

The activities programmed for the second semester of the Program's fifth year are shown in the following figure:

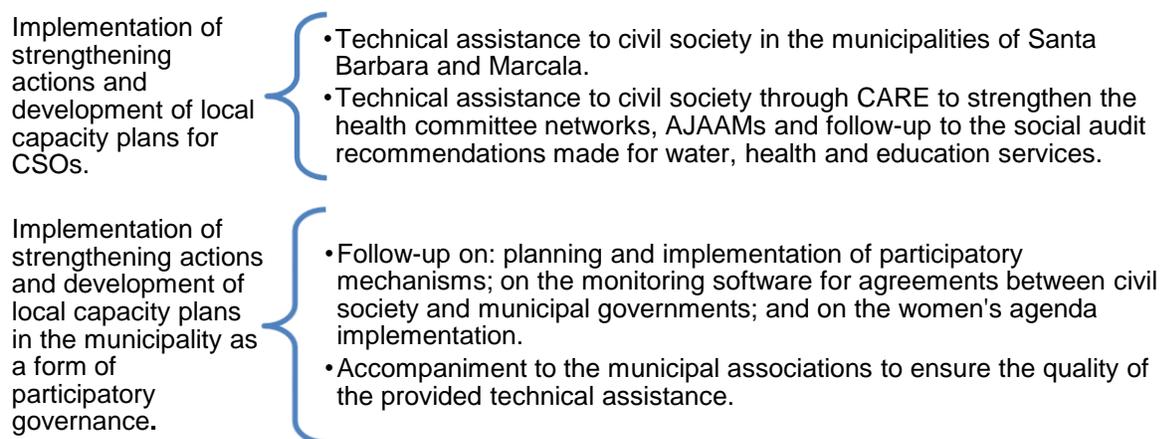


Figure 9: Result 1 Programmed Activities for Y5S2.

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 34 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 of municipal administrative and financial management.

USAID|NEXOS implemented different strategies for income generation; the results are as follows:

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

During the reported period, the municipalities continued to debug the taxpayers' database, uploading new taxpayers and unsubscribing those who, for different circumstances, should not be in the database (business closure, change of address, death, and closure of economic activity, among others).

The following table shows the process's progress in each municipality receiving this technical assistance.

Mancomunidad	Municipality	Evaluated Aspect	
		Initial number of registered taxpayers	Final number of taxpayers (debugged and updated) included in the RUC database
COLUSUCA	Gracias	18,826	12,924
	Belén	2,496	2,724
	San Manuel Colohete	4,832	4,904
	San Sebastián	3,123	3,636
	San Marcos de Caiquín	2,417	2,606
HIGUITO	Corquín	2,088	2,478
	Cucuyagua	3,374	4,258
	San Pedro	3864	3,560
MAVAQUI	Azacualpa	10,437	10,453
	Macuelizo	3,126	3,145
	Protección	11,199	11,389
	Nueva Frontera	6,965	9,830
CHORTÍ	La Jigua	1,191	N/D
	Nueva Arcadia	30,148	16,488
	San Antonio	2,013	2,026
	San Nicolás	3,925	5,937
MANCOSOL	Cololaca	1,448	2,004
	Guarita	2,706	6,152
	San Juan Guarita	1,828	1,771
	Tambla	3,160	3,411
	Tomalá	4,519	4,854
	Valladolid	3,362	3,803
INDEPENDIENTE	Lepaera	1,200	4,140

Mancomunidad	Municipality	Evaluated Aspect	
		Initial number of registered taxpayers	Final number of taxpayers (debugged and updated) included in the RUC database
MAMBOCAURE	Concepción de María	5,655	5,968
	Duyure	1,444	1,518
	San Marcos de Colón	10,300	11,450

Table 8: Progress in the RUC implementation, to March 2016.

The municipalities of Gracias and Nueva Arcadia report a decrease in taxpayers of approximately 30% and 45%, respectively, due to duplicated registries found in the tax module's database, which were eliminated in the debugging.

The decrease in the municipalities of San Pedro Copan and San Juan Guarita is due to the identification of taxpayers that are no longer active in the municipalities.

The municipality of San Nicolas has a substantial increase of taxpayers due to the incorporation of public service users in the database during this quarter, which were previously registered separately.

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

To December 2015, 15 target municipalities ⁴ with tax collection potential registered more than 11 million Lempiras for recovery of tax arrears and service fees. Municipalities that do not receive this technical assistance have reported less income than those who do receive it.

San Pedro Copan, San Marcos de Caiquín and San Manuel Colohete show the highest percentage of increase in incomes from this source. This technical assistance has also allowed the considerable reduction of tax arrears in Gracias, Cucuyagua, Nueva Arcadia, Macuelizo and Trinidad (for more details see Annex C).

Concept	Year (In thousands of Lps)			Variation 2014/2013 (percentage)		Variation 2015/2014 (percentage)	
	2013	2014	2015	Relative	Real	Relative	Real
Municipalities with technical assistance							
Recovery for tax collection and arrear rights	6,525.0	9,652.5	9,453.1	47.9%	39.4%	-2.1%	-6.1%
Recovery for municipal services' arrears	1,336.7	2,880.6	2,415.8	115.5%	103.1%	-16.1%	-19.6%
Total	7,861.7	12,533.1	11,868.8	59.4%	50.2%	-5.3%	-9.2%
Municipalities with no technical assistance							
Recovery for tax collection and arrears	1,881.9	2,960.6	2,214.2	57.3%	48.2%	-25.2%	-28.3%
Recovery for municipal services' arrears	17.6	0.3	18.8	-98.6%	-98.7%	7412.8%	7102.8%
Total	1,899.6	2,960.8	2,233.0	0.6	0.5	-0.2	-0.3

Table 9: Recovery from collection of taxes, rights and services in arrears by fiscal year (Jan-Dec).

- *Development of Municipal Cadaster*

This period reports the progress made in the municipality of Gualcinse, where technical staff continued to update the database from the cadaster module, uploading 181 new properties,

⁴ Higuito (3), Colosuca (5), Chortí (2), Mavaqui (2), San Marcos de Colón, Lepaera and Trinidad.

equivalent to 2,516.03 hectares, generating a total of L. 5, 560.10 for real estate taxes, which have been processed and billed in the system.

This technical assistance was developed and concluded in the four municipalities of MAVAQUI, 3 from HIGUITO, 6 from MANCOSOL, 1 from MOCALEMPA and 2 from MAMBOCAURE.

- *Definition or Expansion of the Urban Boundaries*

To date, the Program is still awaiting approval for the study to define the urban perimeter by the SDHJGD. The Program supported this activity in the municipalities of Macuelizo, Nueva Arcadia and Cucuyagua.

- *Cadaster reevaluation in year ending in 5*

To December 2015, 16 municipalities of the 19 in which this technical assistance was developed, achieved an increase in real estate tax collection, with San Manuel Colohete, San Nicolas and San Marcos de Caiquin showing the highest increases in relation to previous years (2013 and 2014).

No.	Municipality	Revenues from real estate Taxes (L.)			Relative variation (Percentage)		Real Variation (Percentage)	
		2013	2014	2015	2014/2013	2015/2014	2014/2013	2015/2014
1	Gracias	1,103.60	1,263.71	1,572.39	14.5%	24.4%	7.9%	19.3%
2	Belen	185.45	302.41	336.04	63.1%	11.1%	53.7%	6.5%
3	San Manuel Colohete	52.69	50.99	112.55	-3.2%	120.7%	-8.8%	111.6%
4	San Sebastián	66.19	91.67	92.66	38.5%	1.1%	30.5%	-3.1%
5	San Marcos de Caiquín	61.83	72.75	140.73	17.6%	93.5%	10.9%	85.5%
6	Corquín	836.68	928.18	1,063.07	10.9%	14.5%	4.5%	9.8%
7	Cucuyagua	312.42	383.27	464.10	22.7%	21.1%	15.6%	16.1%
8	San Pedro	259.83	444.75	477.78	71.2%	7.4%	61.3%	3.0%
9	Azacualpa	389.69	561.03	444.32	44.0%	-20.8%	35.7%	-24.1%
10	Macuelizo	413.38	444.15	556.32	7.4%	25.3%	1.2%	20.1%
11	Protección	424.30	518.79	577.36	22.3%	11.3%	15.2%	6.7%
12	Nueva Frontera	367.79	447.33	460.58	21.6%	3.0%	14.6%	-1.3%
13	La Jigua	252.25	328.35	418.61	30.2%	27.5%	22.7%	22.2%
14	Nueva Arcadia	1,329.48	1,643.53	2,141.23	23.6%	30.3%	16.5%	24.9%
15	San Antonio	130.00	172.54	259.21	32.7%	50.2%	25.1%	44.0%
16	San Nicolás	162.35	216.79	538.76	33.5%	148.5%	25.8%	138.3%
17	Lepaera	467.28	474.80	684.75	1.6%	44.2%	-4.3%	38.3%
18	Trinidad	488.78	504.49	719.80	3.2%	42.7%	-2.7%	36.8%
19	San Marcos de Colón	505.56	476.96	766.85	-5.7%	60.8%	-11.1%	54.1%
	Total	7,809.55	9,326.50	11,827.13	19.4%	26.8%	12.5%	21.6%

Table 10: Real estate tax collection, by year and municipality (Jan.-Dec.).

- *Follow up to the budget and accountability*

At the closing of this report, all the Program's target municipalities had submitted to the SDHJGD the accountability reports for the Oct-Dec quarter, as well as the 2015 budget settlement. Likewise, the 34 municipal budgets for 2016 have been developed and uploaded to

the system; of these, 25 municipalities have begun the execution process for the Jan-March quarter, the rest continue to process their records.

