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**FY 1996 - 97**

**ACTION PLAN**



**USAID/HONDURAS**

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**USAID/HONDURAS**  
**FY 1996-97 ACTION PLAN**  
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## SECTION I: STRATEGY OVERVIEW

Honduras, a nation of 5.3 million people, is one of the poorest countries in Latin America. Nevertheless, it has made social strides since the 1970s, progressed in a democratization process begun in the early 1980s, and undertaken and held to a sweeping economic reform in the 1990s.

USAID has been a major contributor to this progress; working in support of the overarching goal of improving the climate for U.S. interests in Honduras, we have been successful in increasing the well-being of all Hondurans, particularly lower-income groups. The program presented in this Action Plan builds on experience and successes to date to progress further in this direction. In direct support of the Agency's four goals, it aims at four strategic objectives:

- ▶ enhanced economic participation and increased incomes of the poor
- ▶ effective stewardship of key natural resources for sustainable economic growth
- ▶ improved family health
- ▶ more responsive democratic processes with greater citizen participation

Honduras should be a model country for the Agency's strategy: it is a very poor country which has taken the painful adjustment measures necessary to live within its economic means and with USAID assistance has made major socioeconomic gains. It remains at peace with itself. It has a compelling macroeconomic and poverty rationale for increased U.S. assistance. Its democratically elected government is committed to improving the lives and opportunities for the poor and has a good human rights record. It has put the fight against corruption, good governance and the deepening of democratic principles, including civilian control of the military, at the top of its current development agenda. President Reina was selected as the spokesperson for good governance at the recent Latin America presidents summit.

On paper, Honduras has been designated a "sustainable development country", but in fact because it lacks an anti-narcotics or post-civil war reconciliation priority, Honduras has taken the deepest cuts in this region, 50% since 1993 -- reducing our assistance to its lowest level since 1981. There continues to be a credibility gap between the Agency's stated programming principles and budget levels in Honduras.

Honduras has the potential to achieve a much higher level of development by the end of this century, one which lower-income groups participate in and benefit from. The Bureau and the Agency can help Honduras achieve its potential by (1) holding the line on further budget reductions; and (2) supporting our request for \$5 million of PL 480 Title III a year in 1996 and 1997.

In order to accommodate substantial cuts and rescissions over the past two years, USAID/Honduras has cut all activities which were not at the very core of our strategy and has drawn down pipelines. We have no more flexibility left. Next, strategic objectives must go -- and with them would go major development achievements.

## The Country Situation

From 1990 to 1993, during the Callejas administration, Honduras made impressive progress on an ambitious economic reform program, liberalizing trade, reducing the public deficit and bringing inflation under control. As a result, by 1992 per capita economic growth had returned to Honduras. Both the industrial and agricultural sectors attained rapid growth. These positive developments helped reduce poverty; there were fewer households who could be considered "poor" and "very poor" in the country in 1993 than in 1990.

However, economic difficulties began to surface in 1993 with serious problems in banana exports and world coffee prices. The Callejas administration maintained economic growth during the election year through deficit spending on public sector investments. By the time President Reina assumed office in early 1994, the new administration faced a severe economic crisis. The fiscal deficit was at 10.6 percent of GDP, banana exports remained in decline, the IMF had suspended the ESAF agreement cutting off all IFI flows. These problems led to a rapid devaluation of the Lempira. As the year progressed, a severe drought that produced 14 hour a day electricity rationing and negatively affected basic grains production in the country's south compounded these problems. Steep cuts in public investments to control the deficit, on top of other problems, resulted in Honduras being one of the few countries in all of Latin America to record negative growth in 1994 (-1.4 percent). By the end of 1994, inflation was approaching 30 percent; the country's gross international reserves were less than one month of imports; and GDP per capita was down to \$600.

The economic situation is now improving; the Central Bank projects growth for 1995 at 4 percent. A new economic adjustment program drawn up by the Reina administration received IMF support with Board approval of a \$28 million arrangement this January. This should produce a resumption in IFI cash flows to the country. As part of the adjustment program, the fiscal deficit was reduced to 7.5 percent of GDP in 1994 and the target for 1995 is 4 percent. Owing to the reduction, inflation should ease, approaching 15 percent by year's end. The country also is receiving a windfall from the high global coffee prices. Coffee export receipts should increase from \$177 million in 1994 to the \$400-450 million range in 1995. We also expect less electricity rationing this year. The GOH has increased electricity capacity by 63 megawatts or more than 10 percent.

Despite recent improvements in economic statistics, Honduras still has a high incidence of poverty. In the Western Hemisphere, only Nicaragua and Haiti have a lower per capita GDP. Also, while the top 10 percent of households get 35 percent of income, the bottom 50 percent receive but 21 percent of total income. Poverty is especially pronounced in rural areas. Average incomes in Tegucigalpa and San Pedro Sula are more than two and a half times higher than in rural areas and 35 percent higher than in other towns. A principal contributing factor to the rural poverty is inequality in land distribution. The largest 17 percent of the farms hold 75 percent of the land, and the smallest 55 percent hold only 8 percent of the land. Rural women-headed households constitute a prominent group among the poor. In 1993, two-thirds of the populace were living below the poverty line.

## **Balance of Payments and Debt Difficulties**

The country needs foreign exchange to grow out of poverty. However, it continues to encounter acute balance of payments problems. The GOH allocates 35 cents of each dollar in export revenues for repayments of principal and interest on the foreign debt. Symptomatic of the balance of payments difficulties, gross international reserves declined over 1992-1994 by more than \$250 million, although there has been some improvement lately owing to the sharp increases in global coffee prices. Currently, Honduras has an estimated unfinanced balance of payments gap of \$100 million over 1995-1997. At the end of 1994, external public debt amounted to \$3.9 billion or roughly 115 percent of GDP. The lion's share of Honduras' debt (55 percent) is to multilateral institutions and cannot be rescheduled.

## **Environmental Degradation**

Honduras, one of the most geographically and biologically diverse countries in Central America, has been exploiting natural resources with little or no consideration for sustainability. In the past 25 years, Honduras has lost half of its four million hectares of broadleaf forest, and the volume of commercial pine timber has declined by more than 40 percent. In addition, the area dedicated to agriculture and pastures exceeds by almost 50 percent the land area suited to such production. Widespread traditional hillside farming creates serious soil loss and damages water resources. The country's other most serious environmental problems include inadequate water supply, sewerage, and refuse collection at the community level.

The milieu for tackling environmental issues is improving, auguring well for the Mission's program. Nineteen ninety-four brought home to many Hondurans perhaps the most effective resource management lesson, when prolonged drought, combined with mismanagement of surface water resources, produced dramatic water shortages and strict electricity rationing. The public debate over the causes and potential long-term solutions to this crisis brought into almost every workplace and household -- often for the first time -- a recognition that formerly abundant natural resources cannot be taken for granted without a risk to society. As an outgrowth, there is increasing support for tackling conservation issues.

Already over the past several years, there had been improvement in the reach and substance of public policy relating to forestry, land use, and the environment. Most significant, COHDEFOR -- the forestry parastatal -- is being transformed from an entity emphasizing forest exploitation to one stressing forest management and biodiversity protection. In 1993, the National Congress passed the Environmental Law, which, in concert with 1992's Agricultural Modernization Law, sets the legal framework for halting environmental degradation. Under the Environmental Law, the GOH established a new Ministry of the Environment (SEDA). The GOH has prepared a Five-Year Environmental Development Program which will help SEDA carry out its environmental responsibilities, including undertaking environmental assessments. SEDA is now working on the issuance of implementing regulations. While new environmental norms have yet to be completed, a couple of cases have been litigated under existing norms. Implementing the new environmental law will not be easy, however, requiring the combined efforts of the GOH, NGOs, the private sector, individual communities, and assistance donors.

