

LMG Honduras Annual Report: October 2014 – September 2015

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ANNUAL REPORT
OCTOBER 2014 - SEPTEMBER 2015

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ABBREVIATIONS

AIDS	Acquired Immune Deficiency Syndrome
AIDSTAR Plus	AIDS Support and Technical Assistance Resources Plus Project
AJEM	Youth in Motion Association (Asociación Juventud en Movimiento, in Spanish)
APR	Annual Progress Report
BCC	Behavior Change Communication
CDC	United States Centers for Disease Control and Prevention
CASM	Mennonite Social Action Committee (Comisión de Acción Social Menonita, in Spanish)
COCSIDA	Center for Guidance and Training on AIDS (Centro de Orientación y Capacitación en SIDA, in Spanish)
CSW	Commercial Sex Worker
DEI	Revenue Executive Board (Dirección Ejecutiva de Ingresos in Spanish)
DGD	Department for Decentralized Management (Departamento de Gestión Descentralizada, in Spanish)
ECOSALUD	Ecology and Health (Ecología y Salud, in Spanish)
ECVC	Central American Survey on Sexual Behavior Monitoring and Prevalence of HIV and Sexually Transmitted Infections (Encuesta Centroamericana de Vigilancia de Comportamiento Sexual y Prevalencia de VIH e Infecciones de Transmisión Sexual, in Spanish)
EDECOPO	Excellence Against Poverty Team (Equipo de Excelencia Contra la Pobreza, in Spanish)
FSW	Female Sex Worker
FOROSIDA	National AIDS Forum (Foro Nacional de Sida, in Spanish)
GHI	Global Health Initiative
GOH	Government of Honduras
HDI	Human Development Index
HIV	Human Immunodeficiency Virus
HUMAC	Humans in Action (Humanos en Acción, in Spanish)
IPSL	Integrated PEPFAR Site List
JSI	John Snow, Inc.
KAP	Knowledge, Attitudes and Practices

LINKAGES	Linkages Across the Continuum of HIV Services for Key Populations Affected by HIV Project
LLM	The Breastfeeding League (La Liga de la Lactancia Materna, in Spanish)
LMG	Leadership, Management, and Governance Project
MOH	Ministry of Health (also known as SESAL or Secretaría de Salud, in Spanish)
MSH	Management Sciences for Health
MSM	Men who have Sex with Men
NGO	Non-Governmental Organization
PENSIDA	HIV/AIDS National Strategic Plan
PEPFAR	United States President's Emergency Plan for AIDS Relief
PMP	Performance Monitoring Plan
PRODIM	Developmental Programs for Women and Children (Programas para el Desarrollo de la Infancia y la Mujer, in Spanish)
PY	Project Year
RSD	Regional Health Offices of the MOH (Regiones Sanitarias Departamentales, in Spanish)
SIMS	Site Improvement Monitoring System
STI	Sexually Transmitted Infections
T&C	Testing and Counseling
TOR	Terms of Reference
TSC	Superior Tribunal of Accounts (Tribunal Superior de Cuentas, in Spanish)
TW	Transgender Women
UAFCE	Unit for the Administration of External Cooperation Funds (Unidad Administradora de Fondos de Cooperación Externa, in Spanish)
ULAT II	Local Technical Assistance Unit for Health II Project (Unidad Local de Asistencia Técnica, in Spanish)
USAID	United States Agency for International Development
UECF	Unit for Extension of Coverage and Financing (Unidad de Extensión de Cobertura y Financiamiento, in Spanish)
UGD	Unit for Decentralized Management (Unidad de Gestión Descentralizada, in Spanish)

I. EXECUTIVE SUMMARY

This annual report describes the main achievements for the Leadership, Management & Governance (LMG) program in Honduras for the period October 2014 – September 2015; the project's third year of implementation. This report serves to update the United States Agency for International Development (USAID) Mission in Honduras on project accomplishments and inform of any outstanding issues during this period. The major accomplishments are organized below by technical assistance provided to the Honduran Ministry of Health (MOH) and non-governmental organizations (NGOs) from October 2014 to September 2015 to achieve the project's two expected results:

1. Organizational capacity developed within the MOH to establish and carry out effective funding mechanisms, management and stewardship of HIV prevention services provided by local non-governmental organizations (NGOs) and other non-public institutions; and
2. Organizational capacity developed within local NGOs and other non-public institutions to support the implementation of evidence-based, quality HIV prevention services for key and priority populations in compliance with the new MOH funding mechanisms.

Organizational capacity development within the MOH

LMG worked hand in hand with the MOH in the first half of the project year to carry out two bidding cycles for NGOs to provide HIV prevention services for key and priority populations in 2015, resulting in 8 contracts signed with 6 NGOs within a management for results model. At the start of the project year, the project also supported the Unit for the Administration of External Cooperation Funds (UAFCE) in the financial closure for NGO agreements that ended in December 2014.

Throughout the year, the project assisted the MOH units of Unit for Decentralized Management (UGD) and UAFCE in reporting to USAID through helping them prepare their written reports, analyze their data for indicators from the United States President's Emergency Plan for AIDS Relief (PEPFAR), and prepare for the monthly monitoring meetings and quarterly partners meeting with USAID. In April, the MOH counterpart units for the project again experienced a turnover in staff, resulting in LMG refocusing its efforts on coordination with and orientation to new staff, in particular at the UAFCE.

Of note, LMG provided technical assistance to the UGD as they prepared for the MOH to contract two NGOs with national funds.

Organizational capacity development within NGOs

Concurrent to its support to the MOH, the LMG project provided technical assistance to NGOs that provide HIV prevention services to key populations in Honduras. The project year began with the MOH bidding process; during this time, LMG provided technical assistance to selected NGOs on the negotiation and realignment of their proposals to address the observations and meet the requirements of the internal and external evaluation committees. Once the final eight 2015 projects were signed with

6 NGOs, LMG provided continual technical assistance to the NGOs throughout the year to help them develop the products according to their technical proposals.

LMG provided technical support to revise and update the administrative guidelines for NGOs and the financial templates for liquidation of NGOs expenses. The project conducted two visits per month to each NGO to advise on the presentation of the expense liquidations and to verify compliance with the administrative financial guidelines established by the UAFCE. The project reviewed 100% of the liquidations sent by the NGOs to the UAFCE for May and June in order to identify areas for improvement.

LMG carried out workshops on Prevention of Gender Based Violence related to HIV. LMG also developed two workshops to provide rapid HIV testing training to technical staff from the NGOs; this was done in coordination with UGD, the National HIV Laboratory, and regional labs. LMG also developed a management skills workshop with staff of NGOs and the UAFCE.

Lastly, LMG provided technical assistance on proposal development for the two NGOs that will be contracted through national funds.

II. PROGRAM CONTEXT AND EXPECTED RESULTS

National Context

Honduras is located in Central America and is divided into 18 administrative departments. The population of Honduras is 8,045,990 people (2010), of which 3,965,430 (49.28%) are men and 4,080,560 are women (50.71%). The population under 18 years of age represents 48.7% of the country's population.

The country continues to experience a difficult structural economic crisis that affects the national health system, particularly the MOH. It is estimated that approximately 65% of the population lives under the poverty line, 22.1% in relative poverty and 42.4% in extreme poverty. According to the United Nations Development's Human Development Report 2008/2009, published on December 18, 2008, Honduras ranks fifth among the countries with the lowest Human Development Index (HDI) in the Americas. In 2007, the HDI was calculated to be 0.7, ranking 117 out of 179 globally.