- *Follow-up to the implementation of financial accounting in the municipalities of MANCOSOL.*

All the municipalities from MANCOSOL are generating the monthly financial statements (this information is the basis for developing forms 11 and 12 of the quarterly accountability records).

At the close of this report, five municipalities have completed their assets report, with information to December 2015.

Implementation of tax audits.

During the reported period, the municipalities have focused their efforts on recovery of tax arrears and debugging of the taxpayers' database, which is why no tax audit processes are reported.

B. Improvement of provision of local services.

- C.** *Implementation of sustainable models for provision of water and sanitation services (Corquín, Cucuyagua, San Pedro, San Nicolás, Lepaera, Azacualpa, San Antonio, Protección and Belén).*

This technical assistance is oriented at municipalities that provide urban water and sanitation services. The following table shows the percentage of progress achieved during the reported period in implementing the Institutional Strengthening Plan for Service Delivery in each municipality.

Municipality	Percentage of Progress		
	Previous Period	Current Period	Accumulated to Date
Corquín	69	21.5	90.5
Cucuyagua	67.3	23.2	90.5
San Pedro de Copán	76	13.5	89.5
San Nicolás	66	25	91
Azacualpa	62	10	72
Lepaera	30	0	30

Table 11: Progress in implementation of the proposal for strengthening provision of municipal local services.

San Nicolas made investments in public service infrastructure, consisting in expansion of the water distribution network in the neighborhood of El Progreso, increasing the water supply with two additional hours (from 3 to 5 hours per day) and expanding coverage to 16 additional families. The municipality also invested in repair and maintenance of the water system in all the urban area, which allowed the increase of two more hours in the daily water supply.

In relation to solid waste services, coverage has been expanded with the installation of collectors in the municipality's highlands (collection is done once a week). In addition, new trenches have been built in the landfill.

Likewise, investments were made in the three municipalities of HIGUITO to improve the water and sewage systems in Corquin's urban area, solid waste in San Pedro Copan and water in Cucuyagua.

On the other hand, USAID|NEXOS promotes the delegation of sewage and/or solid waste services to urban JAAPs in municipalities where these boards already manage water services, thereby ensuring an integrated management of services for financial sustainability. The following table shows the percentage of progress achieved during this period in relation to the delegation of sanitation services in three target municipalities.

Municipality	Percentage of Progress		
	Previous Period	Current Period	Accumulated to Date
Protección	29.5	5	34.5
San Antonio	35	25	60
Belén	67	21	88

Table 12: Progress in process of service delegation to urban JAAPs.

In the municipality of **San Antonio**, in an assembly of users of the water service provided by the JAAU, an integrated service fee for the provision of water and sanitation services was approved, with a fee of Lps. 40 a month, which will be effective starting April 2016. This integrated fee is expected to give sustainability to services, since the sewage service has been operating for two years with no charge from the municipality.

The delegation process for solid waste services in **Protección** has been cancelled at the Program's request, since, to date, the delegation agreement between the municipality and the JAAU has not been formalized. Meanwhile, the Program held a follow-up meeting in January, to determine the causes for this delay and the availability of the parties to continue with the process.

The meeting exposed the following situations:

- The current presidency of the JAA is temporary, stating against taking responsibility for the decision of the solid waste service's delegation until the new JAA makes decisions about it; the new JAA is expected to begin in June 2016.
- Service users have no prompt payment culture.
- The JAA states that the problems of the water service should be given priority, before taking responsibilities in providing a new service.

The Ministry of Human Rights, Justice, Interior and Decentralization has granted legal status to the JAAU in Protección through resolution No. 1524-2015.

The JAAP from **Belen**, with the support from COLOSUCA, is currently using the SIMAFI public service module for billing and collection. In this context, the municipality has made available to the JAAP the cadaster users' database, to be imported to the billing module. To date, 90% of service users have been imported.

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

In December 2015, MAVAQUI developed and presented a report on the solid waste service situation to the municipal corporation, which evidences that the service is being provided satisfactorily and garbage is disposed in a sanitary way with proper environmental management. However, the cost of service provision is higher than the billed amount, which means that with the current fees the recovery of actual costs is not possible. The municipality has to allocate other municipal revenues to subsidize the service's costs, especially for payment of services contracted with a private operator that collects and transports the residues to the landfill.

In response to the report, the municipal corporation agreed to continue implementing the recommendations for increasing the service's fee payments; expand the service collection route; dig more trenches in the landfill and provide constant support to the corresponding municipal units for service provision.

For the next period, the Program will monitor the compliance of the agreed points in the meeting, in order to create the service's financial sustainability, which requires a high level of awareness among the service's users.

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

During this period, 100% of the municipalities that receive this technical assistance completed the debugging of the users' cadaster. Likewise, the Program monitored the registry of new users in the billing system; this activity shows a progress of 72%.

This effort allowed the increase in fee collections for water, sewage and solid waste services in 9%, 17% and 25%, respectively, during the 2015 fiscal year (Jan.-Dec.).



Figure 10: Collection of revenues from service taxes for 14 municipalities that implemented the CUSP, by year.

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

During the reported period, the mancomunidad of CAFEG concluded the development of the 2016 Joint Road Maintenance Plan, which is currently executed by the Joint Technical Road Unit (UTVM). This plan was developed in accordance to the projects included in the Municipal Investment Plan (PIM) approved for the 2016 municipal budget, with a total investment of L. 5.9 million for 405.60 kms of road maintenance in all the mancomunidad's municipalities. The following table shows the detail:

No.	Municipality	Kilometers for maintenance	Estimated budget (L.)
1	Piraera	77.98	1,169,848.90
2	San Francisco	28.16	422,319.40
3	San Andrés	90.37	1,205,612.89
4	Erandique	33.33	500,000.00
5	Gualcinse	60.79	911,819.72
6	Santa Cruz	94.97	1,424,575.52
7	Candelaria	20.00	300,000.00
	Total	405.60	5,934,176.43

Table 13: Estimated budget for the 2016 Joint Road Maintenance Plan.

The Road Unit continues to assist CAFEG's municipalities in the execution of their projects for rehabilitation, improvement, maintenance and expansion of the municipal road network. For instance, in the municipality of **Gualcinse**, the Unit has given technical support to rehabilitate the streets in the urban area and lower area: Tenango-Tixila and Tenango-Guatemalita.

In **San Andres**, the Unit has assisted the repair of the road sections from San Juan-San Buena Ventura, San Juan-San Pedrito, San Juan-Monrara, Mal Paso-Mocal and Calle San Buena Ventura to San Simón, La Caufura, San Antonio, Planes, San José, El Brotón, Corral de Piedra; to date this is the municipality with the largest investment in these types of projects.

In **Piraera**, the Unit has assisted the projects San Sebastian-Rio Rusquin, San Sebastián-Piraera Centro, Piraera-Quelepa Gualcinse Detour, Arenales-Las Moras.

The UTVM continues to coordinate activities with different small road companies, such as Nueva Vision in San Andres and Nuevo Amanecer in Gualcinse. Both companies were organized by CAFEG with support from PIR|FHIS in previous years, including their legal status.

These small companies perform routine maintenance work in the drainage structures of the road sections rehabilitated with funds from USAID|NEXOS, and identified in the Inventory of Roads developed by FIR|FHIS Program in 2015, as part of the UTVM Implementation Plan promoted by the Program. Labor contracts have been formalized for this purpose between the small companies and CAFEG.

- *Design of urban water plans in the municipalities of San Andres, Piraera, Gualcinse and Candelaria.*

During the reported period, USAID|NEXOS monitored the progress in the implementation of the urban water plans.

Municipality	Percentage of Progress		
	Previous Period	During the Period	Previous Period
Candelaria	59	21	80
Piraera	37	20	57
Gualcinse	59	21	80
San Andrés	74	6	80

Table 14: Progress in implementation of urban water plans in CAFEG's municipalities.

The turbidity in the water has been greatly reduced with the reservoir built by the JAAP in **Candelaria**, thus improving quality in service provision and increase in users' satisfaction. In this context, the JAA has acquired micro sensors for control and promotion of rational use of water by the users; these sensors will be installed in the coming months.

During the previous period, the JAA in **Gualcinse** replaced 10 distribution valves in the water system, which has improved service provision, much to the satisfaction of service users. In this context, the municipality of Gualcinse included in its Municipal Investment Plan the amount of Lps. 650,000 to invest in projects for improvement and rehabilitation of water systems.

The JAA in **San Andres** developed works to improve the water storage tank, thus improving service in terms of water quantity and continuity of provision. Likewise, a users' assembly was held in March, where they agreed to build a new storage unit, since the current tank does not have sufficient capacity to store water during summer time. The mancomunidad agreed to develop the design and corresponding budget.

Recently, an open call for tenders was published, for the construction of the sewage system and treatment plant for all the urban area. This process is currently evaluating the companies that participated in the process.