## **Social Welfare**

For such a poor country, Honduras has made remarkable strides in improving the quality of the lives of its citizenry. A good deal of the credit goes to the highly effective initiatives implemented by USAID. The country has recorded impressive (a) reductions in infant mortality, (b) increases in immunization of children under one year, and (c) declines in fertility rates. An estimated 65% of rural areas now have adequate water supplies. In addition, gains have been recorded in education. Adult literacy rose dramatically over 1970-1990, increasing from 53 to 73 percent. At the primary level, Honduras has recorded sharp increases in enrollments and primary school graduates, 52 percent of whom are female, and equally sharp declines in repetition and drop-out rates.

Still there is much to be done to improve the lives of Hondurans. Despite improvement, fertility, maternal mortality, and infant mortality rates are too high. According to the most recent data, maternal mortality stands at 221 per 100,000 live births, ranking fourth worst in Latin America behind Haiti, Bolivia and Peru. Honduras has the highest incidence of AIDS in all Central America, although part of this may be due to better reporting in Honduras than in the other countries. More recently, there have been sharp increases in the number of reported cases of cholera. And without a concerted additional effort, the Mission projects that by the end of the decade at least 20 percent of the nation's school age children still will not be completing primary school; 40 percent of the adult work force will not have a primary education; 80 percent will lack a secondary education; and only 1.3 percent of the adult population will have access to vocational training.

## **Democracy**

Honduras is making strides in embracing democratic and participatory processes. In November 1993, it held its fourth consecutive free and fair national and local level elections and in January 1994 power was transferred peacefully between the two opposing parties. An increasing number of Hondurans are being exposed to and trained in democratic values, in part through USAID training initiatives. Nonetheless, a lack of transparency and accountability continues to be a major concern; considerable rent-seeking behavior persists with the politically and financially powerful exerting undue influence. There are grounds, however, for cautious optimism. President Reina campaigned on a plank of moral revolution in 1993. Most of his political and judicial appointments have had integrity; some who did not, were dismissed. The GOH established the Public Ministry in late 1993 to investigate matters where the interests of the public were being overridden by the politically powerful. The Ministry, however, will need to be strengthened if it is to effectively discharge its criminal investigative and prosecutory responsibilities. In addition, President of Congress Carlos Flores has committed to increase budgetary allocations to the courts to the Constitutionally mandated amount by 1997; the current allocation is but two-thirds of the mandated amounts. Increases in budgetary allocations should help to reduce political and financial influence on the judiciary. The next step is to introduce transparency and remove political influence in selection of judicial appointees.

A genuine process of empowerment is taking place at the municipal level. In 1993's election, Hondurans were permitted to "split their ticket" between the mayoral and national race; this

promises to break the political monopoly of traditional parties and to increase mayoral responsibility to the people. Participation of both men and women in town meetings and hearings has increased dramatically. Municipalities are increasingly meeting the needs of their constituencies for basic services such as water, sewerage, and refuse collection. The share of municipal budgets going for investment is on the rise with less monies allocated to personnel, enabling municipalities to improve service delivery. Still, the municipalities lack financial resources and their human capacity base is extremely thin. Additional technical support and training are required. The municipalities also must improve their fiscal management, including their tax collection capabilities, and the central government must increase financial allocations to the municipalities, now standing at a little more than half the amount required by law.

### **The USAID Program in Honduras**

The USAID/Honduras program has been built around the concept that Honduran development requires integrating its people at all income levels into its economic, social, and political processes in order that they may contribute to and benefit from national progress. At both the policy and project levels, we have been working (a) to create the conditions and mechanisms necessary for accelerated economic growth and a broad sharing of the benefits of growth among the poor, (b) to improve the quality of Honduran lives through interventions in both health and education, (c) to make the political system more responsive to the needs of the people, and (d) to preserve Honduras' increasingly threatened national patrimony to provide for future generations of Hondurans. We are pleased to report that our program has produced gains across a wide spectrum. Hondurans are much better off. (Please see the box at Page 6.)

The overall thrust and direction of our program remains essentially unchanged from last year. The program, which includes strategic objectives in the areas of economic growth, family health, environment, and democracy, supports the goals of the new Agency strategy and is consistent with the LAC Bureau strategy. It also is responsive to the human development objectives of the new Reina administration and to its commitment to the Summit of the Americas Initiative. Our program is seeking to respond to the felt needs of the Honduran people through interventions in agriculture, small-enterprise development, education, health, family planning, preservation of natural resources and biodiversity, the environment, democracy, and municipal development.

A steep drop in budgetary resources continues to plague the program. After a 28 percent decline last year, resources will fall off another 31 percent in FY 1995. Major reductions in PL 480 assistance are responsible for the FY 1995 decline, including both Title II and Title III which are down \$3 million and \$8 million, respectively. Worse yet, Title III is totally zeroed out for a country in which a full third of the population remains too poor to afford the basic basket of food required to meet their nutritional needs. With no balance-of-payments support under ESF, the virtual elimination of PL 480 Title III resources is having an especially adverse impact. Our economic policy dialogue leverage has been dramatically reduced. We are less able to address key poverty issues such as land tenure; inequality in land distribution and titling are leading causes of poverty in rural areas. Further reductions in the DA account will still further reduce the benefits that the Honduran poor now receive from our program.

## USAID/Honduras Program Accomplishments

### Economic Participation & Increased Incomes of the Poor

- According to the Multi-Purpose Household Survey poverty rates have significantly decreased from 72.1 percent in 1986 to 64.4 percent in 1993.
- Some 85,000 loans have been made to small and microenterprises since 1988, 77 percent of the borrowers have been women.
- Approximately 31,000 jobs have been created under programs for small and microenterprises.
- Of the more than 26,000 graduates of the CADERH (a local PVO) vocational training program, 90 percent have been employed; of those employed, 35 percent are women. Their incomes have increased by approximately 80 percent annually.
- The number of primary school students graduating from the sixth grade has increased 56 percent since 1986. Fifty-two percent of the graduates are female. Seventy percent of 13 year-olds now graduate from the sixth grade as opposed to 48 percent in 1985.
- Economic growth deriving from USAID encouraged economic policy reforms has led to increased U.S. exports to Honduras amounting to almost \$900 million in 1993. Honduran exports to the U.S. more than doubled since 1989 reaching \$914 million in 1993.
- Nontraditional agricultural exports including shrimp, pineapples and melons grew over 80 percent in quantitative terms between 1989-93. Such exports exceeded \$225 million in 1993 alone.

### Effective Stewardship of Key Natural Resources for Sustainable Growth

- By returning the ownership of trees on private land to the landowner, the 1992 Agricultural Modernization Law encourages better management of this natural resource.
- By the end of 1994, improved management practices were being employed on 127,000 hectares of pine forests.
- By the end of 1994, almost 20,000 hillside farm families had adopted sustainable cultivation practices, while productivity has increased 30 percent on average.
- Soil erosion on these hillside farms has been reduced an estimated 65 percent, which represents approximately 2,500,000 tons of topsoil saved annually.

### Improved Family Health

- The fertility rate decreased from 6.4 to 5.1 between 1979 and 1989.
- Nineteen-hundred community based distribution posts are providing family planning services in about 350 low income areas.
- Infant mortality decreased from 61 per thousand live births in 1985 to 50 in 1989, and is estimated at 44 for 1993.
- Children under one who were vaccinated against diphtheria, measles, polio and tuberculosis exceeded 94 percent in 1993. Honduras' record is now the best in Central America.
- Close to half a million nutritionally at-risk people are benefiting from PVO managed PL 480 Title II Programs.
- USAID has built over 500 water systems in rural areas, benefiting approximately 600,000 people who now have access to safe drinking water. Rural water and sanitation programs have helped shift diarrheal diseases from the leading to the third cause of death among infants.
- Deaths from cholera have been reduced to less than two percent of reported cases from a high of over four percent in 1992.