Honduras' urban population is 4,128,652 (51.31%) and rural population is 3,917,338 (48.68%). Life expectancy is 73.6 years, with 77.2 years for women and 70.1 years for men. Honduras has one of the highest population growth rates in Latin America, calculated to be 2.3% between 2005 and 2010. The department with the highest population is Cortes with 1,529,826 inhabitants or 19% of the national population, followed by Francisco Morazán with 1,406,769 or 18% of the national population. 37% of Honduras population is concentrated in the two most important cities in these two departments, San Pedro Sula and Tegucigalpa. The household survey held in May 2009 captured an illiteracy rate of 16.2%. The lowest illiteracy rate is for the 15 to 18 year old population with 5.1%, the national average of schooling is 7.2 years.

Project Context

The Government of Honduras' Response to HIV/AIDS

Over the past decade, the Government of Honduras (GOH) has taken various steps to respond to the HIV epidemic. The current HIV/AIDS National Strategic Plan (PENSIDA III), 2008 – 2012, prioritizes scale-up of prevention efforts for men who have sex with men (MSM), Garífuna, sex workers and pregnant women. The Sula Valley, North Coast, and the Tegucigalpa metropolitan area are identified as important geographical focus areas due to their higher prevalence rates, and special emphasis is given to HIV diagnosis and treatment and to monitoring and evaluation of the PENSIDA III efforts. The GOH has started the process of drafting PENSIDA IV, written under the umbrella of the National HIV Strategy that was completed in March 2011. The National HIV Strategy formulates a strategic vision for comprehensive HIV and AIDS promotion, prevention, care and support services within the National Health Sector Reform framework, under which the MOH has separated the stewardship and service delivery functions. Also within this framework, two new units were established to manage the decentralization of health services: the aforementioned UAFCE (formerly the Unit for Extension of Coverage and Financing (UECF in Spanish) and UGD (formerly the Department for Decentralized Management (DGD in Spanish)).

The National HIV Strategy outlines 14 key activities designed to provide greater access to a basic package of HIV services at the individual, family, and community levels. The strategy includes the definition and operationalization of a basic package of services according to the life cycle and type of services (promotion, prevention, treatment, care and support); reorganization of Sexually Transmitted Infections (STI) / Human Immunodeficiency Virus (HIV) / Acquired Immune Deficiency Syndrome (AIDS) (STI/HIV/AIDS) service provision structure; and the definition of a new management model for results-based service provision.

Additionally, the second Central American Survey on Sexual Behavior Monitoring and Prevalence of HIV and Sexually Transmitted Infections (ECVC, in Spanish) in key populations in Honduras was completed in 2012. The first survey was conducted in 2006. The objectives were to determine the prevalence of HIV and STIs, the risk behaviors in female sex workers (FSWs), men who have sex with men (MSM), and transgender women (TW), the Garífuna, and risk behaviors and STIs in people with HIV, as well as to estimate the size of the population of FSWs and MSM in Tegucigalpa and San Pedro Sula. The results presented in the report have served as an important source of information for the project and collaborating partners.

US Government Assistance in Honduras

USAID's HIV and AIDS programs in Honduras are implemented as part of the United States President's Emergency Plan for AIDS Relief (PEPFAR) in line with the strategic priorities outlined under the Central American Regional HIV/AIDS Partnership Framework, 2009 – 2013. Activities also directly contribute to the Honduras Global Health Initiative (GHI) Strategy, 2011 – 2015. The overarching GHI country goal in Honduras is to "Improve the health status of underserved and vulnerable populations". In collaboration

with the MOH, other United States Government agencies/departments and private sector partners, the HIV-related component of the GHI strategy contributes to the achievement of “Priority Area 1: Increased access to quality essential services for underserved and vulnerable populations”, and “Priority Area 2: Improved stewardship and responsiveness of the health system”.

As part of its health portfolio, USAID improves the quality of, and access to, HIV/AIDS care and treatment services through both civil society organizations and the MOH. In close collaboration with the GOH since 1993, USAID has supported HIV/AIDS prevention activities for key populations through financial and technical support to local NGOs. Since 2005, this support has included a range of capacity building initiatives with community health workers from promoting healthy behaviors, to rapid testing of HIV for vulnerable populations.

Expected Results

All project activities for the year contribute to achieve the following two Expected Results of the LMG Honduras program:

1. Organizational capacity developed within the MOH to establish and carry out effective funding mechanisms, management and stewardship of HIV prevention services provided by local non-governmental organizations (NGOs) and other non-public institutions; and
2. Organizational capacity developed within local NGOs and other non-public institutions to support the implementation of evidence-based, quality HIV prevention services for key and priority populations in compliance with the new MOH funding mechanisms.

III. INTERMEDIATE PROGRAM RESULTS AND ACTIVITIES

This section of the report serves to inform USAID/Honduras of the results achieved from October 2014 to September 2015, and to report on specific activities. The activities and results are listed according to this year’s work plan, and updated version of which was resubmitted to USAID in July 2015.

Expected Results

Below are the activities from the program work plan that were conducted (wholly or partially) during the reporting period.

Expected Result 1: Organizational capacity developed within the MOH to establish and carry out effective funding mechanisms, management and stewardship of HIV prevention services provided by local non-governmental organizations (NGOs) and other non-public institutions.

Activity 1.1: Strengthen the processes and capacities of the MOH (UAFCE, UGD and the Regional Health Offices (RSD in Spanish) to bid and contract NGOs and other non-public institutions in accordance with the approved Guidelines to Contract Public and Non-public Institutions.

This activity began with meetings held with the UAFCE technical and legal teams, technical staff from the UGD, and the Department of Standardization to work with them on preparing and updating the timeline for the bidding process for public and non-public institutions for 2015. Technical assistance was provided to the team responsible for preparing the terms of reference (TORs) for the following five populations for the 2015 bid process: the Garífuna ethnic group, MSM, FSW, hard to reach MSM, and hard to reach FSW. This team included technical staff from UAFCE (2), UGD (2), and the Department of Standardization (2). A representative from the General Directorate of Networks also participated. Assistance and technical assistance was provided for the General Directorate of Networks to carry out socialization for the TORs for the five key populations, with the regional directors in Atlántida, Cortés, San Pedro Sula, and the Tegucigalpa metropolitan region. Technical assistance was provided on the preparation of the evaluation formats for the financial and technical proposals submitted by the NGOs.

Meetings were held with the UAFCE technical and legal teams, as well as with UGD technical staff, to update the timeline for the short listed bid process in the areas of the Bay Islands and Atlántida.

A one day training workshop was carried out with 17 participants (4 men and 13 women) with the objective of training the internal technical and administrative committee designated by the MOH for the evaluation of the technical and financial proposals received during the bidding process. This included 4 UAFCE representatives, 3 from the UGD, 6 from the health regions, 2 from Standardization, and 2 from the General Directorate of Integrated Health Networks. Training was also provided for the members of the internal committee responsible for the financial evaluation of the proposals submitted by the NGOs on the evaluation process and important areas to consider during the financial evaluation.

The first round of the bidding cycle generated 12 submitted proposals (6 aimed at work with the Garífuna population; 3 aimed at work with men who have sex with men (MSM); 1 with commercial sex workers (CSW); and 2 with hard-to-reach women). LMG accompanied the MOH over three days as they reviewed and evaluated the proposals. Eight projects were pre-selected for review by the external committee, of which seven projects (from 5 NGOs) were selected for negotiation.

This first round of contracts signed, however, did not cover all priority geographic regions and populations, prompting a second bidding cycle in the project's second quarter by way of a short-list of organizations invited to submit proposals. This second bidding cycle generated two proposals, of which one – the National AIDS Forum/Human in Action (FOROSIDA/HUMAC) was selected to work with

MSM in the Atlántida region and whose contract was signed in the third quarter. The following table provides details on all the selected projects for 2015.