3.2.2. Programmed Activities for the Year 5, Semester 2 (Y5S2)

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

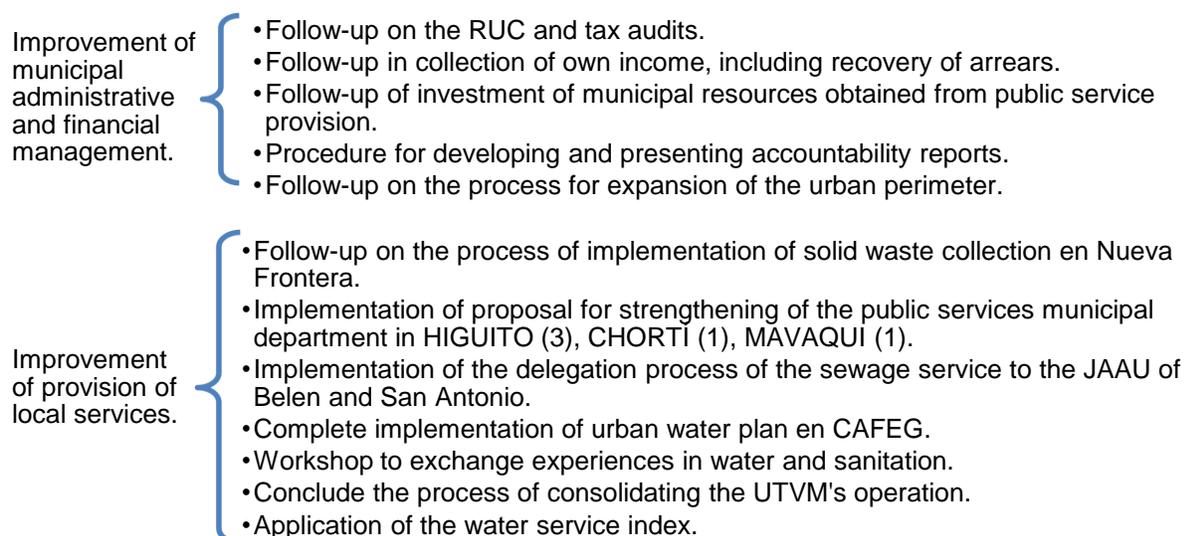


Figure 11: Result 2 Programmed Activities for Y5S2

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 execution mechanism involves coordination with organizations and institutions (both local and national) to advance in the process of decentralization of local services and strengthening of decentralized health service providers. The results achieved are as follows:

- Advocacy and coordination with other programs.

USAID|NEXOS continues to implement activities in coordination with other programs, institutions or organizations from civil society. During this period, the Program participated in the following activities: a) Inter-municipal Technical Units Network Assembly and Good Practice Exercises of FOCAL Project, sponsored by the Ministry of Human Rights, Justice, Interior and Decentralization (SDHJGD) and the Association of Municipalities of Honduras (AMHON). b) Good Practices and Knowledge Management Fair: "The Municipality as a Development Engine", sponsored by SDHJGD and financed by COSUDE and USAID|NEXOS, and c) launch of the National Health Gender Policy.

In coordination with the Ministry of Health (SESAL), the Program provided technical and financial assistance to develop the "Community Work Strategies" module, as part of the implementation of the National Basic Training Curriculum for Health Managers. 86 participants from 26 health managers nationwide received training, as well as 8 participants from 8 Departmental Health Regions, 5 technicians from the Department of Primary Health Care (DAPS), 5 technicians from the Decentralized Management Unit (UGD), 1 technician from ULAT and 1 technician from the Health Region in Lempira. Of the total trained, 27 belong to municipalities and mancomunidades assisted by the Program. To date, this is the third module developed in coordination with SESAL.

- Strengthening of local structures for provision of decentralized services.

The decentralized health service managers received assistance in different areas (institutional, technical and social), in order to continue with the implementation of their strengthening plans.

Regarding the **institutional** aspect, the Program assisted MAMBOCAURE in monitoring the implementation of commitments established in the "Conflict Management" workshop, held in August 2015.

In relation to the **technical** area, the Program trained the Technical Health Unit from COLOSUCA, to identify the strategic lines that will be developed in the 2016 Annual Operating Plan and Budget, within the framework of the 2015-2021 Strategic Health Plan.

The mancomunidades of COLOSUCA, CHORTI and MANCOSOL prepared their respective continuous improvement health plans aimed at improving service quality, considering the social audit findings, accountability exercises and their strategic plans. These plans are a tool that will help the mancomunidades achieve the goals and indicators established in the agreements with the Ministry of Health.

USAID|NEXOS is monitoring the implementation of both the continuous improvement plans and strategic plans (particularly for COLOSUCA and MANCOSOL).

The health managers also received assistance to prepare the quarterly monitoring report and the 2015 performance evaluation, developed by SESAL. The results are as follows:

- i. Six managers (6), of the 11 assisted by the Program, increased their performance scores in 2015, particularly MOCALEMPA and LEPAERA, whose scores increased 18 and 13 percentage points, respectively.
- ii. When comparing the 2015 and 2014 third quarter, two managers (MANCOSOL and MOCALEMPA) improved their scores, the rest must improve the unfavorable scores obtained. It is important to mention the external factors that affect these results, such as, conducting monitoring and evaluations prior to the period established to measure goals; variation of evaluation forms without prior analysis from the health managers, which makes this process more complex; high turnover of personnel, among others.
- iii. However, all managers are challenged to implement a results-based management, in order to improve service quality and achieve a score equal or greater than 90% in the 2016

performance evaluation. In addition, this will allow them to obtain an incentive of 1% of the total amount of the agreement. In 2014, three health managers received this incentive (Macuelizo, Gracias and CHORTI).

N°	Manager/ Mancomunidad	Total Beneficiary Municipalities	Monitoring									Performance Evaluation				
			2013			2014			2015			2012	2013	2014	2015	
			I Qtr.	II Qtr.	III Qtr.	I Qtr.	II Qtr.	III Qtr.	I Qtr.	II Qtr.	III Qtr.					
1	MAMBOCAURE	San Marcos de Colón y Duyure	3	72%	79%	86%	88%	90%	96%	96%	79%	87%	73%	91%	80%	85%
		Concepción de María		85%	92%	97%	82%	87%	91%	91%	87%	82%	93%	79%	80%	71%
2	MANCOSOL	Tambla, Tomalá, Valladolid, Guarita, Cololaca y San Juan Guarita.	6	93%	100%	98%	81%	81%	77%	86%	88%	87%	100%	100%	77%	82%
4	COLOSUCA	San Manuel Colohete, San Marcos de Caiquín, Belén y San Sebastián.	4	87%	93%	95%	76%	81%	88%	78%	85%	77%	78%	92%	69%	71%
5	MOCALEMPA	La Virtud, Piraera, Candelaria, Virginia y Mapulaca	5	85%	87%	85%	80%	75%	79%	80%	85%	85%	85%	90%	55%	73%
6	CHORTI	Nueva Arcadia, San Nicolás, San Antonio, La Jigua y El Paraiso.	5	85%	86%	99%	90%	91%	89%	96%	92%	81%	80%	97%	90%	80%
7	MACUELIZO	Macuelizo.	1	75%	77%	85%	91%	92%	92%	85%	78%	87%	78%	91%	92%	68%
8	PROTECCIÓN	Protección.	1	90%	89%	86%	85%	94%	93%	86%	80%	79%	77%	91%	68%	65%
9	LEPAERA	Lepaera y La Iguala	2	92%	93%	98%	87%	81%	89%	92%	92%	85%	81%	91%	69%	82%
10	GUALCINSE	Gualcinse y San Andrés	2	86%	86%	94%	76%	78%	87%	85%	85%	82%	N/D	94%	64%	74%
11	GRACIAS	Gracias	1	92%	99%	95%	85%	89%	94%	86%	90%	82%	N/A	99%	91%	81%
4 Regions		30 Municipalities														

Table 15: Assessment results per provider mancomunidad by year, to December 2015.

In relation to the social aspect, three health managers strengthened their capacities (Gracias, COLOSUCA and MOCALEMPA) for accountability exercises with citizens, using the Practical Guide to Accountability for Managers.

3.3.2. Programmed Activities for the Year 5, Semester 2 (Y5S2)

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

- | | | |
|---|---|---|
| Incidence and coordination with other programs. | { | <ul style="list-style-type: none"> • Follow-up on the decentralization process at national level. • Follow-up and support the process of interinstitutional coordination with ULAT and SESAL. |
| Assistance and training to structures | { | <ul style="list-style-type: none"> • Monitor the implementation of strategic health plans and continuous improvement plans in CHORTI, MANCOSOL and COLOSUCA. • Review and monitor mortality plans and accountability reports of MAVAQUI's municipalities. • Application of the decentralized primary health service index. |

Figure 12: Result 3 programmed activities for Y5S2.

3.4 Activity Area 1: Small Grants

- Achievements/Progress**

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

- Awarding of the three approved applications of the second RFA process.
- Signing of the three new grant agreements on October 30, 2015. Eight grants from the second RFA are completed with this, which will contribute to improve water, health, roads and education services in 8 municipalities, with a total beneficiary population of 96,394.
- Completion of five grants from the first RFA, inaugurating the works of four of them during this period: i) Equitable and Sustainable Access to Quality Water in 5 Communities in Nueva Arcadia, executed by BANCAHFE Foundation. ii) Local System Services for Tertiary Road Management, executed by Helvetas Foundation. iii) Strengthening of Social Initiatives for Improvement of Water Quality in 4 municipalities of Copán, executed by the Integral Development Agency of Honduras, and iv) The AJAM Present in Environmental Conservation and Human Development, with Training of New Community Leaders executed by the AJAAM of Concepción de María.
- Follow-up on three grants pending closure from the first RFA and eight from the second RFA.
- Approval of 40 in-kind donations, of which 37 are to equip water boards in target municipalities, and three are for complementing monetary grants activities approved for three organizations (CAFEG, COLOSUCA and Water for the People).