### More Responsive Democratic Processes with Greater Citizen Participation

- After five consecutive free elections, this process has been institutionalized, strengthening democracy in Honduras.
- For the first time during the 1993 elections, Honduran citizens were able to cast their vote for mayors separately from candidates for national offices. This will lead to increased local government accountability to the electorate.
- Since town meetings first began in 1990, citizen participation has increased from an average of 20 people in 1991 to an average 180 people in 1994, giving communities a greater say in the use of municipal tax revenues.
- In USAID-assisted municipalities, the average number of inhabitants receiving water, sanitation and refuse-collection services increased from 18.5 percent in 1992 to 28.8 percent in 1994.
- For the first time in history corrupt judges have been investigated and prosecuted. In 1994 alone, of 312 Court corruption complaints, 216 were investigated resulting in 46 court officials being permanently discharged while 27 court employees were referred to the Public Ministry for criminal prosecution.
- Over 2,500 Honduran leaders have been sent to the United States for long- and short-term studies and exposure to U.S. values and culture. Over 80 percent of the trainees have been socially or economically disadvantaged.

## Addressing the Agency's Goals

### Encouraging Broad-based Economic Growth

The program has completed its first year of consolidation owing to the elimination of ESF funding and DA cuts. Activities now concentrate on increasing access and opportunities for the poor. Indicators emphasize impact at the household and individual level as opposed to the macroeconomic level.

The program will:

-- Empower the poor through NGO activities which strengthen agricultural and non-agricultural businesses most often owned by the poor, such as small farms and small/microenterprises. Our efforts seek to strengthen credit unions, agricultural cooperatives, and farmer-owned enterprises to enable them to better serve the poor. USAID also strives to help microenterprises improve their operational efficiency and profitability.

-- Support improved functioning of markets, focusing on the agricultural sector where a majority of the poor subsist. A primary emphasis of our work will be land titling and maintenance of liberal pricing and trading regimes, items that are critical to food security for the poor. We will work with the GOH to establish a market information system that is user-friendly for the poor. At the same time, we will help the private sector to undertake services once carried out almost exclusively by the public sector in extension, credit, grain storage, marketing, and research. USAID technical assistance will continue to help the GOH meet the conditionality of the Agriculture Sector Adjustment Program, supported by the World Bank and IDB. Support to a local NGO providing technical assistance to overcome labor and environmental obstacles to a free-trade agreement was dropped due to a lack of DA financing.

-- Assist the GOH Economic Policy Analysis and Implementation Unit (UDAPE) which serves as the technical secretariat for the GOH Economic Cabinet. We will undertake a small program through UDAPE that (a) focuses on eliminating policy constraints to improved productivity and competitiveness and (b) supports movement toward trade liberalization. The Mission also will provide modest complementary support to regional programs such as the proposed Regional Trade Policy and Economic Integration initiative. The aim is to encourage a sound economic policy framework that is conducive to (a) the effective functioning of the agricultural sector and (b) promotion of investment and trade.

-- Invest in people through support to the Ministry of Education for alternative basic education programs and a PVO vocational training program which will increase the contribution of low-income, out-of-school youth and adults to economic growth.

### Protecting the Environment

Mission activities emphasize:

- Sustainable forest management
- Sustainable agricultural practices on hillside farms
- Improved management of protected areas

The Mission will work intensively with COHDEFOR -- the parastatal forestry agency -- to improve management of forests as well as protected areas. Building on its leadership role in the forestry sector, the Mission through the Honduran Environmental Protection Fund will collaborate with the Fundación VIDA to expand the role of the NGO community in the management of protected areas. Any initiatives by the NGO community will be coordinated closely with COHDEFOR's work. The Mission also will continue to implement the Land Use Productivity Enhancement (LUPE) project which is transforming traditional and destructive hillside agricultural practices and providing marginal farm families with sustainable cultivation technologies that increase production yields and incomes. To implement these activities, the Mission works through the GOH, the U.S. Peace Corps, CARE, and other local NGOs and PVOs and coordinates and cooperates extensively with other donors, including the World Bank, IDB, the Canadians, and the United Nations Development Program. The primary focus of activities will be the "green" issues -- forests, soils, and surface water. A desired end product is biodiversity preservation.

USAID activities that have objectives other than environmental protection as their primary focus also will contribute to environmental improvements. Emphasizing "brown" issues, they consist of (a) family planning, (b) water and sanitation activities in the health sector, and (c) improved water, sewerage, and refuse collection services of municipal governments.

### **Stabilizing World Population Growth and Protecting Human Health**

USAID will seek to improve family health through:

- Increased use of reproductive health services
- More effective child survival interventions
- Increased use of STD/AIDS prevention practices

The Mission's family planning/reproductive health strategy will be implemented through three major channels, including (a) the public sector Ministry of Health, (b) the private Honduran Family Planning Association (ASHONPLAFA), and (c) other PVOs. USAID will build on successes in increasing contraceptive use and reduction in fertility rates a) to expand the reach of its family planning initiatives and (b) to ensure their sustainability. We will assist ASHONPLAFA to introduce new outreach mechanisms and will address the priority issue of the entity's self-sufficiency. ASHONPLAFA's use of satellite clinics to cut the distance between clients and services already has been an outstanding success. The program will also target males and adolescents.

Gains made in child survival are impressive: the sharp reductions in infant mortality can be attributed to improvements in immunization and control of diarrheal disease. The Mission will now intensify its focus on maternal and neonatal health care and more effective treatment of acute respiratory infections (ARIs). Maternal mortality is the fourth worst in all Latin America, and neonatal problems and ARIs are now the primary causes of infant and child mortality. The Mission also is reorienting the Title II program. CARE, the PVO intermediary, will relocate the program to the most food-insecure departments and withdraw from less needy areas.

The Mission will continue its successful work in water and sanitation that is contributing to improvements in potable water supplies. Contaminated water is a leading cause of cholera, diarrhea, and other diseases. Given declining project resources, the Mission will (a) emphasize key institutional reforms in the water and sanitation sector such as the establishment of community-level rural "Water Boards" and (b) leverage other donors' support. We will cooperate with the Germans, the IDB, and the World Bank in water and sanitation improvements through reform of SANAA -- the water parastatal -- and work with the municipalities.

Finally, the Mission through AIDSCAP will initiate a support program for the National AIDS Control Program in Honduras. The emphasis will be on condom promotion; previously the GOH had focused on abstinence and fidelity.

Two main themes of the Mission's work will be sustainability, through promotion of cost recovery, and decentralization. Cost recovery efforts should permit Honduras to sustain the expansion and improvement in the delivery of health care services that has taken place, while decentralization should have a positive impact on the quality of health care through enhanced local participation and control.

### **Building Democracy**

Mission activities in this area are focused on:

- Prosecutorial and judicial systems
- Municipal Government
- Training Hondurans in democratic values

USAID/Honduras is shifting focus to implementation of a true rule-of-law system. In support of President Reina's moral revolution, we will focus on encouraging transparency and accountability within the GOH with the overall aim of reducing corruption. In the past, we emphasized institution-building, strengthening judicial system administration. We now will be seeking a more fundamental structural reform of the justice sector to develop more ethical and effective prosecutorial and judicial systems. The Mission will (a) strengthen existing institutions especially the newly established Public Ministry, (b) assist the GOH to prepare laws and implementing regulations that reduce political influence in the judicial system and change basic judicial procedure, and (c) encourage the allocation of more resources to the justice system.