Table I. Contracts signed in 2015 between the Honduran MOH and Local NGOs		
Organization	Population	Location
Liga de la Lactancia Materna	Garífuna	San Pedro Sula
CASM Colón	Garífuna	Colón
CASM Cortés	Garífuna	Cortés
ECOSALUD	Garífuna	Atlántida
PRODIM	Female sex workers	Tegucigalpa
PRODIM	Hard-to-reach women	Tegucigalpa
AJEM	Men who have sex with men	Tegucigalpa
FOROSIDA/HUMAC	Men who have sex with men	Atlántida

This activity will continue next quarter with UAFCE and UGD to initiate the process for bidding and contracting of NGOs for 2016.

Activity 1.2: Strengthen the processes and capacities of the MOH (UAFCE) on accountability and transparency in the management of the agreements signed by the MOH and the NGOs and other non-public institutions.

Beginning in the second quarter of the project, LMG participated in meetings with the UAFCE staff related to compliance with the action plan developed in response to recommendations from the 2013 Superior Tribunal of Accounts, which had not been fully addressed due to a lack of available accounting information and documentation at the UAFCE. Once the information and documentation became available, LMG provided advisory services to the UAFCE on the preparation of some of the responses to the recommendations included in the audit report, which were submitted to USAID in advance prior to submission of the final report. In the final quarter, LMG worked closely with UAFCE staff to review the preliminary findings of the 2014 audit report and provide documentation to either resolve them, and thus, eliminate them from the final report or to reduce their severity. LMG participated in the exit interview with the auditors, UAFCE and USAID.

Financial Field Audit guidelines were prepared, and the draft documents were submitted to USAID for review. These guidelines are still pending approval by USAID.

In the fourth quarter, a workshop was held for UAFCE staff on relationships with NGOs, TSC audits, the Revenue Executive Board's (DEI) new invoicing system, and transparency and accountability. UAFCE also received support to review the findings and recommendations made by the TSC regarding the costs audit for 2014, receiving assistance and suggestions to respond to and close some of those findings. Additional workshops were held with UAFCE in the fourth quarter, including a workshop on the code of ethics for public employees, and a management skills workshop.

Activity 1.3: Strengthen the processes and capacities of the MOH (UGD) to perform technical audits of the agreements signed by the MOH and the NGOs and other non-public institutions.

Technical assistance was provided to the UGD for the realignment and improvement of the NGO technical audit reports. An audit manual was developed and presented to new UGD technical staff. At working meetings with UGD, the technical audits guidelines were reviewed and updated, adapting them according to the new project structure, the suggestions from the national HIV laboratory chief, and the Site Improvement Monitoring System (SIMS) tool. A pilot was carried out with the Developmental Programs for Women and Children (PRODIM) to apply the reviewed tools. A second review was carried out by the national HIV laboratory chief, who suggested changes which have been included in the guidelines.

A session was conducted to socialize the technical audit guidelines and the piloting of the audit tools. This workshop served to socialize the guidelines and to make changes to the tools to be used in the audits as per the input provided by the management control technical staff. The tour to perform the field audits was scheduled, which will involve the management control technical staff. In the fourth quarter, USAID and UGD approved the technical audit guidelines; UGD was assisted to conduct the desk audits; and the UGD technical staff person received assistance to conduct the field audits performed of the NGOs, as well as the desk audits.

Activity 1.4: Strengthen the processes and capacities of the MOH (Sub-secretariat of Networks including the RSD) to monitor the agreements with the NGOs and other non-public institutions.

LMG accompanied RSD staff as they carried out NGO technical closures in five departmental health regions (Atlántida, Colon, Cortes) and the Metropolitan Regions of Tegucigalpa and San Pedro Sula. A working session was held to strengthen the technical closure process with NGOs working with Garifuna populations, including Ecology and Health (ECOSALUD), the Mennonite Social Action Committee (CASM) Cortés, and CASM Colón as well as the health regions. During this activity the management control technical staff were advised on aspects they should review when carrying out technical closures, which were completed in Quarter 3. The technical guidelines manual was submitted to the USAID mission for review.

Two UGD technical officers were trained on management of the knowledge, attitudes and practices (KAP) survey forms, which were used with FSW, partners of FSW, and the Garifuna population between the ages of 9-12, 13-15, 16-24, and over 24 years old. The UGD was accompanied during the KAP training workshop for five NGOs and four management control technical staff from the departmental health regions of Cortes, Atlántida, Colon, and the San Pedro Sula metropolitan region.

Advisory services were provided to the General Directorate of Networks for completing the PEPFAR indicator matrix for the Annual Progress Report (APR) and the Integrated PEPFAR site list (IPSL) requested by USAID. In addition, technical assistance was provided to the UGD in the collection and analysis of PEPFAR indicators.

Technical assistance was also provided on improving the form for recording persons receiving the HIV rapid test. A meeting was held with the head of the regional laboratory to improve the form, which was validated by one of the NGOs. As a final product, the MOH received USAID approval of the form, which was implemented with the NGOs.

A meeting was held with the management control technical staff person from the metropolitan San Pedro Sula health region to address the following points: how the NGOs carry out evaluations of activities, the importance of preparing NGO training plans for the development of educational activities, and a general review of how the behavior change communication (BCC) reports should be reviewed and verified.

A technical visit was made to the Cortes health region along with the representative from the UGD for the purpose of orienting the chief of integrated networks on the functions of the health region in accordance with obligations established in the contract signed between the MOH and the NGOs. During this meeting, an orientation was provided for the chief of integrated networks on the function of the health region in accordance with obligations established in the contract signed between the MOH and the NGOs. The integrated networks representative stated the need to include additional trained resources for carrying out technical closings in view of the fact they only have one person to perform this function. It was also made clear that the liaison with the NGO on behalf of the region is the management control technical staff person.

Reinforcement was provided to the UGD technical staff person and the nine management control technical staff from the health regions in Cortés, Atlántida, Colón, and the San Pedro Sula and Tegucigalpa metropolitan areas on the technical guidelines used to monitor MOH-NGO agreements. During this session they revisited the weaknesses identified in the NGOs' technical closings involving the drafting of monthly progress reports.

Management control technical staff from the Tegucigalpa metropolitan area, Cortés, and Atlántida regions received assistance in technical closings with NGOs. Monthly progress reports and monitoring formats were reviewed after the technical closing, prior to submission to UGD.

Technical assistance was provided to the Networks Directorate for the preparation of the technical amendment. Technical assistance was provided to UGD on their presentation at the monthly coordination meetings with UAFCE and USAID, as well as for preparing their quarterly technical report.

Activity 1.5: Strengthen the management capacities of MOH (UAFCE and Sub Secretariat of Networks including UGD and RSD).

An activity that began in the second project year was management capacity strengthening with a team from the UAFCE and UGD. This team, formed by technical staff from UAFCE acquisitions, finance and monitoring units, and UGD technical staff, finalized their Challenge Model at the start of project year three, and implemented the following actions:

- Created flowcharts to clarify processes for project liquidations and disbursements
- Improved the form for the NGOs to request reprogramming of activities
- Accelerated the processing of requests for approval sent by NGOs
- Consulted with the donor to send bank transfers to the NGOs, reducing the time it takes to prepare checks

Capacity building to the UAFCE management team was also provided through individual coaching sessions to the General Coordinator. Unfortunately, the staff that received this training and the coaching was part of the staff turnover. While the above listed products were helpful and retained in the units, the staff turnover did lead to delays in project activities.