Below is a chart showing the overall performance to March 30, 2016 with accumulated figures:

# GRANTS	TYPE	DESCRIPTION OF GRANT	GRANTEES	AMOUNT IN USD
33	IN-KIND	Office Furniture & Equipment, Electronic Equipment	Projects in C and D category municipalities in the Departments of Copán, Lempira, Santa Bárbara and Choluteca.	362,675.70
2	IN-KIND	Equipping of Laboratories to process tests for Health Provider Units	COLUSUCA and CHORTI (Lempira and Copan).	19,860.82
9	IN-KIND	Medical Equipment and Office Furniture	Health Units (Municipalities and Mancomunidades) in Copán, Lempira, Santa Bárbara and Choluteca.	236,893.99
10	IN-KIND	Construction materials to improve water system.	Azacualpa	11,608.34
37	IN-KIND	Equipment kits for management and maintenance of water service to 33 rural water boards; and office equipment and maintenance kits to 4 urban water boards who accompany municipal service delegation processes.	33 municipalities	96,123.28
11	IN-KIND	Construction materials and equipment. Complementary to monetary grants.	CAFEG, COLOSUCA and Water for the People.	113,699.04
TOTAL IN-KIND				840,861.17

# GRANTS	TYPE	DESCRIPTION OF GRANT	GRANTEES	AMOUNT IN USD
9	MONETARY	Monetary grants to 9 civil society organizations	Civil Society Organizations that were awarded grants through RFA USAID NEXOS 2014 # 001	702,731.33
8	MONETARY	Monetary grants to 8 civil society organizations.	Civil Society Organizations that were awarded grants through RFA USAID NEXOS 2014 # 002	892,774.92
			TOTAL MONETARY	1,595,506.25
			TOTAL CUMULATIVE AWARDED GRANTS TO DATE	2,436,367.42

Table 16: Accumulated awarded grants to March 30, 2016.

Some of the lessons learned in this period include:

- Based on the first RFA's experience, the Program established a period to present grant reports in the second RFA's agreements, particularly for projects with a non-extendible period of execution.
- Building and strengthening capacities of grant recipients is useful to reduce problems in the projects' execution and improve accountability.

B. Programmed Activities for the Year 5, Semester 2 (Y5S2)

- Small Grants. {
- Follow-up of 8 grants from the second RFA.
 - Inauguration and closing of grants from the first and second RFA.
 - Purchase, distribution and transfer of in-kind donations.

Figure 13: Small grants programmed activities for Y5S2.

3.5 Activity Area 2: Small Infrastructure Projects

A. Achievements/Progress

B. Projects completed during this period

Between October 2015 and March 2016, USAID|NEXOS intensified efforts to conclude and inaugurate nine infrastructure projects⁵ aimed at improving local services in equal number of municipalities, benefiting approximately 37,636 people.

Figure 13 shows the SIP's intervention areas concluded during the period.

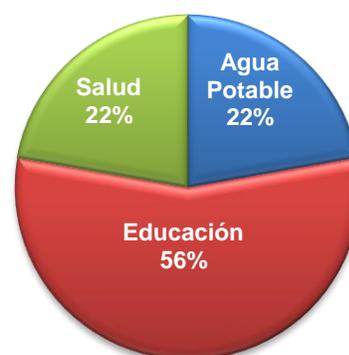


Figure 14: Percentage of concluded projects by area, between Oct. 2015 and March 2016.

⁵ Lepaera, Tambla, San Antonio, Corquín, Trinidad, Candelaria, San Marcos de Caiquín, San Manuel Colohete and La Jigua.

- Ongoing Projects

Six projects are currently under implementation, the following table shows their progress:

N°	Project Code	Municipality/Village	Project Description	Progress (%)	Estimated Budget ⁶ (US\$)	Target Population
1	SIP-2013-013	Gracias – La Azomada	Renovation of "Ruben Villeda Bermudez" Health Center	65%	43,073.50	793 people
2	SIP-2013-016	San Juan Guarita – Corozal	Construction of technology classroom	35%	47,081.58	263 people
3	SIP-2014-031	Tomalá –Casco Urbano	Construction of Central Park	50%	96,843.31	1,220 people
4	SIP-2013-023	La Virtud - Casco Urbano	Construction of Maternal and Child Home	45%	63,221.84	6,800 people
5	SIP-2014-032	Guarita –Olosingo	Expansion and renovation of Health Center	30%	79,090.69	1,540 people
6	SIP-2013-020	Gualcinse – Casco Urbano	Construction of class rooms in "Lempira" Elementary School	15%	60,509.87	11,179 people
		TOTAL			389,820.79	21,795

Table 17: Progress in ongoing projects during the period Oct. 2015-March 2016.

- Approved Projects Ready to Begin

Three projects are in the process of purchasing materials to begin their construction phase during next period:

N°	Project Code	Municipality/Village	Project Description	Estimated Budget (US\$)	Target Population
1	SIP-2014-029	San Nicolás– Urban Area	Installation of lights for soccer field and multipurpose field.	63,000.00	6,609 people
2	SIP-2014-036	Concepción de María –Urban Area	Improvements to water system	74,213.32	1,705 people
3	SIP-2013-022	Mapulaca –Urban Area	Construction of roof for the multipurpose field in the "Manuel Bonilla" School	70,566.89	5,131 people
		TOTAL		207,780.21	13,445

Table 18: Projects in the process of purchasing materials, March 2016.

- Projects in Approval Process

In relation to the **pre-investment** stage, the file for the water project in the municipality of Virginia was formulated and sent to USAID for revision and approval.

⁶ Final values will be estimated until project completion.

- Sustainability

In the **sustainability** stage, the Program continues working with participating CSOs in each project's execution, to analyze and discuss the sustainability plan, develop the annual activities program, which includes the use and maintenance of infrastructure, and develop the accountability procedure for municipal contributions.

In addition, the mancomunidades subcontracted by the Program will assist with the technical supervision of projects. In the social area, they will monitor the contributions from the municipalities and civil society organizations involved.

C. Programmed Activities for the Year 5, Semester 2 (Y5S2)

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

- | | | |
|---------------------------|---|---|
| 1. Completion of projects | { | <ul style="list-style-type: none"> • Complete the works of ten projects approved by USAID in year 4. • Supervise and monitor the construction progress with support of the auxiliary supervision of the mancomunidades. |
| 2. Sustainability | { | <ul style="list-style-type: none"> • Organize and train the members of CSOs and municipality technicians directly involved in SIP execution. • Assist in the development of the sustainability plan for the built infrastructure. |

Figure 15: Small infrastructure projects programmed activities for Y5S2.

3.6 Rapid Response Fund

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

- As part of the coordination with the Ministry of Human Rights, Justice, Interior and Decentralization, USAID|NEXOS financed seven socialization events for the new municipal categorization, in the cities of Tegucigalpa, Comayagua, Santa Rosa de Copan, Gracias and La Ceiba. Seventy percent of the country's mayors attended these events, as well as Council Members and technical assistants from the country's different municipalities.
- Delivery of construction materials (representing more than Lps. 470,000) to rehabilitate the water system in the municipality of San Sebastian, replacing 80 kms of water pipes that had been severely damaged by the rains. The JAA and the municipality will be responsible for laying the pipeline, its moorings and improvements in storage and distribution tanks.

4. Gender

The Program continues assisting the WMOs and women's networks in the execution of their agendas and prioritized projects. Likewise, the technical assistance is aimed at consolidating an effective relationship between the women's networks, which has led to allocation of technical and financial resources for the promotion of the mentioned projects.

During the reported period, the Program and the social technicians from the subcontracted mancomunidades monitored the implementation and evaluation of the 2015 annual work plans and the development of 29 work plans for 2016.

It is important to mention the good accountability and transparency practices promoted by the Program, which are currently developed by the women's groups and WMOs. The projects executed by women are financed with own funds, funds from the municipal transfer and funds from other donors⁷, which is why it is necessary to conduct a transparent and effective management of these resources

The WMOs requested the municipal corporations to develop open town hall meetings in the municipalities of Corquin, Cucuyagua and San Pedro de Copan, to present their achievements, obstacles and challenges faced by women and WMOs to consolidate their work in an effort to build a more just society with equal opportunities. Likewise, the meetings were used to present their 2016 work plans, informing on the activities and strategies to be developed this year. All these efforts on participatory planning are part of the women's agenda, which have been approved in each municipality.

The main results of the women's groups are as shown as follows:

- 24 work plans socialized and approved by the municipal corporations in equal number of municipalities.
- Because of the implementation of the 2015 work plan, the municipality of San Pedro Copan made significant progress in a strategic area of the women's agenda entitled "Comprehensive Health", in which the health committees had accompaniment through awareness sessions in reproductive health, health prevention and promotion, and community medicine kits.
- The agenda was reactivated in the municipality of Corquin, which had been out of phase. The women's groups attracted several NGOs and government institutions, such as CEPUDO, Casa Hogar and the Human Rights Regional Office, who trained women on making floor disinfectants.
- In San Marcos de Colon, significant progress is experienced in selling products such as jewelry, wine, bread, traditional food, among others, which have penetrated the local market. It is important to mention the effect the Program's assistance has had, which is based on principles of self-management: the women's group have processed their legal

⁷ CARE, ASONOG, Mennonite Social Action Commission (CASM) and "Better Life" Program, promoted by the Government of Honduras.

status and are now a legal organization, able to sign contracts or agreements with public or private institutions, a situation that will have significant benefits for all.