To empower the Honduran people, the Mission also will support the development of more responsive, effective and accountable municipal governments. We will promote more active participation of Hondurans in decision-making processes within the municipalities. Simultaneously, to better enable the municipalities to effectively satisfy the needs of their constituents, the Mission will improve their administrative capabilities through technical assistance and training and encourage them to use their financial resources more effectively. We will also seek full compliance with the mandated budget transfers from the central government to the municipalities. And finally Mission activities will expose Hondurans to democratic values, especially but not exclusively, through the Peace Scholarship Program.

## Looking Beyond the Action Plan Period

As this Action Plan period draws to a close, the Honduras program will be preparing to enter a new phase. Projects that have been centerpieces for our economic-growth and natural-resources strategic objectives will be ending. They include the Policy Analysis and Implementation, Forestry Development, and Land Use Productivity Enhancement Projects. Furthermore, we will be preparing for a change in government in Honduras, with national and local elections scheduled for November 1997 with the new GOH administration taking office in early 1998. We believe that 1998 will be an appropriate time for a new strategy. A first step in that direction is the 1997 New Activity Description (NAD) for the Economic Policy and Productivity Program (PROPEP), which will be developed with a possible new strategic framework in mind.

## Resource Requirements

The Mission program request for Development Assistance (DA) and PL 480 Title II is within Action Plan controls, i.e., \$25.7 million in DA for each of FYs 1996 and 1997 and \$4.4 million per year in PL 480 Title II. On the other hand, the request for Title III at \$5 million per year is higher than the zero allocated to the Mission in FY 1996 and beyond. Honduras is a food-insecure country. In Latin America only Haiti has a higher food gap. Title III assistance is needed to help fill a critical food import gap, strengthen implementation of agricultural policy reforms that are helping the country move toward food security for the poor, and to provide local currency resources for activities benefitting the poor. The proposed program is also manageable with the operating expense budget and personnel control levels provided by the LAC Bureau.

The reduction in budgetary resources is excluding a large group of poor people from our assistance who would otherwise have benefitted. Specifically, 307,000 poor Hondurans were excluded from the benefits our DA program would have provided had we not suffered the 28 percent cut in FY 1994. The FY 1995 reduction in Title III and II resources will have similarly adverse consequences. The fall:

- Will reduce our ability to fill a critical food import gap, estimated at 140,000 MT of wheat per year. A \$3 million Title III program, the allocation we received in FY 1995, fills only roughly 10 percent of the gap.
- Will weaken our leverage in seeking to resolve the internal GOH debate over the direction of agricultural sector policy in favor of continuing to implement market-based reforms. If the GOH reverts to the inward-looking, protectionist policies of the past, food security will be threatened to the detriment of Honduras' poor.
- Will zero out local currency support for nutrition programs for needy mothers and children, watershed protection, and rural water and sanitation after 1996. There also will be less local currency to finance the costs of implementing the reforms, including (a) the establishment of an accelerated land titling program, (b) the development of a market information system, (c) strengthening of rural finance systems addressing small farmer needs, and (d) small farmer crop diversification, and other small farmer support programs. These initiatives, costly under any circumstances, will be particularly difficult for the GOH to undertake using its own monies, owing to IMF budget stringency.

The drop in Title II resources, through a 6.1 thousand metric ton loss in available food, will affect at least 160,847 poor beneficiaries negatively, including (a) 119,000 children fed in 3,700 primary schools in the 9 poorest departments of the country and 38,277 mothers and pre-school children. The loss of Title II resources also will affect negatively the food-for-work program; more than 3,100 poor families will lose employment affecting a total of roughly 22,000 beneficiaries.

## Managing for Results

In this and previous Action Plans, USAID/Honduras has highlighted impressive achievements across the spectrum of the main areas of Agency interest. And despite severe budget reductions, the Mission is on a track for continued results.

**Organizing to Manage for Results.** The Mission program is organized around four mutually reinforcing strategic objectives. Four Strategic Objectives Committees, each with a separate Chairperson, are responsible for planning and implementing program direction, and monitoring program progress. The committee membership is typically multisectorial, in keeping with technical scope of programs and issues involved in achieving the objective. In addition, there are sub-committees for development of activities, for addressing implementation issues, and for "project"-level evaluation.

Within this structure, the Mission's strategic and program decisions result from a combination of factors that include:

1. Performance, both program and host country, and potential for success;
2. Honduras' most critical development needs and factors that affect them, including the role of gender (see "Refining Our Management Approach below);
3. GOH priorities;
4. The Agency and Bureau's strategy emphases;
5. USAID's comparative advantages;
6. Cost-effectiveness;
7. The role of other donors;
8. The availability of financial and personnel resources.

**Addressing Resource Reductions.** In this second year of severe Development Assistance budget reductions, FY 1995 levels from all sources, including Development Assistance, and PL 480 Title III and II, totals roughly \$25 million. That is less than 80 percent of last year's level, less than 15 percent of the level five years ago, and the lowest level since 1981. At the same time, from the start of FY 1993 to the start of FY 1995, the number of U.S. Direct Hire employees at the Mission declined from 30 to 20, the number of U.S. and third-country Personal Services Contractors from 23 to 15, and the number of FSN staff from 159 to 137.

Over the last two years, the greatest challenge to achieving results has been the combination of severe budget reductions and directed funding in a program composed almost entirely of ongoing activities.

Last year, we undertook a major program review and reduced our objectives from five to four in response to new budget realities and strategy emphases. Our approach since then has been to do the utmost to maintain the integrity of our program by *protecting projects that are most critical to*

*our strategic objectives* and that are good performers, or at least continue to offer the promise of good performance and payoff. Virtually all of these projects are helping poor people and increasing their participation in and benefits from development.

As budget reductions increased in severity, the Mission determined that trimming would not be sufficient. Cuts had to be made. We arrived at decisions on *early termination or reduction in life-of-project funding* based on the following criteria, or combinations thereof:

1. Was the project or major component critical to accomplishment of the strategic objective, even if it was a good performer? The Rural Roads Maintenance Project, for example, was a strong performer, but it was not absolutely critical to the economic growth strategic objective. We therefore terminated it early achieving both financial and staff savings.
2. Could the integrity and impact of the project/program be protected, even if the overall level of output was reduced, i.e., did we have an all or nothing situation in terms of prior investments? For some projects, having introduced new systems and essentially exceeded planned outputs, the cut would simply mean reductions in the overall results e.g., kilometers of rural roads maintained and number of privatizations accomplished. Results were essentially directly proportional to additional money invested with no jeopardy of prior investments. Along with early termination of Rural Roads Maintenance, we also reduced the LOP funding for the highly successful Privatization of State-Owned Enterprises project using this criteria.
3. Was the project performing well or did it show good potential for future progress? We decided to terminate the Policy Analysis and Implementation Project's Financial Sector Component and not to provide any additional funding to the Strengthening Accountability System (SAS) Project due to lack of progress by the GOH.

In addition, we decided *not to provide incremental funding to projects that could survive on existing pipeline* without incremental funding for one year (either 1994 or 1995) e.g., Forestry Development, the Honduran Environmental Protection Fund, Strengthening Democratic Institutions, and Municipal Development Projects, and the PAIP Public Sector Component.

Finally, as detailed throughout the performance narratives for each strategic objective, *close Mission coordination and cooperation with the other donors* -- the World Bank and IDB in particular, has helped us achieve policy and program successes and freed us to move into a new area, e.g., alternative methods of basic education, where we have a comparative advantage.