Activity 1.6: Strengthen the financial and administrative processes of the MOH to manage the USAID HIV implementation letters.

LMG supported UAFCE, UGD, and regions to review their annual operating plans before submission to USAID. Support and advisory services were provided to the UAFCE for the preparation of financial information for the quarterly and annual financial reports. Advisory services were also provided to the UAFCE for preparing several additional reports, including the PROMIS database report, the quarterly report of accumulated expenses requested by USAID, expense liquidations, In Country Training report, and follow up to audit reports to provide responses to USAID.

Meetings were held with the financial coordination assistant, the project financial officer, and the internal auditor to review and update the internal control guidelines for USAID funds in accordance with USAID guidelines and the requirements of the new UAFCE structure. The draft was finalized and delivered to USAID for review and approval.

In the fourth quarter, technical assistance was provided to the General Networks Directorate for an amendment to UAFCE's operating plan, which will be submitted to USAID for approval.

A workshop was designed and carried out for UAFCE on USAID guidelines for requesting advances, submitting funds liquidations, and making changes to reported expenses and to the annual operating plan approved by USAID. This workshop was attended by 10 UAFCE staff that work with USAID funds, the financial coordinator, the assistant financial coordinator, UAFCE's general accountant, and the internal control officer. A post-test was given to nine participants of which all passed; one was not evaluated because she did not complete the workshop.

Training and support is currently being provided to the new HIV-USAID financial officer hired by UAFCE. UAFCE has received the guidelines for funds requests, liquidations, quarterly expense reports, and LMG is providing orientation related to managing the USAID implementation letters, as he had not received orientation from UAFCE in this regard.

UAFCE received support in preparing the presentation for a workshop for NGOs on strengthening administrative guidelines for public and non-public institutions. LMG provided technical support for the workshop at UAFCE's request because of the weaknesses found in liquidations submitted by the NGOs.

Expected Result 2: Organizational capacity developed within local NGOs and other non-public institutions to support the implementation of evidence-based, quality HIV prevention services for key and priority populations in compliance with the new MOH funding mechanisms.

Activity 2.1: Strengthen NGOs and other non-public institutions' technical capacity to develop technical proposals during negotiation with MOH.

LMG provided technical assistance to 5 NGOs for negotiation and revision of the initial seven technical proposals to incorporate observations made by the internal and external evaluation committees, and for compliance with all of the requirements included in the terms of reference. This included the participation of 19 administrators, coordinators, and educators (13 women and 6 men). The seven initial projects approved by the MOH included 4 aimed at serving the Garifuna population in the areas of Colon, Cortes, Atlántida, and San Pedro Sula; 1 aimed at serving men who have sex with men in Tegucigalpa; 1 for services to female sex workers in Tegucigalpa; and 1 for services for hard-to-reach women in Tegucigalpa. Later, FOROSIDA/HUMAC was selected for working with the population of men having sex with men in La Ceiba and in the communities of Jutiapa, San Francisco, and La Masica (see table 1).

At the request of the Unit for Decentralized Management, technical assistance was provided to the two NGOs to be contracted by the MOH with national funds to work in the island of Roatán, which consisted in support on the development of their technical proposals, annual plans and monitoring and evaluation plans. These NGOs are: Save Honduras, which will be working with female sex workers; and the Excellence Against Poverty Team (EDECOPO), which will be working with MSM.

Activity 2.2: Strengthen NGOs and other non-public institutions' capacity to improve the quality of HIV prevention services they provide to key and priority populations.

LMG monitored and provided technical feedback on the rapid test brigades implemented by the Center for Guidance and Training on AIDS (COCSIDA) Tela, and on the educational activities implemented by CASM Colon in the communities of Iriona Viejo, San José de la Punta, Punta Piedra, and Ciriboya. The USAID Honduras Deputy Director visited the Breastfeeding League (LLM) NGO in San Pedro Sula to observe an educational activity and a rapid test brigade with young people between the ages of 16 and 24 years. Prior to that visit, LMG provided technical assistance to that NGO in preparation for the visit, resulting in positive comments from the Mission on the work they observed during the visit.

Assistance was also provided to the technical-administrative team of the Breastfeeding League prior to and during the visit made by USAID and the United States Centers for Disease Control and Prevention (CDC) Honduras, OGAC, CDC Washington, and Guatemala. The purpose of that visit was to observe application of the SIMS tools for reviewing the means of verification used in their activities.

The Youth in Motion Association (AJEM in Spanish) was invited by USAID in December 2014 to install a stand in the “Community Heroes” awards event, and a meeting was held with this NGO prior to the event to organize and prepare, and to develop pamphlets, banners, and promotional material. At the stand, the “Decisions” educational tool was presented in hard copy and electronically, HIV rapid test services were provided, temporary tattoos with prevention messages were shared, and demonstrations

were given on correct condom use. There was very good attendance at the stand from youth who actively engaged with the educational tools, which were designed to hold their attention by actively involving them.

In Q4, technical assistance was provided to eight projects in the review of their monthly reports and monitoring and evaluation formats, prior to their submission to their regional liaisons. A session was held with FOROSIDA/HUMAC to review their means of verification, which was done before the technical closing and preparation of the monthly progress report.

A strengthening session was conducted with the FOROSIDA/HUMAC technical team aimed at strengthening the educators' knowledge to enable them to share basic messages with technical teams during their educational activities. The issues addressed were: sexually transmitted infections, peer education, condom negotiation, risky behaviors and healthy behaviors, and preparing the BCC reports. They received ongoing technical support, both virtual and face-to-face, on preparing training plans for the various educational sessions they will be developing with leaders and mentors.

One of the weaknesses identified in the NGOs is that they do not have enough technical personnel trained in risk-based HIV counseling and in rapid HIV testing. Strengthening this area was considered to enable them to meet the future demands of the targeted and prioritized populations. To this end, a process was proposed to assess the overall skills, profile, and attitudes of NGO technical staff in order to find the best profiles for working in pre- and post-rapid HIV testing (finger prick) counseling areas; they would later receive further training to become counselors and rapid HIV testing technical staff. A total of 19 people were evaluated: 3 technical staff from CASM Cortes, 4 technical staff from the Breastfeeding League, 3 technical staff from FOROSIDA/HUMAC, 5 technical staff from ECOSALUD, and 4 technical staff from CASM Colón. Fifteen were selected who stood out because of their ability to lead groups; decision-making skills; desire for acquiring further technical know-how and engaging in new experiences; communication skills; assurance and confidence in project implementation; and ability to act decisively.

Efforts were conducted in coordination with the UGD to carry out this training process and have these NGO technical staff certified by the MOH to provide pre- and post-testing counseling and later become rapid HIV testing technical staff. A risk-based HIV counseling workshop was arranged for this purpose, attended by 17 people (11 women, 6 men), 14 of which were from NGOs funded by USAID through the MOH; three technical staff implementing nationally-funded projects were also included at UGD's request. Of the 17 participants, 16 were certified to provide HIV counseling services: 13 technical staff belong to NGOs that have with agreements with the MOH (3 from CASM Cortés, 3 from CASM Iriona, 1 from ECOSALUD, 3 from the Breastfeeding League, and 3 from FOROSIDA/HUMAC) and 3 technical staff from NGOs implementing nationally-funded projects. Only one participant (from ECOSALUD) failed to get certified.