- Two new women's groups have been formed in San Antonio, Copan (El Ocoton and La Zumbadora), and are producing and selling bread and traditional foods.
- In Macuelizo, Santa Barbara, in the village of El Ciruelo, the municipality gave a nonrefundable fund to the women's group (previously trained by the Program) by the amount of L.25, 292.00 for the purchase of supplies and equipment for bread making. The municipality also gave a nonrefundable fund to the women's groups from the village of Playas Zapotal and the urban area (L. 6,642.00 and L. 6,476.00 respectively) for the production of tortillas.

The importance of this effort is reflected in the municipal governments, which previously had no political will to assist women, and now they are more willingly assisting women's entrepreneurship.

5. Communication Strategy for the Program

During this period, the Program continued to implement the communication strategy with the purpose of strengthening institutional image, strategic alliances and promotion of good practices, with the development of the following activities:

- *Media Coverage.* At least sixteen events developed by the Program had broad press coverage from both local and national media (TVC News, TN5 News, Channel 10, La Prensa Newspaper, La Tribuna Newspaper, Tiempo Newspaper, among others).
- *Production of material for the Program's promotion.* During the reported period, the Program produced monthly bulletins with the activities developed; these bulletins were shared with strategic partners, beneficiaries and media, and published in social networks and the Program's website.
- *Update of the website (www.usaidnexos.org) and social networks (Facebook, Twitter, Instagram, YouTube and Issuu).* This is a permanent activity that helps communicate every activity developed by the Program in target municipalities.
- *Success stories.* Three success stories were developed, related to public services (health, water and education) in the municipalities of San Antonio, Copan Ruinas and Corquin (Copan). The stories are included in the annex section of this report.
- *Production of technical material.* The Program continues to prepare the documents that will be part of the Tool Kits, which will be structured in three areas (civil society, municipal strengthening and health service management). Likewise, the virtual library (DEC) is being permanently updated.
- *Participation in events for the Program's promotion.* During Dec. 2015, USAID|NEXOS participated in the Good Practices and Knowledge Management Fair "The Municipality as a Development Engine", promoted by SDHJGD, with the support of COSUDE. The Program, through its stand and technical staff, shared educational and promotional material

(brochures, folders, technical information, videos), and promoted its social networks and webpage. Several experiences were also socialized, particularly in the work done by USAID|NEXOS on local development in its target municipalities.

- *News monitoring.* Every week the news are monitored to maintain the Program's personnel informed and assist in decision-making.

6. Training Events.

Between October 2015 y March 2016, 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
Strengthening in the Execution of Activities Complied in the Milestones of Year 5 in the Public Services Area.	Strengthening of local governments.	Resultado 2	January 20 2016	9,162.77	4	0	4
Exchange of experiences with the Urban Water Board of La Virtud in the framework of the provision of water and sanitation services.			October 29 2015	44,527.30	5	0	5
Administrative Procedure for Recovery of Tax Arrears.			November 06 2015	59,344.32	20	22	42
Training in the Strategies for Community Work Module, as part of the National Basic Curriculum for Health Service Managers.	Strengthening of decentralized health service managers.	Resultado 3	October 28 2015	242,345.6	2	29	31
Work session and training with COLOSUCA's technical team to develop the first operational plan of the health network's strategic health plan.			December 10 2015	35,191.36	7	10	17
TOTAL				381,408.58	38	61	99

Table 19: Training events summary for Y5S1

7. Deliverables Submitted

During the first semester of the fifth year of the Program, USAID|NEXOS submitted the eighth semiannual report, which was approved by COR.

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		
Progress reports on the implementation of women's agenda.	The social technicians from the mancomunidades of COLOSUCA and CHORTI are not monitoring the progress in productive projects executed by women's groups.	The Program requested the Territorial Coordinators to address the issue with the UTI managers, achieving that the social technicians prepare the information.
Result 2: Local Institutional Capacity to Deliver Decentralized Services Strengthened		
Delegation of the solid waste collection and transport service to the Urban Water Board in the municipality of Proteccion.	The signature of the delegation agreement to the urban JAA has not been formalized.	The Program recommended the municipality to implement a service provision regulation and initiate socialization actions with the users to implement billing and collection. The water board was recommended to give continuity to the process once the new board is elected.
Result 3: Structures and Systems to Implement Reform Strengthened		
Budget deficit in some service providers.	The per capita payed to the service providers is low in relation to past years, however, the responsibilities have increased. This affects the deficit in their budget. On the other hand, the way the monitoring and performance evaluations are developed (in times not agreed upon, revision of goals and indicators during period that are not convenient, constant change of formats) does not allow the incentive to reduce the deficit generated. In addition, many service providers are penalized with less budget than the assigned originally.	The strategic health plans of CHORTI, COLOSUCA and MANCOSOL consider as a strategic challenge the development of activities for the economic recovery of these service providers.
Implementation of the conflict management plan in MAMBOCAURE.	The plan's implementation requires the mancomunidad to assume its leadership to achieve tangible results.	Delineation of responsibilities to execute the plan's activities.
Activity Area 1: Small grants		
Delays in delivery of technical and financial reports from grant recipients.	Grant recipients deliver late reports.	The dates for delivery of the respective reports have been established in the grant agreements since the second RFA.
Activity Area 2: Small infrastructure projects		
The procurement process is still having delays.	The procurement process extends due to the time needed to complete the purchase and the tax exemption process.	Some of these aspects are external factors that are beyond the Program's control. However, in relation to suppliers, the procurement area works directly with them in order to reduce the time for purchase of materials, and the SIP area does daily follow-ups to each of the process's steps.

Issue	Description	Proposed Remedial Action
Participation of CSO members in unskilled labor works has not been constant.	Some projects have low participation from outlying communities. Women's participation has also been low.	Include staff from the social area in each project to encourage and coordinate participation of residents in project activities.

Table 20: Summary of challenges and remedial actions

9. Additional Activities

In relation to the additional activities for this year's work plan, the Program developed the following from Oct. 2015-March 2016:

- i) Revision and adjustment of the local service diagnostics methodology.
- ii) Visit to the new municipalities that will be incorporated in the Program. This activity was explained and promoted among the mayors and vice mayors, identifying a POC in each municipality who will coordinate the activities of the technicians responsible for collecting the information and will assist the development of participative events for the diagnostic.
- iv) Visit to the six mancomunidades to explain the scope of the new activities.
- v) Development and remittance of terms of reference to contract the six mancomunidades that will develop the diagnostic.
- vi) The Program received the economic offers from the mancomunidades, which are currently being analyzed.
- vii) The Program requested and received the lists of the mancomunidades' practitioners who will be involved in the diagnostics' development.

At the close of this report, the Program is organizing an induction workshop for the diagnostic's development.

10. Conclusions

- The technical support that USAID|NEXOS provided to civil society instances during the social audit processes allowed the CCTs and MCs to develop capacities for monitoring the audits' recommendations. The effective advocacy and monitoring developed by these instances is evidence of this process's positive result.
- Community-based structures, such as the AJAAM, COMAS and USCL were trained in developing their own 2016 work plans, as an important element to guide water service management based on objectives. The importance of this assistance is the multiplier effect generated by the AJAAMs with all its members, where accountability is favored, as well as operation and maintenance of water systems in order to provide a better service to users.
- In Marcala, the Program's technical assistance resulted in significant outcomes, since the issue of solid wastes was analyzed in an open town hall meeting, sensitizing civil society on the importance of an integral service management. The municipal government also

committed to allocate resources from the 2016 municipal budget for a construction of a landfill to ensure proper disposal of wastes.

- Because of the implementation of the RUC and CUSP, the municipalities now have updated and real information on its users, by taxes, service fees and rights. This has allowed having data that is more accurate on tax arrears to make a more effective collection, having a positive impact on income collection.
- Collection of arrears is the main factor in the increase of non-tax revenues. This technical assistance has allowed the reduction of arrears in some of the target municipalities.
- The UTV continues to assist the municipalities from CAFEG in the execution of their projects for rehabilitation, improvement and maintenance of roads. Municipalities are planning to invest Lps. 5.9 million to give maintenance to 405.60 kms of roads in all the mancomunidad's municipalities.
- The decentralized health service manager operating nationwide know the National Basic Training Curriculum for Health Managers and its different modules, which contributes to improve service management.
- To date, USAID|NEXOS has committed US\$ 2.4 million in in-kind donations and monetary grants. Five donations from the first RFA were concluded, four of which were inaugurated during the reported period.
- Nine infrastructure projects were concluded during the first semester of year 5, which are contributing to improve education, health and water services. There are ten more projects currently in execution, which will be concluded in the next period.

11. Annexes

Annex A: Important agreements between civil society and local governments per municipality (Oct. 2015- March 2016).