**Building on Successes.** Through the Action Plan period, every activity launched or reoriented builds or expands upon the previous or current successful efforts and draws on evaluations and other studies in planning future direction. For example:

- Health Sector II helped decrease infant mortality from 61 per 1,000 live births in 1985 to an estimated 44 in 1993. In line with an assessment done in conjunction with the Global Bureau's BASICS Project, the amended HSII will maintain existing efforts in reducing deaths from diarrhea and acute respiratory infections while simultaneously shifting greater emphasis to maternal and neo/perinatal care that is critical to further progress in reducing infant mortality.
- Under the Primary Education Efficiency Project (PEEP) and a USAID-supported private vocational training program, primary school students graduating from the 6th grade have

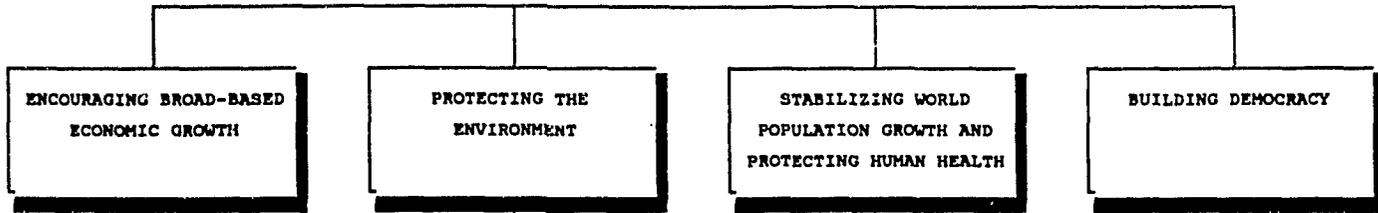
increased by 57 percent since 1986, and more than 25,000 youth and adults who had been unable to continue their studies at the academic level graduated from vocational training centers. More than 90 percent of them have been employed and their annual incomes have increased on average by 80 percent or \$1,000. The Mission will follow these programs in 1995 with the Basic Education and Skills Training (BEST) Project, aimed at dramatically increasing coverage of basic education among out of school youths and adults, now the largest unserved population, as well as continuing vocational training for those who otherwise would not have access to it. Meanwhile, the World Bank and the German Government, with loan financing, will take over our efforts in strengthening the formal primary education system, replicating USAID developed innovations and accomplishments.

- Under the Small Business II Project NGOs being strengthened under the Project have made more than 85,000 loans to small and microenterprises; 77 percent of the recipients have been female. The USAID program will build on success to date to substantially increase client coverage and introduce additional savings services. Following an assessment of the institutions involved, the Project will also support the establishment of a commercial bank focusing on small business financial services.

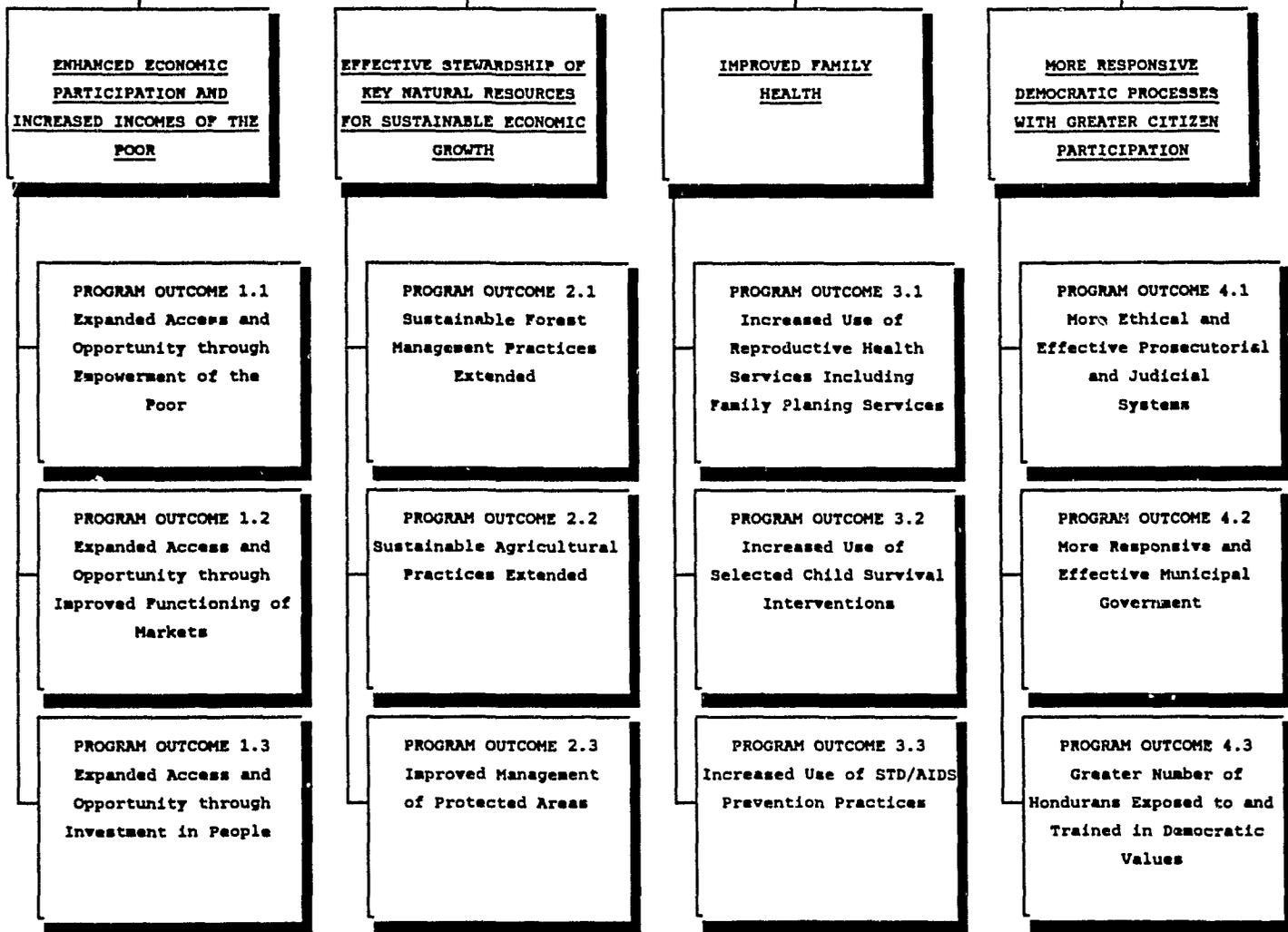
**Refining Our Management Approach.** Honduras has been held out as a model of progress in Women in Development. But the Mission has concluded that gender is not sufficiently integrated into our development thinking and, as a result, too often is an afterthought. In other words, we need not only to disaggregate development data by gender but to analyze that data to see what it is telling us. Therefore, to make further progress on integrating gender issue into development, we plan to view gender in planning at all levels as a development variable that affects progress toward our objectives. While this thinking is not revolutionary, putting it into practice could very well be. It is not an easy task, but we believe it can ultimately lead to better program results.

# USAID/HONDURAS STRATEGIC FRAMEWORK

## Agency Goals



## Mission Strategic Objectives



## SECTION II: ACHIEVING AGENCY GOALS

### ACHIEVING BROAD-BASED ECONOMIC GROWTH

#### STRATEGIC OBJECTIVE 1: ENHANCED ECONOMIC PARTICIPATION AND INCREASED INCOMES OF THE POOR

##### Program Outcomes:

1. Expanded access and opportunity through empowerment of the poor.
2. Expanded access and opportunity through improved functioning of markets.
3. Expanded access and opportunity through investments in people.

**Strategic objective Linkage to the Goal:** Achievement of the program outcomes, through (a) increasing access by the poor to essential goods, services, and markets and (b) supporting improvements in the capacity of the Honduran workforce (current and future) will contribute at the country level to the fundamental Agency goal of helping people improve the quality of their own lives and share in the benefits of economic growth.