Two rapid HIV testing training workshops were held, which planned in coordination with the laboratory. One workshop was provided by the Cortés health region and attended by seven technical staff (3 from CASM Cortés, 3 from the Breastfeeding League, and 1 from Save Honduras). The other was provided by the Atlántida and Colón health regions and attended by 10 technical staff (3 from CASM Iriona; 1 from ECOSALUD; 4 from FOROSIDA/HUMAC (which was given an extra spot because one of its technical staff is already a counselor); and 2 who represented health establishments). The workshops

were held in health establishments and included both theoretical and practical content. Sixteen technical staff were certified, with only one (belonging to one of the health establishments) failing to get certified.

The supportive supervision process is underway for the rapid HIV testing service with risk-based counseling, which has involved visits to these NGO rapid testing services. Fifteen counselors were evaluated (5 from PRODIM, 3 from ECOSALUD, 3 from AJEM, 2 from CASM Cortés, 1 from the Breastfeeding League, and 1 from FOROSIDA/HUMAC). The level of compliance with standards, procedures, and counseling and HIV testing guidelines set forth in guides and protocols were verified.

Given that all the NGOs' technical proposals included production of educational materials, the LMG project has reviewed the text of these materials and hired a graphic designer to design the brochures on STIs, HIV, correct condom use, adherence, promotion of rapid HIV testing, invitations to HIV testing; the banner to promote the rapid HIV testing service; and cards for social networks. All is in the process of being produced, reviewed and/or approved.

The project is planning to host a workshop in November 2015 on capacity development to expand coverage of the HIV rapid test service. The project considers that the NGOs should prepare for the future, and that the countries in the region and partners commit to increasing to 90% the number of persons with HIV who are aware of their diagnosis, to increase to 90% those persons receiving antiretroviral treatment, and that 90% of those in treatment have a suppressed viral load. These guidelines will be oriented towards reinforcing capacities and abilities in public and non-public institutions technical personnel, with diversified strategies for the promotion and expansion of HIV rapid test services for key populations.

Activity 2.3: Strengthen NGOs and other non-public institutions in their technical capacity to implement the agreements in compliance with MOH requirements.

In the first quarter, LMG provided technical assistance to ECOSALUD, CASM Cortes, CASM Colon, and COCSIDA (Tela) to review BCC reports and the means for verification of reported indicators. Five coordinators and 16 educators were trained from five NGOs (PRODIM, CASM Colon, CASM Cortes, the Breastfeeding League and ECOSALUD) on information gathering and analysis for the preparation of the KAP report. Survey forms used with FSW, partners of FSW, and the Garífuna population were reviewed and realigned.

LMG followed up virtually with CASM Colón, CASM Cortés, ECOSALUD, and the Breastfeeding League on progress made on their continuous quality improvement plans, and through on-site visits with AJEM and PRODIM.

Opportunities for improvement identified by the NGOs included:

- Delivery of BCC reports and expense liquidations, as established in the contracts. (All NGOs reported improvements in this area.)
- AJEM: promotion of the rapid test service, including: preparation of a plan that includes activities such as the promotion of the rapid test brigades in social networks and meetings with leaders to promote them with their peers. (As a result, they reached the goal for HIV rapid tests before the anticipated date.)

- PRODIM: follow up of persons that test positive for HIV for which a plan was developed and initiated.

At the end of the first quarter, USAID together with LMG staff and a UGD officer, visited AJEM and the Developmental Programs for Women and Children (PRODIM in Spanish) to apply the SIMS tool. They determined that improvements needed to be made to the means of verification in the rapid HIV testing service, condom handling, and strengthening knowledge among technical project staff. At the beginning of the second quarter, an improvement plan was prepared with technical teams from both projects to meet all requirements between the period of March and June 2015.

Each of the project technical proposals approved by the Ministry of Health included the following products as a requirement for the first month of project implementation:

- Plan for disposal and elimination of waste from the rapid HIV tests, to comply with all bio-security standards;
- Plan for the promotion of rapid HIV testing;
- Plan for carrying out the tests;
- Mapping the zones where the rapid HIV test services are provided;
- Plan for the distribution of condoms.

Also in Quarter 2, a technical guidelines workshop was developed, with participation of coordinators and administrators from the initial seven projects. During the workshop, guidelines and formats were provided for implementation of the agreements and monthly technical closings. There was also an orientation of new staff in the CASM Cortes project on how to prepare technical closings. Seven monitoring and evaluation forms were prepared (one for each NGO) for review by the NGOs, for completion and monthly submission by the NGOs.

In Quarter 3, the following received an orientation or attended a technical event on improving the process of carrying out technical closures:

- The technical team from FOROSIDA/HUMAC
- NGOs working with Garifunas: ECOSALUD, CASM Cortés and CASM Colon
- CASM Cortes, AJEM, and PRODIM

Follow up was provided for the post-SIMS improvement plans for AJEM and PRODIM.

LMG provided the following plan implementation support activities:

- Thirteen persons (6 men and 7 women) were updated by the Pan-American Social Marketing Organization (PASMO) on educational approaches for promoting the use of condoms. Information was provided on:
 - Studies carried out on positioning condoms in the market at national and Central American level;

- Different types of condoms that are marketed as well as the benefits for the users from each type of condom, and the zones where these are sold;
- Different promotion strategies carried out by PASMO to position the brand (“VIVE”) in the market, offering the NGOs the opportunity to participate in the VIVE kiosk with “Team VIVE”.

Support was provided to PRODIM and AJEM in requesting that the National HIV Laboratory carry out quality controls of the test kits purchased in 2015. The NGOs complied with this requirement and received notification of the results from the national HIV laboratory. An orientation was provided on the referral process and how to follow up on cases that test positive.

A technical support event was carried out with four technical staff from the FOROSIDA/HUMAC for the preparation of plans for:

- Discarding and eliminating waste from the HIV rapid test service that complies with all biosecurity standards
- Promoting HIV rapid tests
- Carrying out HIV rapid tests
- Mapping zones where the HIV rapid test services are provided
- Distributing condoms.

All plans were completed.

In Q4, technical assistance was provided to ECOSALUD for USAID's first visit to implement the SIMS tool; to PRODIM for the second visit to implement the SIMS tool; and review of progress with completing their improvement plans.

A five-day basic, intermediate, and advanced Excel course was provided for NGO administrators and coordinators involved in the eight projects. Fifteen people attended (10 women and 5 men), and all passed the post-test.

Activity 2.4: Strengthen NGOs and other non-public institutions on their financial management capacity to comply with MOH standards.

LMG made two visits per month to each NGO to help with revision of expense liquidations and to verify compliance with the NGO administrative manual and the agreement signed by both parties before these were submitted to the UAFCE.

In Quarter 3, LMG visited each of the NGOs to provide technical assistance with the preparation of their monthly financial reports, and to train the persons who review the liquidation documents in the document review processes in order to be able to carry out their verification work prior to the NGOs submitting their liquidations to the UAFCE. The use and application of financial administrative guidelines for public and non-public institutions was emphasized with the administrators.

In Q4, a workshop was held at UAFCE's request to enhance the NGOs' knowledge regarding funds liquidation guidelines and correct any weaknesses found therein. Specifically, the workshop addressed the administrative guidelines for the public and non-public institutions, DEI's new invoicing system, weaknesses found in the funds liquidations of NGOs, and transparency and accountability. Twenty-six people attended the workshop from the NGOs, of which 23 passed the post-test. NGOs continued to be visited to provide follow-up and financial technical assistance for the preparation of their monthly liquidations and to support them in their response to the corrections requested by UAFCE.

Activity 2.5: Strengthen NGOs and other non-public institutions capacities in transparency, accountability and management.

A two-day management skills workshop was held and attended by coordinators, administrators, and director of the Breastfeeding League. Sixteen people attended and all were evaluated at the end of the course. In view of the NGOs' time constraints, this workshop was combined with the Q4 workshop noted under activity 2.4 above, while at the same time providing ongoing monitoring to internal NGO practices for improvement in both areas.