Municipality	Local Service	Agreements	Minutes/date
San Antonio, San Luis Village	Water	<ul style="list-style-type: none"> Approve increase of L. 10 to the water service fee (from L. 20 to L. 30) 	Minute N° 21, October 03, 2015
La Jigua, San José de la Llorosa,	Water	<ul style="list-style-type: none"> Commitment to recover users' arrears. 	N/A. October 12 2015
San Marcos de Colón, Choluteca	Water	<ul style="list-style-type: none"> Purchase of land plot for construction of reservoir to increase the municipality's water supply. 	Minute N° 26, November 26 2015
San Andrés, Lempira	Health	<ul style="list-style-type: none"> Support for the construction of a cubicle in rural health centers in the villages of Sunsunlaca and Caona. 	Minute N° 155, October 27 2015
Macuelizo, Santa Bárbara	Water	<ul style="list-style-type: none"> Make effective the amount approved in the 2015 Municipal Investment Plan, so the AJAAM can develop the planned activities. 	Minute N° 27 October 2015
Gualcinse, Lempira	Health	<ul style="list-style-type: none"> The municipal corporation agreed to request the CCT to conduct a social audit for the health network. 	Minute 58 November 2015
Candelaria, Lempira	Education	<ul style="list-style-type: none"> The COMDE will monitor the 2012-2022 Strategic Education Plan. 	Minute 19 November 20 2015
Concepción de María, Choluteca	Health	<ul style="list-style-type: none"> The municipal corporation agreed to contribute to the municipality's maternal and child home, in order to prevent maternal and neonatal mortality. 	Minute N°67 February 06 2016
San Sebastian, Lempira	Health	<ul style="list-style-type: none"> Develop cleanup operations in land plots, water storage containers and latrines in the urban area, to prevent and combat Zika, Dengue and Chikungunya. 	N/A. march 01 2016
Tomalá, Lempira	Social Cohesion	<ul style="list-style-type: none"> The Youth Network is committed to participate actively in cleanups, promotion and prevention of violence and teenage pregnancies. 	Minute N° 65 February 23 2016

Municipality	Local Service	Agreements	Minutes/date
San Pedro de Copán, Copán	Water	<ul style="list-style-type: none"> Water service will be cancelled to users who are in debt. 	Minute N°24 October 10 2015
Mapulaca, Lempira	Education	<ul style="list-style-type: none"> The Municipal Corporation agreed to execute education projects allocated in the 2016 budget. 	Minute N° 58 February 20 2016
Azacualpa, Santa Bárbara	Health	<ul style="list-style-type: none"> Approve L. 24,000 as municipal counterpart for fumigation against Zika, Dengue and Chikungunya. Creation and swearing-in ceremony of the Municipal Health Committee. 	Minute N° 209, February 26 2016
Protección, Santa Bárbara	Health and Environment	<ul style="list-style-type: none"> Municipal ordinance to control and prevent forest fires. 	Minute N° 82, March 15 2016
Trinidad, Santa Bárbara	Water	<ul style="list-style-type: none"> Summon the JAA from Angostura to conduct accountability and election of new JAA. 	Minute N° 26 November 29 2015
Piraera, Lempira	Health	<ul style="list-style-type: none"> Develop an Intervention Plan (alcoholism, drug addiction and teenage pregnancy). 	Minute N° 26, November 16 2015

Annex B: Open Town Hall meetings per municipality (2013, 2014 y 2015).

No.	Municipality	N° of Open Town Hall Meetings 2013	Total participants meetings 2013			N° of Open Town Hall Meetings 2014	Total participants meetings 2014			N° of Open Town Hall Meetings 2015	Total participants meetings 2015		
			Men	Women	Total		Men	Women	Total		Men	Women	Total
MANCOMUNIDAD OF LENCA MUNICIPALITIES FROM CENTRAL LEMPIRA (COLOSUCA).													
1	Gracias	N/D	0	0	0	2		62	157	5	164	150	314
2	Belén	4	127	96	223	4		252	463	4	173	143	316
3	San Manuel Colohete	1	0	0	0	N/D		0	0	2	80	22	102
4	San Sebastián	1	38	12	50	2		71	342	3	189	60	249
5	San Marcos de Caiquín	1	0	0	0	1		63	151	2	84	40	124
INTERMUNICIPAL COUNCIL HIGUITO RIVER (HIGUITO)													
6	Corquín	3	147	141	288	3		96	361	5	195	172	367
7	Cucuyagua	3	185	82	267	3		72	212	8	366	150	516
8	San Pedro	3	81	44	125	2		59	144	4	171	129	300
MANCOMUNIDAD OF THE QUIMISTAN VALLEYS (MAVAQUI)													
9	Azacualpa	5	244	168	412	5		239	586	5	356	243	599
10	Macuelizo	5	258	202	460	7		422	1037	6	383	292	675
11	Protección	5	446	381	827	5		218	388	6	326	388	714
12	Nueva Frontera	4	271	110	381	4		197	561	5	354	170	524
MANCOMUNIDAD OF MUNICIPALITIES OF NORTHERN COPAN (CHORTÍ)													
13	La Jigua	4	187	186	373	5		300	572	4	160	176	336
14	Nueva Arcadia	2	166	223	389	4		365	709	3	109	91	200
15	San Antonio	3	142	138	280	5		253	592	6	356	246	602
16	San Nicolás	5	121	158	279	5		127	198	5	160	184	344
MANCOMUNIDAD OF SOUTHWEST LEMPIRA (MANCOSOL)													
17	Cololaca	3	73	116	189	2		78	159	1	35	45	80
18	Guarita	2	128	70	198	4		131	436	5	380	153	533

No.	Municipality	N° of Open Town Hall Meetings 2013	Total participants meetings 2013			N° of Open Town Hall Meetings 2014	Total participants meetings 2014			N° of Open Town Hall Meetings 2015	Total participants meetings 2015		
			Men	Women	Total		Men	Women	Total		Men	Women	Total
19	San Juan Guarita	2	65	72	137	2		59	155	2	96	77	173
20	Tambla	3	168	104	272	3		175	384	4	188	69	257
21	Tomalá	6	431	276	707	4		110	435	6	248	239	487
22	Valladolid	4	207	116	323	3		128	371	5	267	214	481
MANCOMUNIDAD OF MUNICIPALITIES OF THE BOTIJA AND GUANCUARE MOUNTAINS (MAMBOCAURE).													
23	Concepción de María	5	294	232	526	4		166	379	4	392	248	640
24	Duyure	6	192	371	563	5		180	363	2	60	59	119
25	San Marcos de Colón	5	158	102	260	5		125	309	5	254	144	398
MANCOMUNIDAD OF MUNICIPALITIES OF SOUTHERN LEMPIRA (MOCALEMPA: MOCAL AND LEMPA RIVERS)													
26	La Virtud	1	25	16	41	2		33	103	3	110	73	183
27	Mapulaca	1	57	53	110	4		76	150	2	110	79	189
32	Virginia	3	160	176	336	4		222	435	3	228	243	471
MANCOMUNIDAD CAFEG													
33	Candelaria	2	0	0	0	3		72	151	5	252	157	409
34	Gualcinse	2	95	82	177	5		110	264	3	98	148	246
35	San Andrés	4	421	339	760	5		447	1108	5	325	234	559
36	Piraera	N/D	0	0	0	5		122	364	5	179	207	386
OTHERS													
37	Lepaera	3	155	105	260	3		247	461	4	0	0	0
38	Trinidad	6	270	173	443	5		194	423	5	295	197	492
TOTAL		107	5,312	4,344	9,656	125		5,471	12,923	142	7,143	5,242	12,385

Annex C: Results of Recovery of Tax Arrears per Municipality per Year (in Lempiras).

Municipality	2013			2014			2015			Variación (%) 2014/2013		Variación (%) 2015/2014	
	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
Gracias	364,100.3	175,314.4	539,414.7	844,995.4	357,801.0	1,202,796.4	955,962.9	451,524.6	1,407,487.4	123.0%	110.1%	17.0%	12.2%
Belén	73,577.5	0.0	73,577.5	75,862.5	0.0	75,862.5	77,127.6	0.0	77,127.6	3.1%	-2.8%	1.7%	-2.5%
San Manuel Colohete	174,388.8	7,580.0	181,968.8	54,461.2	31,143.2	85,604.4	120,253.6	8,503.0	128,756.6	-53.0%	-55.7%	50.4%	44.2%
San Sebastian	17,997.5	0.0	17,997.5	50,109.8	0.0	50,109.8	37,129.6	0.0	37,129.6	178.4%	162.4%	-25.9%	-29.0%
San Marcos de Caiquín	64,902.4	2,320.0	67,222.4	38,951.7	2,720.0	41,671.7	63,060.3	2,360.0	65,420.3	-38.0%	-41.6%	57.0%	50.5%
Corquín	146,966.1	74,325.0	221,291.1	371,445.8	423,173.9	794,619.6	696,869.9	158,600.4	855,470.3	259.1%	238.4%	7.7%	3.2%
Cucuyagua	535,725.9	0.0	535,725.9	667,860.2	245,024.0	912,884.2	665,353.2	149,618.0	814,971.2	70.4%	60.6%	-10.7%	-14.4%
San Pedro de Copán	154,762.9	68,265.0	223,027.9	162,195.4	64,785.0	226,980.4	264,417.1	169,960.0	434,377.1	1.8%	-4.1%	91.4%	83.5%
Azacualpa	519,407.6	137,751.5	657,159.2	959,846.5	377,492.2	1,337,338.7	643,307.1	217,694.7	861,001.8	103.5%	91.8%	-35.6%	-38.3%
Macuelizo	730,156.8	129,251.5	859,408.3	1,209,756.4	82,870.0	1,292,626.4	978,254.1	171,102.0	1,149,356.1	50.4%	41.7%	-11.1%	-14.8%
Nueva Arcadia	1,525,170.6	48,284.2	1,573,454.8	2,578,178.7	264,441.6	2,842,620.3	2,214,649.6	150,535.0	2,365,184.6	80.7%	70.2%	-16.8%	-20.2%
San Nicolás	319,444.5	108,307.8	427,752.3	324,233.4	312,750.0	636,983.4	542,838.0	131,333.5	674,171.5	48.9%	40.3%	5.8%	1.5%
San Marcos de Colón	543,323.9	223,486.8	766,810.6	1,072,808.1	240,351.0	1,313,159.1	1,117,219.3	241,292.0	1,358,511.2	71.2%	61.4%	3.5%	-0.8%
Lepaera	539,049.1	80,910.0	619,959.1	579,951.7	68,486.6	648,438.3	410,665.8	85,747.5	496,413.3	4.6%	-1.4%	-23.4%	-26.6%
Trinidad	816,023.4	280,867.7	1,096,891.1	661,808.0	409,598.5	1,071,406.5	665,962.1	477,509.0	1,143,471.1	-2.3%	-8.0%	6.7%	2.3%
TOTAL	6,524,997.1	1,336,663.9	7,861,661.0	9,652,464.6	2,880,637.0	12,533,101.7	9,453,069.9	2,415,779.7	11,868,849.6	59%	50%	-5%	-9%

Annex D: Civil society organization monetary grants as of March 31, 2016.