**Program Direction and Progress:** The Mission will work intensively with the GOH, NGOs, private producer groups, and the poor themselves to improve access by low income groups to critical factors of production and markets, to enhance employability, and to remove policy impediments that are precluding their participation and empowerment. We will strengthen entities that serve the poor including credit unions, agricultural cooperatives, and farmer-owned enterprises. We also will work through NGOs to improve the operational efficiency and profitability of small businesses and microenterprises. Concurrently, we will provide technical assistance to small farmers to produce nontraditional exports to increase their incomes. A special focus of the Mission's work will be the deepening of the country's ongoing economic reform program in those areas that would produce the greatest gains for the poor.

Backed by more than \$200 million in ESF monies and \$64 million in Title III food aid, the GOH has been pursuing a most impressive adjustment program. The reform program includes exchange rate and trade liberalization, price and interest decontrol, privatization of a number of GOH parastatals, a new investment code, passage of the landmark Agricultural Modernization Law, and comprehensive Intellectual Property Rights Legislation. Over 1990-93, the program produced a resumption of positive per capita economic growth; 13 percent per annum growth in industrial sector employment and 7 percent in services, with females accounting for the lion's share of the increases; sharp increases in labor-intensive manufactured exports to the United States; and a more than halving of inflation -- the poor's number one enemy. The end result is that there were fewer Hondurans who could be considered "poor" and "very poor" in 1993 than in 1990. The percentage of Hondurans living below the poverty line decreased from 72.1 in 1990

to 64.4 in 1993. While the economic difficulties encountered in 1994 probably induced some worsening in poverty, we expect positive per capita economic growth this year -- now estimated at 4 percent -- and a resumption of progress against poverty.

**Empowerment of the Poor.** During the new Action Plan period, USAID will continue to work with over 50 PVOs, NGOs, credit unions and agricultural cooperatives to help increase the incomes and opportunities of poor Hondurans. In the area of financial services, the Mission is working with 33 credit unions and 7 PVOs which together provided almost 59,000 loans to low income persons in 1994. Sixty-seven percent of these loans, whose number constitutes a 17 percent increase over the previous year and a 36 percent hike over the level two years earlier, were provided to women. The bulk of the lending activity with women is channeled through 524 village banks located throughout the country. These women-managed groups, which incorporate over 14,000 women, provide loans averaging \$100 and serve as a forum for leadership training and increased community participation. The small average loan size is an indicator that the program is reaching some of the poorest Hondurans.

In addition to lending, credit unions are legally authorized to offer deposit services. The 74,791 credit union members under the USAID project hold \$29 million in deposits, corresponding to a six percent share of the formal savings market. Savings deposits more than quadrupled over 1989-94. The average savings account among these members is but \$366 -- yet another indication that the project is reaching the poorest. There also has been a substantial increase in the reach of mission activities serving local communities, including village banks, credit unions, and agricultural cooperatives. Over 1992-94, the number of village banks we have assisted has risen from 172 to 524; credit unions, from 59 to 74; and agricultural cooperatives, from 28 to 33.

#### **DOWNTOWN CREDIT UNION BENEFITS SMALL VENDORS**

**Guadalupe Credit Union, Choluteca.** After lengthy discussions with market place vendors in Choluteca, the Guadalupe Credit Union decided to open a branch in the heart of the city marketplace. Interest rates of informal lenders of 10 percent daily had been common; many loans were of but one day duration; and, owing to security considerations, it was dangerous to hold cash. The credit union branch responded to these problems by providing secure deposit services and interest rates of three percent per month. The branch has grown explosively in membership and loans; in the first four months of operations, 230 people received 30 to 60-day loans with total value of nearly \$100,000. The credit union loans are displacing the customary one day loans and leading to a savings base, which already has exceeded \$20,000.

We plan to expand work of the Small Business II (SBII) project. Utilizing NGOs as intermediaries, an amended SBII will substantially increase client coverage of the existing microenterprise PVOs and introduce additional savings services. Monies will be funneled through those NGOs whose proposals demonstrate the greatest potential for reduction of poverty. Other proposed activities will include a credit demonstration activity and the establishment of a commercial bank focusing on small and microenterprises. The 10-year project with credit unions will be ending in 1995, leaving a solid, financially disciplined, and stable credit union system in place.

In the agriculture sector, assistance to the agricultural cooperatives has continued under the Small Farmer Agribusiness Development (SFAD) project. SFAD is supporting the financial restructuring with 12 agricultural cooperatives so far. These cooperatives have 2,977 small producer members. The new Small Farmer Export Development project, initiated in October 1994, will support the Honduran Foundation for Agricultural Research (FHIA) in its work with an additional 3,000 small farmers. The farmers (with holdings from one to 10 hectares) will receive technical assistance and training to produce and market high potential, non-traditional crops (such as onions, asparagus, ginger, plantains) for local consumption and export to regional and international markets. The activity will support sustainable, environmentally sound agricultural technologies emphasizing minimal use of agricultural chemicals. Projected increases in nontraditional exports under this activity will increase incomes and provide for employment among the rural poor.

**Improvements in the Functioning of Markets.** The continuing primary objective of the Mission's economic policy dialogue will be improving the lives of the rural poor. The main vehicle for the dialogue will be the analytical capacity provided by the Policy Analysis and Implementation Project (PAIP). USAID/Honduras will work with the GOH, private producer associations, and "campesino" groups (a) to maintain a liberal trading regime including the absence of price and export controls, (b) to implement the land titling components of the far-reaching Agricultural Modernization Law, (c) to move grain storage facilities out of government hands into those of the private sector -- especially groups of small producers, (d) to establish a market information system targeting the small farmer, (e) to introduce a private rural financial system that emphasizes rural savings mobilization and sound commercial practices, and (f) to decentralize and privatize agricultural research and extension services to service agricultural producers according to their needs as opposed to the previous "one size fits all" system. Progress in these areas will be limited by a lack of PL 480 Title III resources. After a \$3 million allocation in FY 1995, PL 480 Title III resources are scheduled to be zeroed out in FY 1996 and beyond. Relatively generous allocations of Title III resources in the past have enabled the Mission in tandem with the World Bank and the IDB to make some headway on the critical land titling issue. Some 5,250 land titles were issued in 1994, and 10,000 titles are expected to be provided during 1995.

The elimination of the urban bias in GOH economic policy-making has been the crowning success of the Mission's economic reform efforts. Through maintenance of a fixed exchange rate system and the use of price controls, urban consumers had been subsidized at the expense of the rural producer, leading to the situation in which 78 percent of the poor lived in rural areas. The 1990 liberalization of the exchange rate and removal of price controls yielded dramatic benefits to the rural poor. With the reforms, the index of real producer prices began to increase, rising from 74 in the ten years prior to 1990 to 120 in 1994. The purchasing power index for persons working in the agricultural sector rose from a ten year pre-1990 average of 326 lempiras to 393 lempiras. Demonstrating agriculture's impact in the rural areas, the purchasing power index for all rural residents rose during the same period from 280 to 327. Most importantly, while the index of total agricultural production increased, the production index for basic grains -- produced largely by the poorest farmers -- increased from a ten year pre-1990 average of 114 to 143 by 1994, thus improving food security for all Hondurans. Consequently, the percentage of rural households that can be considered "very poor" and "poor" fell 30 and 20 percent, respectively, over 1990-93. Despite some losses on the part of urban residents, the gains to rural residents were sufficiently large that overall poverty rates fell. At the national level (including both rural and urban), the number of

households that can be considered "very poor" fell over 1990-93 from 362,186 to 302,659 and those that can be considered "poor" declined from 522,223 to 501,280.