Activity 2.6: Strengthen NGOs and other non-public institutions capacity on prevention of gender-based violence related to HIV.

A consultant conducted a workshop on the prevention of gender violence linked to HIV, to reinforce the technical assistance that was provided last year on GBV, stigma and discrimination, and empowering key populations to understand and ask questions on the current guidelines and links to HIV transmission.

The first workshop was directed at NGO technical staff members that work with men who have sex with men, female sex workers, and hard-to-reach women, with representatives from the metropolitan region of Tegucigalpa, and from the health units providing family counseling services. During this workshop, knowledge was reinforced, especially on socialization of gender, gender roles and standards, and sexual and reproductive rights. It also included training plans to be developed with the beneficiary populations in order for the beneficiaries to receive 10 hours of training on this issue, in addition to updating the organizations' referral plan.

Nineteen people participated (5 men and 14 women), including 2 technical staff from the metropolitan region of Tegucigalpa, 3 family counselors from health units in Alonzo Suazo, Las Crucitas and Villadela, 11 NGO technical staff, and 3 LMG staff.

A second workshop on the prevention of gender violence was held in Quarter 3, and was oriented towards the NGOs working with the Garifuna population. Participants included health region representatives and a representative from the family counseling unit. This workshop had an emphasis on the pre-adolescent and adolescent population. The specific issues addressed during the workshop included:

- Socialization of gender and customs and traditions in the Garifuna culture that have an impact on gender based violence linked to HIV in women, pre-adolescents, and adolescents.

- Gender roles and gender standards that impact on gender-based violence linked to HIV in women, pre-adolescents, and adolescents.
- The critical path, first aid for cases of violence, mapping of actors, sexuality, and the difference between sexuality and sex.
- Adolescent concepts, factors that influence adolescent development, adolescence and rights, empowerment, preventive focus for gender based violence linked to HIV in adolescents, aspirations of the pre-adolescents and adolescents and women, and trafficking as a form of violence and its consequences.

This workshop included the participation of 23 persons (6 men and 17 women) of which 18 were NGO technical staff, 4 management control technical staff from the health regions, and 1 representative from the metropolitan San Pedro Sula mental health unit.

By the end of Quarter 3, the seven initial projects had initiated implementation of their training plans through educational sessions directed to leaders and mentors among their beneficiary populations.

During Q4, all NGOs continued implementing training plans with their target populations. FOROSIDA/HUMAC received support in the preparation of the gender-related training plans they will be implementing with their target population.

As part of the reinforcement to the gender area, USAID invited all NGO technical teams to a sexual diversity and gender workshop, which was attended by 34 people (16 men and 18 women). They discussed certain terms such as sex, gender, and sexual orientation, and held a discussion forum where representatives of institutions working on sexual diversity made a presentation on the various forms of discrimination in the country that are affecting them through the country's legislation and the Church, and spoke of the work they do in favor of their rights.

No cases of violence referred by NGOs were reported during the period reported.

IV. GENDER COMPONENT

During LMG's second year of implementation in Honduras, the project held a series of three workshops for contracted NGOs and regional MOH staff to heighten their sensitivity and awareness of gender-based violence (GBV) in the context of HIV/AIDS, and worked with NGOs that serve these key populations to develop training plans that they used with their own beneficiaries, as well as helped them strengthen or develop referral plans when presented with cases or potential cases of GBV.

This year, the LMG project facilitated the same kind of workshop, with new NGOs and regional health staff, and added clinic counselors. During the training workshops, a review was carried out of the referral plans prepared by the NGOs and regional health offices. During these discussions, it was found that some institutions and health workers faced numerous challenges to implementing their plans including lack of personnel, lack of confidence, and in some cases the lack of technical will and sensitivity towards cases of GBV. This discussion underscored the importance of the referral plan, and provided

some of the NGOs with an opportunity to reflect and recover some activities that had been partially forgotten. For others it was a new experience that required important efforts to finally recognize the importance of satisfactorily complying with what is requested. The project followed up with the NGOs throughout the year to see how they implemented their own trainings and referral plans.

In Q4, NGO referral plans for gender-based violence were reviewed during the gender-based violence prevention workshop, leading to the conclusion that they have encountered difficulties in some health departments and institutions because these are not as expeditious or receptive as they need to be, which might be because of lack of personnel, lack of trust and, in some cases, lack of technical will and sensitivity toward the cases.

Reviewing and receiving a refresher on the importance of referral plans was valuable because some NGOs had a chance to reflect and retrieve some half-forgotten tasks; for others this was a new experience which required a major effort to finally recognize the importance of successfully fulfilling that which has been entrusted.

All eight projects will start implementing their training plans through educational sessions aimed at leaders and mentors.

V. MONITORING AND EVALUATION

The Performance Monitoring Plan (PMP) for this fiscal year presents a series of indicators for the project's goal and expected results 1 and 2. See Annex I for an updated PMP report. As seen in Annex I, the annual goals for the following indicators were surpassed: indicator P.8.3.D, "*Number of key populations reached with individual and/or small group level HIV preventive interventions that are based on evidence and/or meet the minimum standards required*" at 140% of the goal reached; and P.8.1.D, "*Number and percentage of each priority population who completed a standardized HIV prevention intervention including the specified minimum components during the reporting period*" at 194% of the goal reached.

The annual goal for indicator P.11.1.D, "*Number of individuals who received Testing and Counseling (T&C) services for HIV and received their test results*" was nearly reached at 94%; one of the reasons it was not fully reached was that the MOH did not contract as many NGOs as it has planned. The reach of the financial audits are not reported as they were not conducted in the last quarter of project year (PY) 3 as the guidelines for these were still under review for approvals, and the audits have been reprogrammed to October 2015. For indicator 2.1, the goal for the "*Percentage of funds executed quarterly by contracted NGOs and other non-public institutions*" has not been achieved as planned due to delays in disbursements by the UAFCE.

The LMG Project also undertook a number of additional monitoring and evaluation activities, including completing the PEPFAR Annual Progress Report (APR) and the Integrated PEPFAR site list (IPSL), requested by the USAID Mission. In addition, information required for the PROMIS database from USAID was completed and uploaded. LMG also provided technical support to one of the NGOs contracted by the MOH to prepare for the SIMS visit performed by USAID, CDC, and OGAC office,

and support to two NGOs in the preparation of action plans to address recommendations that resulted from the application of SIMS by USAID in December 2014.

VI. COORDINATION WITH OTHER ACTORS

The LMG Project collaborated with key USAID implementing partners, such as the AIDSTAR Plus project the Local Technical Assistance Unit for Health (ULAT) project, and the incoming LINKAGES project. In addition, the MOH invited LMG to participate in coordination meetings with other national actors in HIV/AIDS control.

AIDSTAR Plus

The LMG co-housed with the AIDSTAR Plus project (managed by John Snow, Inc. (JSI)) for most of the year until AIDSTAR Plus closed at the end of August 2015. This co-housing facilitated knowledge exchange and synergies between these two HIV-focused projects. During the first quarter of the year, LMG Honduras participated in a meeting hosted by AIDSTAR Plus on Results Based Financing, and shared information with participants related to the process for contracting HIV prevention services.

ULAT

Both the LMG and the ULAT projects are managed by Management Sciences for Health (MSH), and the Project Directors have regular coordination meetings and share work plans. During the third quarter, LMG was invited by USAID to a meeting with ULAT to identify opportunities to coordinate technical assistance for UAFCE to develop an organizational functions manual, and it was agreed that USAID would lead the process to obtain the political commitment at the highest level and from the UAFCE. During the final quarter, LMG and ULAT had several joint meetings with UAFCE in the effort to work jointly on strengthening UAFCE's management capacity through organizational development.