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
RFA USAID NEXOS 2014 # 001								
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	70,239.56	12,365.72
Organización Desarrollo Integral Alternativo (DIA)/ Red Regional de CCT de Occidente.	Transparency with Citizen Participation to Transform.	95,417.87	79,765.23	175,183.10	12	10/20/2014	82,075.06	47,859.14
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	98,544.34	44,117.63
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	100,818.01	21,223.00
Junta Administradora de Agua y Saneamiento de la Comunidad de Aguilote	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	17,652.47	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	68,430.08	6,353.14
Centro de Estudio y Solidaridad para América 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	81,556.89	35,941.65
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	44,682.65	9,243.06
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	94,332.16	19,887.35
RFA USAID NEXOS 2014 # 002								
Mancomunidad de municipios Lencas del Centro de Lempira, COLOSUCA	Improvement of the San Manuel de Colohete Water Service through the Construction of the System and Strengthening of Local Capacity.	150,000.00	187,345.45	337,345.45	11	09/23/2015	37,500.00	29,975.27

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
Mancomunidad de municipios Lencas del Centro de Lempira, COLOSUCA	Improved Access to Laboratory Services for Provision of Quality Health Service to the Municipalities of San Manuel de Colohete, San Sebastian, San Marcos de Caiquin and Belen in the Lempira Department.	58,150.25	21,736.36	79,886.61	11	09/23/2015	14,537.56	3,477.82
Organismo Cristiano de Desarrollo Integral de Honduras (OCDIH)	Improvement of Water Service Coverage and Quality through Active Civil Society Participation in the Management and Administration of the Trinidad Municipality of Santa Barbara.	129,730.36	27,551.99	157,282.34	11	09/23/2015	32,432.59	4,408.32
Organización para el Desarrollo de Corquín "ODECO"	Organizational Strengthening and Improvement of Water Quality in 4 Communities of the San Pedro Copán.	55,823.46	11,613.36	67,436.82	11	09/23/2015	13,955.87	1,858.14
Organización para el Desarrollo de Corquín "ODECO"	Organizational Strengthening and Improvement of Water Quality in 4 Communities of the Cucuyagua Copan Municipality.	52,469.76	20,992.77	73,462.53	11	09/23/2015	13,117.44	3,358.84
Plan Internacional y Plan Honduras	Promoting Social Prevention for Girls, Boys, Adolescents and Youth in the Santa Bárbara Department.	150,000.00	58,400.10	208,400.10	11	10/30/2015	37,500.00	9,344.02
Agua para el Pueblo	Construction of Water System for El Transito and Barbasco Communities, within the context of Strengthening the Capacity of the Cucuyagua Municipality to Manage and Provide Sustainable Water and Sanitation (W&S) Services.	146,601.08	52,862.71	199,463.79	11	10/30/2015	36,650.27	8,458.03
Consejo Intermunicipal CAFEG	Improvement of Roads in the CAFEG Mancomunidad.	150,000.00	50,174.75	200,174.75	11	10/30/2015	37,500.00	8,027.96
TOTAL AMOUNT OF GRANTS - OCTOBER 01 2015 TO MARCH 31, 2016		446,601.08	161,437.56	608,038.65				
TOTAL ACCUMULATED AMOUNT OF GRANTS - LIFE OF PROJECT		1,595,506.22	763,943.91	2,359,450.13			881,524.95	272,237.09

Annex E: Summary of Small Infrastructure Projects (SIP) As of March 31, 2016.

No.	Municipality	Community	Code	Name	Status	Percentage of Physical Progress	Total Cost Estimated of SIP (USD)	Estimated NEXOS' Contribution (USD)	Contribution (USD)	Attended Service
1	San Sebastián	Agua Fría - La Chorrera	SIP-2013-001	Repair water storage tank.	Completed.	100	7,079.53	4,222.39	2,857.14	Water
2	Copán Ruinas	El Quebracho	SIP-2013-002	Improvements to the premises of the "Policarpo Bonilla" Rural School.	Completed.	100	26,888.02	23,909.02	2,979.00	Educación
3	Santa Rita	El Jaral	SIP-2013-003	Construction of Perimeter Fence for the Maternal and Child Clinic "Hector Bueso Arias".	Completed.	100	36,569.50	25,135.28	11,434.22	Salud
4	Cabañas	Urban Area	SIP-2013-004	Expansion and improvement of the Municipal Health Care Unit (CESAMO).	Completed.	100	33,166.31	21,732.09	11,434.22	Salud
5	Macuelizo	La Flecha	SIP-2013-005	Completion of Rural Health Center in La Flecha.	Completed.	100	57,723.08	32,219.38	25,503.70	Salud
6	Protección	Urban Area	SIP-2013-006	Expansion and improvement to the "Teresa Sarmiento" Health Care Unit (CESAMO).	Completed.	100	78,300.80	42,797.10	35,503.70	Salud
7	Cucuyagua	Gualtaya	SIP-2013-007	Improvements to the Gualtaya Rural Health Center.	Completed.	100	37,435.12	26,570.94	10,864.18	Salud
8	Azacualpa	Urban Area	SIP-2013-008	Improvements to the water distribution network.	Completed.	100	25,041.52	6,520.92	18,520.60	Agua
9	Nueva Frontera	Urban Area	SIP-2013-009	Lighting of public spaces.	Completed.	100	34,517.16	14,556.93	19,960.23	Cohesión social
10	San Manuel de Colohete	El Cipres	SIP-2013-010	Improvement to "El Cipres" Kindergarten.	Completed.	100	53,662.63	46,962.63	6,700.00	Educación
11	San Marcos de Caiquín	Urban Area	SIP-2013-012	Construction of Maternal and Child Home.	Completed.	100	59,730.96	44,366.06	15,364.90	Salud
12	Gracias	La Asomada	SIP-2013-013	Remodeling of "Ruben Villeda Bermudez" Health Center	Execution.	65	43,073.50	34,573.50	8,500.00	Salud
13	Lepaera	Rural	SIP-2013-014	Remodeling of "Martiniano Diaz" Rural Elementary School	Completed.	100	58,047.60	35,547.60	22,500.00	Educación
14	Tambla	Urban Area	SIP-2013-015	Construction and repair of water tanks.	Completed.	100	26,266.78	16,742.97	9,523.81	Agua
15	San Juan Guarita	Urban Area	SIP-2013-016	Construction of technological classroom.	Execution.	35	47,081.58	37,052.04	10,029.54	Educación
16	Cololaca	El Obraje	SIP-2013-017	Construction of drinking water system.	Canceled.		0.00			
17	Trinidad	Urban Area	SIP-2013-018	Juan Lindo Institute.	Completed.	100	23,425.05	15,925.05	7,500.00	Educación
18	Candelaria	Urban Area	SIP-2013-019	Improvements to Career Center	Completed.	100	53,922.50	43,922.50	10,000.00	Educación
19	Gualcinse	Urban Area	SIP-2013-020	School building modules.	Execution.	15	60,509.87	38,059.09	22,450.78	Educación

No.	Municipality	Community	Code	Name	Status	Percentage of Physical Progress	Total Cost Estimated of SIP (USD)	Estimated NEXOS' Contribution (USD)	Contribution (USD)	Attended Service
20	San Andrés	Urban Area	SIP-2013-021	Expansion of Technical School	Canceled.		0.00			Educación
21	Mapulaca	Urban Area	SIP-2013-022	Remodeling of Manuel Bonilla School	Request of purchasing materials.	0	70,566.89	51,203.63	19,363.26	Educación
22	La Virtud	Urban Area	SIP-2013-023	Construction of Maternal and Child Home	Execution.	45	63,221.84	43,470.49	19,751.35	Salud
23	Corquín	Aldea Potrerillos	SIP-2013-024	Improvements to Rural Health Center	Completed.	100	66,084.73	48,584.73	17,500.00	Salud
24	San Pedro	Varias Aldeas	SIP-2014-025	Improvement of water supply system	Canceled.		0.00			
25	San Antonio	Urban Area	SIP-2014-026	Improvement of water supply system. Mejoramiento del sistema de agua.	Completed.	100	30,038.14	20,798.88	9,239.26	Agua
26	La Jigua	La Tejera	SIP-2014-027	Reparation of "Estrellas Fugaces" Kindergarten	Completed.	100	74,625.79	52,145.90	22,479.89	Educación
27	Nueva Arcadia	Urban Area	SIP-2014-028	Reparation of "Dionisio Herrera School"	Canceled.		0.00			
28	San Nicolás	Urban Area	SIP-2014-029	Football field lighting and multipurpose court.	Request of purchasing materials.	0	63,000	43,000.00	20,000.00	Cohesión social
29	San Jerónimo	Urban Area	SIP-2014-030	Water Supply System.	Canceled.		0.00			
30	Tomalá	Urban Area	SIP-2014-031	Central Plaza Building	Execution.	50	96,843.31	58,208.06	38,635.25	Cohesión social
31	Guarita	OLOSINGO	SIP-2014-032	Expansion and remodeling of CESAR.	Execution.	30	79,090.69	56,239.15	22,851.54	Salud
32	Valladolid	Urban Area	SIP-2014-033	Improvements in the water supply system.	Canceled.		0.00			
33	Piraera	San Felipe	SIP-2014-34	Expansion and remodeling of CESAR.	Canceled.		0.00			
34	San Marcos de Colón	Urban Area	SIP-2014-035	Sewer System Improvements.	Canceled.		0.00			
35	Concepción de María	Urban Area	SIP-2014-036	Improvements in the water supply system.	Request of purchasing materials.	0	74,213.32	68,213.32	6,000.00	Agua
36	Duyure	Urban Area	SIP-2014-037	Supply system improvements.	Canceled.		0.00			
37	Virginia	Urban Area	SIP-2014-038	Supply system improvements.	Formulation	0	60,000.00	60,000.00		Agua
	TOTAL						1,419,831.95	992,385.38	427,446.57	

Annex F. Success Story: Contributing to the Improvement of Water Service.