USAID/Honduras continues to play a key leadership role in agricultural policy dialogue. The PAIP project is providing the technical and analytical base for the \$110 million World Bank/IDB Agriculture Sector Loan. USAID/Honduras leadership was key in getting the GOH to roll back price controls that it had imposed last October on a number of key agricultural commodities. Price controls do not work, negatively affecting food security for the poor. USAID/Honduras also is leading the way in the organization of a new national forum for the agricultural sector that will give all private producers greater access to the GOH, enabling them to participate more effectively in the public policy process.

The Mission is planning a program for 1997 that will combine policy and productivity improvement in support of enhanced economic participation and increased incomes of the poor. We will consolidate ongoing policy activities to improve functioning of markets, emphasizing both rural markets and expanded trade. We will link policies to activities which empower the poor and invest in them to increase their individual and collective productivity. The Mission is learning valuable lessons about improving access by the poor to essential factors of production through its current credit, cooperative, and small business projects. As these projects wind down, we will incorporate lessons learned into the new program.

We will consult closely with the World Bank as we progress in development of the new Economic Policy and Productivity Program (PROPEP), as the Bank designs its \$29 million follow-on to the Agriculture Sector Loan. Based on early information, there appears to be potential for cooperation and complementarity. The proposed loan will: (a) improve land tenure security among small scale rural producers through completing cadastral work nationwide, issuing and registering land titles, and strengthening the technical operational capacity of the land administration offices and (b) increase agricultural and forestry productivity and diversification, particularly for small and medium size producers, through institutional strengthening, privatization of public research and extension services, and establishment of funding mechanisms for these services.

Under PAIP, USAID/Honduras will continue support to the GOH Economic Policy Analysis and Implementation Unit (UDAPE) which serves as the technical secretariat for the GOH Economic Cabinet. The Unit is helping the GOH to stay the course on policy reform. Many of its recommendations were incorporated in the GOH's 1994 economic adjustment package; that package enabled the GOH to secure agreement this January with the IMF on a \$28 million Second Year Program under the Enhanced Structural Adjustment Facility (ESAF) arrangement.

A small technical assistance program will be implemented through UDAPE. It will focus on (a) removing those policy impediments blocking Honduras' insertion into the global economy and (b) helping Honduras to accede to free trade agreements. The Mission also will provide modest support to complement regional projects such as the proposed Regional Trade Policy and Economic Integration initiative. The aim is to encourage a sound economic policy framework that is conducive to (a) the effective functioning of the agricultural sector and (b) promotion of investment and trade.

Lastly, our very successful Privatization of State Enterprise project will be terminating in early FY 1996. The project already has produced privatization of 48 enterprises worth \$166 million.

In its final year, the project will (a) work to privatize the country's social security scheme which is in a state of financial disrepair; (b) assist the municipalities to contract out some of their functions that can be better undertaken by the private sector; and (c) in tandem with the PAIP, locate buyers in the private sector for State-owned mills. Privatization of the country's social security scheme, in particular, is expected to produce substantial rewards; through promoting capital market development, it would importantly expand access to financial resources within the country.

**Investments in People.** USAID's investments in education and training will help Honduras develop more cost-effective and flexible mechanisms for achieving universal access to literacy and basic education and expand access to vocational training. Past USAID interventions in the sector are already producing results. For instance, adult literacy rates have gone up from 53 percent in 1970 to 73 percent in 1990.

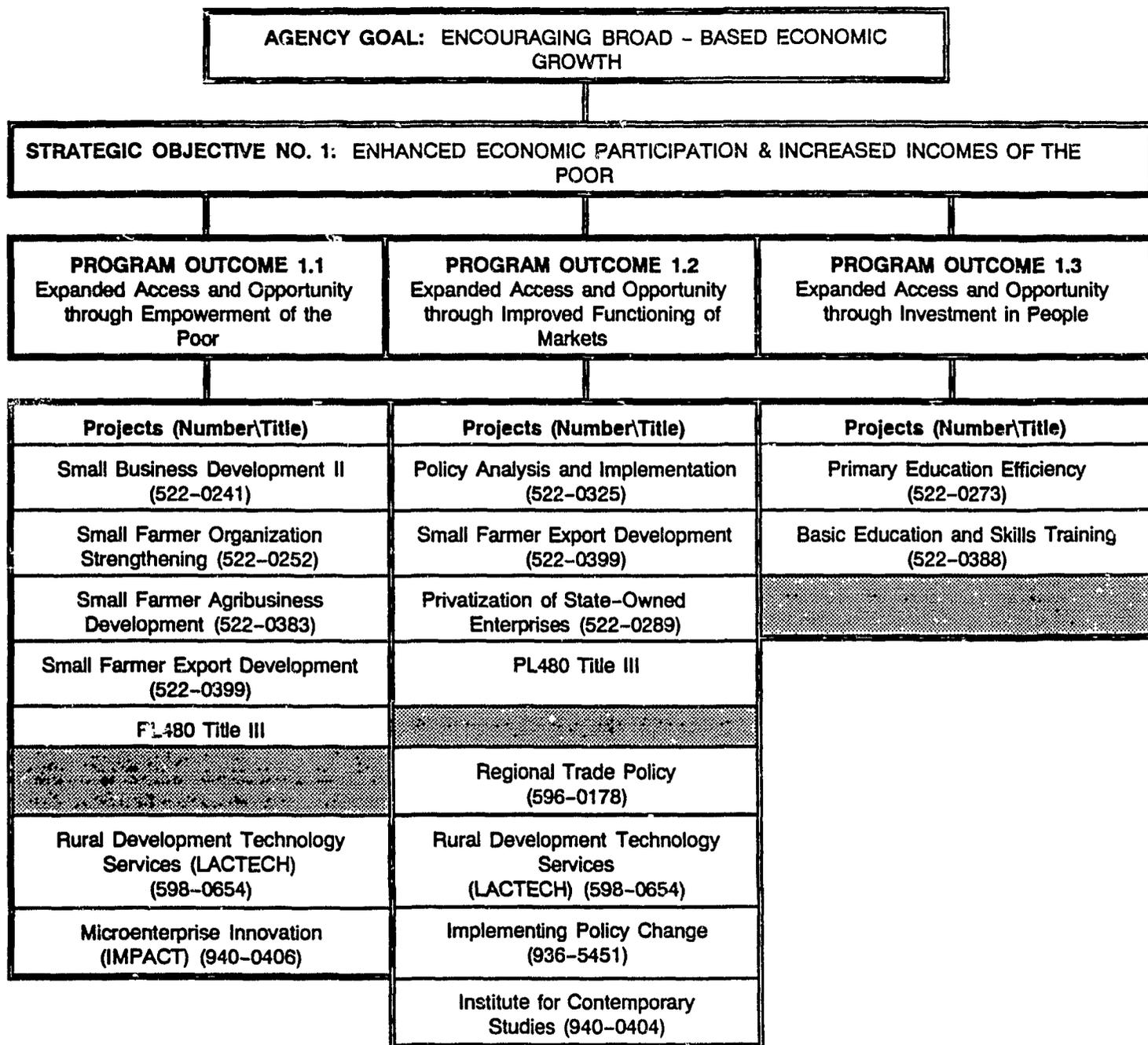
The quality, coverage, and efficiency of primary education have improved since inception of the Primary Education Efficiency Project in 1986. Accomplishments include a 22 percent increase in enrollments, a 26 percent reduction in repetition rates, a 32 percent reduction in dropout rates, and a 57 percent increase in primary school graduates. Fifty-two percent of the graduates have been females. Seventy percent of 13 year-olds are now graduating from the sixth grade compared to 48 percent in 1986. Of the additional graduates -- both male and female, many are from lower income families, who would have been prone to repeating grades and dropping out of school during the previous decade. As a consequence of increased numbers of children completing primary school, incomes should increase by over \$20 million annually as these children enter the labor force.