LINKAGES

The LINKAGES project (managed by FHI360) will begin operations in September 2015 in Honduras, following the close of the AIDSTAR Plus project. FHI360 will be taking over the lease that JSI had of the office building. LMG coordinated closely with both JSI and FHI360 in August – September 2015 to facilitate a smooth exchange and handover of the office lease and shared services, including filling the gap between JSI and FHI360 of approximately one month.

MOH and Other Partners

LMG participated in the partners meeting on the Implementation of the National Comprehensive Approach on STIs and HIV/AIDS in the framework of the All for a Better Life Plan, led by the Ministry of Health. LMG was also invited by the MOH to participate in an Interagency Coordination Meeting in the early part of the year to gain a better understanding of the regions and populations covered by various donors.

VII. CHALLENGES AND ACTIONS TAKEN

Early on in the project year, changes in key personnel at the UAFCE resulted in a backlog of UAFCE commitments related to the USAID implementation letters. This posed a challenge to the LMG project, as significant time had been spent to build the capacity of these staff to address their main challenges related to managing the NGO contracts and to meeting the objectives of the implementation letters, including the development and following of action plans and individual coaching sessions. During the project's third quarter, the key UAFCE positions were filled and new technical officers were hired, one of which one was named as liaison for all USAID matters. Once new MOH staff were hired, LMG refocused efforts on building relationships and with new coordinators and accounting staff involved in USAID projects, and orienting them to the LMG work plan.

The timing of the staff turnover at UAFCE also led to delays in the bidding process. Despite this challenge, LMG continued working with the remaining staff in order to comply with USAID requirements and continue the bidding, selection and start-up of the new contracts, which resulted in the first seven 2015 NGOs contracts being signed and the NGOs receiving their funds. The first round of the bidding process, while successful in generating 12 proposals, did not cover all priority regions and populations. This prompted LMG to support the MOH with a second bidding process by short-list invitation, which led to an additional contract being signed.

Another major obstacle faced by the program was that the MOH entered into delinquent status with USAID because it did not liquidate the total USAID disbursement it received in November 2014. At the beginning of April 2015, the UAFCE sent USAID a note stating they were not aware that they should have liquidated the total amount of funds received and, thus, they disbursed these to the NGOs contracted in March 2015 to carry out activities. USAID indicated that the UAFCE should liquidate the total pending amount of the advance. Therefore, with technical assistance from LMG, the UAFCE coordinated with the NGOs for the delivery of the liquidations and the return of the advance funds received. Because of the delinquent status, the UAFCE was not able to request funds from USAID, and the NGOs proceeded to finance activities for May and part of June 2015 through credits with their providers and some with their own funds.

Given these challenges, the USAID mission in Honduras requested that LMG work more closely with UAFCE, and also requested closer coordination with MSH headquarters through participation in the weekly project meetings with USAID and more frequent meetings with the USAID AOR. As a result of these meetings, LMG prepared a plan to strengthen the UAFCE which was submitted to USAID. USAID asked for a revised plan, to address issues raised in the USAID Finance and Contracts Office Evaluation of UAFCE. Discussions jointly with ULAT and UAFCE are underway to identify which part of the plan each will assume once input from the Canadian development assistance financed diagnosis which UAFCE is intending to use as its organizational development master plan, is received.

USAID requested that LMG support the UAFCE to comply with the action plan submitted by the MOH to USAID to address the audit report from Superior Tribunal of Accounts. This audit report was shared with LMG on 12 February 2015, and due to the lack of key UAFCE staff, information, and documentation, it was not possible at that time for UAFCE to document all the findings and

recommendations included in the audit report. To support this activity, LMG supported UAFCE remaining staff to establish coordination with officers from the Legal Direction and Internal Audit units of MOH to follow up and support compliance with the action plan submitted by MOH. As of the submission of this final report, all outstanding recommendations had been resolved except for two which were pending approvals by the Ministry of Finance to complete.

The LMG Project experienced some new arrivals to its team, as well as a key departure. LMG added two new positions: an M&E Officer and a Finance Officer in response to USAID's request for LMG to provide closer and more continuous technical assistance to better respond to the needs of the MOH. The Institutional Capacity Advisor position that had been advertised did not generate a pool qualified candidates, so it was decided to fill that need through consultancies. Unfortunately, at the end of the third quarter, the LMG Project Director resigned. After her departure, a highly experienced director was brought on to serve in the role in an interim basis. This change, while disruptive to staff, did not affect planned activities in the last quarter.

During the fourth quarter, the new UAFCE senior team was completed with the addition of Lic. Leonardo Martinez as the Finance Coordinator. USAID, LMG and UAFCE efforts in the first half of this quarter were to resolve the delinquency status into which UAFCE had fallen due to its failure to liquidate past advances from USAID, obtain new funds to continue activities and to address findings from the 2014 audit carried out by the TSC. The delinquency status meant that no funds were available to NGOs or regions to carry out project activities through the first half of the quarter. Funds were finally received by UAFCE at the end of July and put into the hands of the NGOs in early to mid-August. This resulted in the need to reduce certain project activities such as the number of field financial audits from two to one.

An activity put into the revised work plan for this last quarter was to assist UAFCE in developing its Organizational and Functional Manual. This was another activity which suffered delay. In this case, UAFCE determined to wait for a Canadian develop assistance financed organizational diagnosis. This diagnosis was not completed and in UAFCE's hands until and end of the quarter, and to date the results have not been shared despite expectations that they would be.

Another delay was in LMG's identification of the organization or consultant that could carry out the Extension of Coverage strategy design and training. It was hoped that this consultancy would take place between the end of July and September, but now following identification of the consultants, will begin at the end of September and will be completed in December. The difficulty in this case was identifying an organization that could provide the services, as none of the three organizations originally identified were able to provide the services. Additional organizations and individual consultants were identified and eventually a group associated with the Public Health Institute of Mexico was identified but their commitments were such that they are unable to begin work until the end of September. Nevertheless, the contracting process has been initiated and efforts are underway. Key documents have been shared with the consulting team to prepare them for the work in Honduras.

Also during this quarter, given the difficulties the project has faced in identifying and retaining a Project Director, MSH communicated to USAID that it would not be able to continue the project during the coming fiscal year. USAID and MSH agreed on a four-month transitional plan which was submitted to USAID for approval on September 24.

VIII. KEY CONCLUSIONS AND RECOMMENDATIONS

During the planning phase of the bidding process to contract NGOs to provide the HIV prevention services package for key and priority populations, it was not clear which MOH staff would participate in the development of the TOR, and it was not until October 2014 that the team was confirmed and the terms of reference were finalized. The lesson learned is that a critical first step is for the MOH to appoint a task force before any work is done, and to allow time for the MOH to make that decision prior to the date when the work needs to begin.

During this bidding process, *the Manual to Select and Contract Public and Non-Public Institutions* was used as a reference. The need to review and update this manual was identified and completed successfully. Also identified was the need to ensure that the roles of each unit are well defined and in accordance with the Organizational Development process that is taking place within the MOH. These actions will help eliminate delays in the bidding process, and should be factored into future procurement planning. Processes should be clearly defined, and staff or consultants should have clarity from the MOH on their roles and responsibilities in the process; material that is being considered as the MOH updates their Manual for Organization and Functions.