"Thanks to the technical assistance provided by USAID|NEXOS, the municipality of San Antonio has had a significant improvement in the administrative, commercial and technical management of public services". Said **Trinidad Lopez**, Head of Public Services of the Mancomunidad de CHORTI.¹



Sigifredo Ramirez, Director of USAID|NEXOS and Brenda Leiva, Mayor of San Antonio, inaugurating the water tank with a storage capacity of 30,000 gallons.



"I thank USAID|NEXOS, because thanks to them we know have water every day, all day, my children are no longer sick as they used to be and now I have water for drinking and domestic use," said **Maria Idalia Reyes**.

The municipality of San Antonio is located in the department of Copan, with a land area of 119.3 km², and a population of more than 10,000. Its inhabitants mainly cultivate coffee, basic grains and vegetables. Jobs are scarce, which is why many young people are forced to migrate to more developed municipalities to have access to job opportunities.

San Antonio is a C category municipality, with a Human Development Index of 0.582. One of the biggest problems the municipality had was the water supply for its inhabitants. The most critical areas only had access to the service every three days for two hours only, causing an increase of diseases among the most vulnerable populations, such as stomach problems, pneumonia and skin conditions.

In this context, USAID|NEXOS Program decided to prioritize technical assistance to strengthen public services, implementing a work strategy in the municipality's urban area, with the Mancomunidad de CHORTI and the municipal government, which included the strengthening of the water board (JAAP) to provide quality service. Several activities were developed as part of this process, such as: i) restructuring of the JAAP based on the Water Sector Framework Law. ii) signing of agreement to delegate sewage services. iii) revision of rates for service sustainability (resulting in charging the sewage service for the first time). iv) development and approval of the JAAP's statutes. v) assistance to develop key documents to obtain legal status. vi) training to the JAAPs managers and municipal technicians in operation and maintenance of water and sewage systems. vii) development of the plan to repair the sewage system. At the same time, the JAAP was able to recover 90% of its arrears.

In addition to the technical assistance provided, USAID|NEXOS benefited the municipality with the construction of a water tank, with a storage capacity of 30,000 gallons, and construction of the service pipeline, to improve service coverage and quality, thus reducing diseases and improving quality of life.

Maria Idalia Reyes, 23 years old, born in San Antonio, is a direct beneficiary of this process. She used to walk for more than two hours to collect water for domestic use. Her three children (6, 4 and 2 years old) were regularly affected by gastro-intestinal and respiratory diseases from consuming water from a creek. This is no longer a problem in Maria Idalia's life, who says, "*Before the construction of the tank, it was very hard for me, since I had to walk for more than two hours to the creek to wash my family's clothes and bring water for our personal use. We did not have a water connection in my house and my children were very sick. Since this tank was built, we now have water every day, all day*".

This is why USAID|NEXOS will continue to support communities and municipal authorities in the improvement of decentralized public services, which contribute to the welfare of Honduras.

¹ Information confirmed by the Water Service Management Index from 2012 to 2015, which shows an increase of 5.89 percentage points (54.63% to 60.52%).

Annex G. Success Story: Jacobo Estévez... an example of effort and leadership.



Jacobo Estévez, President of the Committee for the Construction of the Rural Health Center says, *"I thank USAID|NEXOS for its support to the community; we have fulfilled our dream of building the best health center in the area".*



Dr. Sherry Urbina, the center's doctor, treating patients at the new facility said: *"I can now give quality care to all patients because we have an adequate infrastructure in accordance to the established standards."*



"Today we celebrate and publicly thank USAID|NEXOS for all the technical assistance provided to the municipality of Corquin, as a result we now have a modern rural health center, which will attend the health demands of this and other surrounding areas", said **Ricardo Fuentes**, Mayor of Corquin, Copan, during the inauguration event.

The municipality of Corquin, located in the department of Copan, has a population of 16,834 inhabitants. Its activities focus mainly on agriculture (coffee) and trade in general. Over the years, gastrointestinal and respiratory diseases have affected its residents. The village of Potrerillos is located in the municipality; it had a temporary Rural Health Center (CESAR), which barely covered the basic assistance activities. Due to the need of having its own premises, USAID|NEXOS benefited the village by building the necessary infrastructure for the health center's improvement.

In this context, the Committee for the Construction of the Rural Health Center (CESAR) in Potrerillos was formed three years ago, with the purpose of coordinating and allocating materials with the municipality and civil society. This is where the story of Jacobo Estévez begins, as an example of effort and leadership.

Jacobo was born in the village of Potrerillos, he comes from a poor family, has a family of his own and grows coffee as a living. He is noted for his strong commitment to the community, and considering the major health problems the village was facing he was proposed by the village's people to become a member of the Committee for construction of the health center. Because the health center did not meet the necessary requirements, he began by developing several activities within the community, and sought support with the Mayor to make internal infrastructure repairs, considering the center had roof damages, no toilets, and functioned with a single room in unsanitary conditions. They built separate cubicles to have more privacy, and benches, tables and shelves to place medicines that were lying of the floor. All this work was done with the hope and the challenge to build a new health center, since with even all the repairs done to the existing one still did not meet with the basic health conditions.

All these difficulties, plus the community's demand challenged Jacobo and the other Committee members to insist on allocating resources. It is then that the Mayor Ricardo Fuentes informs that USAID|NEXOS has confirmed the construction of the new CESAR in Potrerillos.

In this context, Jacobo assumed a key role, since he organized civil society and was a member of the community committees to start this new infrastructure project. The strategy he used was to organize 15 work groups, each group had a coordinator and 10 people; the single mothers from each group were in charge of meals, while the other members were in charge of demolition, digging, assistance in construction and cleaning, under the guidance of the construction workers, foremen and engineers. All this work was developed in a very organized and effective way, in different schedules, through teamwork, achieving to have the best health center in the area.

"I thank USAID|NEXOS, because with this new center I can now provide quality attention, I can examine patients in privacy, I can now perform cytology tests, nebulization of patients and complete physical exams. I could not do all this in the previous center. Another important aspect is that the demand of the patients has increased, we now serve 4 more villages from Corquin and 2 villages from Ocotepeque, attending more than 600 people a month", said Dr. Sherry Urbina.

The execution of this project allowed coordination and collaboration between civil society and municipal government for improvement of health services.

Annex H. Success Story: Education Changes Our Life.



Aracely Ramirez, assistant director and teacher of the Policarpo Bonilla School, says with great satisfaction: *"The village of El Quebracho celebrates and appreciates the great assistance provided by USAID|NEXOS, we now have a school with excellent physical conditions, technology classroom, good desks for students, new bathrooms and perimeter fence. This project will optimize education, health and environmental conditions for students"*.



"I thank USAID|NEXOS, because now all my classmates have a pretty classroom, new desks and a better school. We can now receive classes on a computer and learn much more, and we can also do new activities, like harvesting our own school garden", said **Ashly Maria Lara Lopez**, 8 years old and high honor roll student from third grade.

For many years, the residents of the village of El Quebracho, in the municipality of Copan Ruinas, had experienced problems with access to education services. The premises intended for the school had only one classroom in precarious conditions, the roof top was in very bad state, it was falling apart and leaked when it rained, which posed a hazard to the students. The school had very few old desks. These poor conditions caused overcrowding and discouraged students. This is where the story of a united and organized community begins, with the leadership of the teacher Aracely Ramirez.

Aracely is convinced that "Education changes our life". When she heard that USAID|NEXOS was going to benefit the village with an infrastructure project, she decided to summon the community and parents to motivate them and organize them in work groups to help with the school construction. With the support from the municipality and the Program, they began the challenge to build the new project. Different work groups were created, which enthusiastically engaged in different works, women assisted with cleaning and cooking, and men contributed with labor and logistical support for the project.

Every effort and teamwork has its reward; today the village of El Quebracho has one of the best schools in the area, with optimal physical conditions, including renovation and equipment of a technology classroom, construction of bathrooms, installation of water storage and distribution system, general improvement of the school and construction of a perimeter fence, thus contributing to improve the quality of education in the municipality.

This work has improved the school's educational conditions, favoring the teaching and learning of children, creating a physical environment where students have a better chance to develop their skills and potentials.

The project had an impact in the coverage of education services; having the new facilities, the municipality negotiated with the Ministry of Education to open three more grades (seventh, eighth and ninth), benefitting the community and other surrounding villages. Teachers are also working voluntarily on weekends teaching a literacy program for adults called "Teacher at Home".

This is why USAID|NEXOS will continue to support communities and municipal authorities in the improvement of services, which contribute to the welfare of Honduras.