The LMG Honduras team initiated coordination efforts and continued its technical support to ensure that there were no gaps in the bidding process and start-up of the new contracts. Three officers at UAFCE (General Coordinator, Administration and Finance Coordinator and Technical Administrative Officer) had begun coaching sessions organized by LMG in the prior year but later left the unit. Future coaching efforts with high level leaders should take into account the possibility of staff turnover and establish a plan to address it that so that the local organization still benefits if there is turnover in leadership.

At the end of the first bidding process, not all regions and priority populations were covered by the winning projects, which led the project to consider that in the future, broader publication of the call for proposals in local media could ensure greater coverage, particularly in priority areas.

In relation to the UAFCE's delinquent status, the concerned parties were unaware of the procedure to follow in case of remnant funds from advances received from USAID. The opportunity was presented to update and strengthen the internal control guidelines related to USAID funds at the UAFCE to prevent similar situations from occurring in the future.

When the resignation of the LMG Project Director was received, MSH immediately identified an Interim Director to serve in the fourth quarter, and proceeded to seek and propose a solution to prevent disruptions in the technical assistance provided.

Following internal discussion and subsequent discussion with USAID, LMG determined that it will conclude activities in January 2016, and prepared a transition plan for the remaining four project months (October 2015 – January 2016), which it submitted to USAID on September 24, 2015.

IX. FINANCIAL REPORT

PY3 October 2014 – September 2015	
Pipeline at the beginning of the period	\$ 61,507.49
New funds Obligation	\$1,341,533.00
Expenses during the reported period + Accruals	\$ 834,720.30
Pipeline at the end of the period	\$ 568,320.18
Estimated expense burn rate for next period (Oct'15-Dec'15)	\$ 394,317.07
Estimated quarters of pipeline	1.44

Note: Please note this is not a final financial balance projection; MSH Accounting has not yet closed the month of September 2015.

ANNEX I. LMG HONDURAS PROJECT PERFORMANCE MONITORING PLAN (PMP)

LMG Honduras Project Goal:								
Provide technical assistance to the Ministry of Health (MOH) and local NGOs and other non-public institutions in organizational capacity building to provide HIV/AIDS education and prevention services to key and priority populations.								
No.	Indicators	Goal Oct 1, 2014 – Sept. 30, 2015		Goal reached October 1, 2014 – September 30, 2015		Average reached	Source (s)	Frequency
P.11.1.D	Number of individuals who received Testing and Counseling (T&C) services for HIV and received their test results.	Male:		Male:	6,336	94%	NGO reports	Annual
		Female:		Female:	8,288			
		(<15 years):		(<15 years):	8			
		(15 + years):	15,555	(15 + years):	14,616			
		Positive:		Positive:				
		Negative:		Negative:				
		MSM:	3,067	MSM:	2,049			
		CSW:	5,526	CSW:	3,123			
		Garifunas:	6,962	Garifunas:	7,876			
		Other indirect groups:		Other indirect groups:	1,576			
		Individuals:	15,555	Individuals:	14,624			
		Couples:		Couples:				
TOTAL:	15,555	TOTAL:	14,624					
P.8.3.D	Number of key populations reached with individual and/or small group level HIV preventive interventions that are based on evidence and/or meet the minimum standards required	Male:		Male:		140%	NGO reports	Annual
		Female:		Female:				
		MSM:	1,592	MSM:	1,508			
		CSW:	2,712	CSW:	4,513			
		TOTAL:	4,304	TOTAL:	6,021			

P.8.1.D	Number and percentage of each priority population who completed a standardized HIV prevention intervention including the specified minimum components during the reporting period	Male :	1,860	Male :	4,093	194%	NGO reports	Annual
		Female	3,031	Female	5,425			
		(<15 years):		(<15 years):				
		(15 + years):		(15 + years):				
		Garifunas :		Garifunas :				
		Other indirect groups:		Other indirect groups:				
		TOTAL	4,891	TOTAL	9,518			

LMG Honduras Project Goal:

Provide technical assistance to the Ministry of Health (MOH) and local NGOs and other non-public institutions in organizational capacity building to provide HIV/AIDS education and prevention services to key and priority populations.

Result I: Organizational capacity developed within the MOH to establish and carry out effective funding mechanisms, management and stewardship of HIV prevention services provided by local non-governmental organizations (NGOs) and other non-public institutions.

No.	Indicators	Baseline		Source (s)	Goal Oct. 1, 2014 - Sept. 30, 2015	Frequency	Goal reached April 1 ¹ – September 30, 2015
		Value	Year				
1.	Proportion of NGOs and other non-public institutions contracts managed in compliance with MOH policies, protocols, and guidance for contracting, as measured through the following areas in the past 12 months:		2014	UAFCE reports	100%	Annual	61%
	○ Bidding process based on results undergone timely	100%			100%		100%
	○ Monthly financial reviews based on results	100%			100%		84%
	○ Semi-annual results-focused technical audits	100%			100%		0%
1.1.	Proportion of technical and financial proposals based on results that have been reviewed and negotiated by the MOH in the past 6 months as part of the competitive bidding process.			UAFCE reports	10	Annual	80% ²
1.2.	Percent of NGOs and other non-public institutions with approved contracts that have undergone monthly financial reviews by the MOH within the past 3 months.			UAFCE reports	8	Monthly	75% ³
1.3.	Percent of NGOs and other non-public institutions with approved contracts that have undergone semi-annual results-focused technical audits by the MOH within the past 6 months.			UGD reports	8	Annual	50% ⁴

¹ Data collection on indicators 1 and 2 began after the 2015 round of contracts were signed with the MOH in March 2015.

² Corresponds to 8 proposals reviewed and negotiated by the MOH.

³ Only 6 NGOs liquidated.

⁴ Corresponds to 4 projects; the others will be realized in October.

LMG Honduras Project Goal:

Provide technical assistance to the Ministry of Health (MOH) and local NGOs and other non-public institutions in organizational capacity building to provide HIV/AIDS education and prevention services to key and priority populations.

Result I: Organizational capacity developed within the MOH to establish and carry out effective funding mechanisms, management and stewardship of HIV prevention services provided by local non-governmental organizations (NGOs) and other non-public institutions.

No.	Indicators	Baseline		Source (s)	Goal Oct. 1, 2014 - Sept. 30, 2015	Frequency	Goal reached April 1 ¹ - September 30, 2015
		Value	Year				
1.4.	Percent of financial advance requests and liquidations received from contracted NGOs and other non-public institutions in the past three months that have been reviewed and processed by the MOH.			UAFCE Report	8	Monthly	100% ⁵

⁵ Updated through the end of August 2015.

LMG Honduras Project Goal:

Provide technical assistance to the Ministry of Health (MOH) and local NGOs in organizational capacity building to provide HIV/AIDS education and prevention services to key populations.

Result 2: Organizational capacity developed within local NGOs to support the implementation of evidence-based, quality HIV prevention services for key populations in compliance with the new MOH funding mechanisms.

No.	Indicators	Baseline		Sources (s)	Goal Oct. 1, 2014 – Sept. 30, 2015	Frequencies	Goal reached April 1 st – September. 30, 2015
		Value	Year				
2.	Proportion of NGOs and other non-public institutions that comply with financial and technical regulations, measured by:		2014	NGOs' and other non-public institutions Management projects reports		Annual	64%
	oPercentage of funds executed quarterly by the NGOs and other non-public institutions (financial regulation)				100%		50%
	oPercentage of the NGOs and other non-public institutions project targets achieved quarterly (technical regulation)				100%		74%
2.1.	Percentage of funds executed quarterly by contracted NGOs and other non-public institutions			UAFCE Report		Monthly	50%
2.2.	Percentage of the NGOs and other non-public institutions project targets achieved in the past 3 months.			UGD Report		Monthly	74%