USAID's vocational training investments also have benefitted lower income youth and adults, who have been unable to continue their studies on the academic level. Over 20,000 people were trained from 1984 through 1994. Average annual incomes for lower income trainees receiving entry level, on-the-job training have increased on average 80 percent or over \$1,000. Females account for 30 percent of the graduates, which is significantly higher than the overall female participation rate in the formal labor force (20 percent).

The Mission will build upon the most successful elements of the vocational training project which ended in 1994 and the primary education project due to terminate in 1996 to meet the education and training needs of low income, out-of-school youths and adults through the \$10 million Basic Education and Skills Training Project. Beginning operations in 1995, it will (a) provide education and training opportunities for low income sectors, (b) establish sustainable and more cost-effective mechanisms that other donors and the GOH can pursue to achieve expanded access to vocational training and universal access to literacy and basic education, and (c) enlist the participation of PVOs and municipalities as sponsors of basic education and vocational training programs. The project should produce 250,000 graduates by the end of the decade and increase the earnings of the lower income segment of the populace by \$30 million.

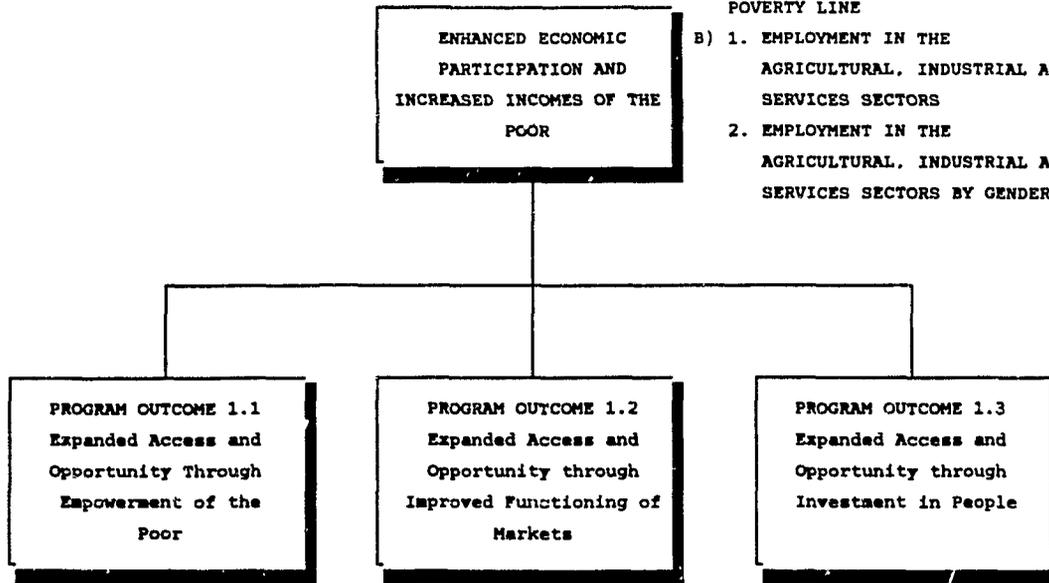
The World Bank will subsume the Mission's traditional role in basic education, providing \$40 million for basic education within the formal schooling system. For its part, the IDB is exploring a possible \$90 million complementary activity to the Mission's efforts. It would emphasize investments in literacy training, alternative basic education delivery systems, adult education and vocational training.

**TABLE 1: STRATEGIC OBJECTIVE FRAMEWORK**



PERFORMANCE INDICATORS:

- A) REDUCTION IN THE PERCENT OF THE POPULACE LIVING BELOW THE POVERTY LINE
- B) 1. EMPLOYMENT IN THE AGRICULTURAL, INDUSTRIAL AND SERVICES SECTORS  
2. EMPLOYMENT IN THE AGRICULTURAL, INDUSTRIAL AND SERVICES SECTORS BY GENDER



PROGRAM INDICATORS

- a) Number of Loans Made to Micro & Small Enterprises & Small-holders.
- b) Fully Performing Portfolio of FVO & Credit Union Loans to Micro & Small Businesses & Small-holders.
- c) Incremental Employment Attributable to USAID Projects.
- d) Increased Amount of Savings Generated by Credit Unions.
- e) Village Banks, Credit Unions and Agricultural Cooperatives Serving Local Communities.
- a) 1. Increased Production & Sales of Selected Nontraditional Crops Produced Primarily by Small Farmers.
2. Reduction in Price Distortions Affecting the Agricultural Sector.
3. Increased Investment in Agriculture.
4. Increased Agricultural Land Titles.
- b) Increased Number of Privatized State-Owned Enterprises (SOEs).
- a) 1. Increased Numbers of Children Completing Primary Education.
2. Improved Quality of Education Measured by Improvements in Primary Education Standardized Test Scores for Four Subjects. (Grades 1-6)
- b) 1. Basic Education Graduates on the Five Levels of the Alternative Delivery System.
2. Increased Quality of the Alternative Basic Education Delivery System as Measured by Aggregate Increases in Standardized Test Scores. (Grades 1-12)
- c) Graduates from PVO and Municipal Training Centers Employed.

## PROTECTING THE ENVIRONMENT

### STRATEGIC OBJECTIVE NO.2: EFFECTIVE STEWARDSHIP OF KEY NATURAL RESOURCES FOR SUSTAINABLE ECONOMIC GROWTH

#### Program Outcomes:

1. Sustainable forest management practices extended.
2. Sustainable agricultural practices extended
3. Improved management of protected areas.

**Strategic Objective Linkage to the Goal:** The Mission is addressing the deterioration of the natural resource base -- the "green" environmental issues relating to forests, soils, and surface water. This is the second strategic goal identified in the Agency strategy paper on the environment. Over the medium and longer-term, Mission activities also will contribute to the other Agency goal -- reducing long-term threats to the global environment, especially loss of biodiversity. The "brown environmental issues are being addressed as secondary objectives under other USAID/Honduras Strategic Objectives.

**Program Direction and Progress:** The overall thrust of our environmental program will be maintained during the Action Plan period. The Mission will work intensively through COHDEFOR, Honduras' forestry parastatal, to improve management of forests and protected areas. The Honduran Environmental Protection Fund Project, working through the Fundación VIDA, is now on line to expand dramatically the role of the NGO community in the management of protected areas. Fundación VIDA will complement and reinforce the work of COHDEFOR's Department of Protected Areas and Wildlife in the management of protected areas. We also will continue our highly successful work under the Land Use and Productivity Enhancement (LUPE) project, which is promoting sustainable agricultural practices and increases in production yields and incomes among the country's poor hillside farmers.

The Mission intends to continue an active role in the environment, even beyond the current Action Plan period. We will design appropriate interventions, guided by the results and lessons learned over the next two years. As progress continues to be made especially in forest management, our program will become even more focused on watershed protection.

**Sustainable Forest Management Extended.** The pine forests of Honduras represent a renewable natural resource of immense importance to the future of the country. Their importance derives both from sustainable commercialization of lumber resources and from their contribution to the long-term viability of critical watersheds and biodiversity. USAID/Honduras has assumed a leadership role among the other donors active in the forest sector, including the World Bank and IDB. Through a joint, unified policy stance, the donors achieved a long-sought breakthrough in 1994. COHDEFOR has restructured its management and mandate, thereby transforming the role of this parastatal agency from one of overseeing the "mining" of forest resources to one of forest management and biodiversity protection.

USAID efforts have resulted in a number of other important outcomes in the area of public policy. For example, (a) all state forest industries have been divested -- COHDEFOR no longer controls lumber marketing and exports; (b) ownership of trees on private lands has been restored to landowners; (c) The former wasteful timber pricing system has been replaced by a stumpage valuation system that increases efficiency and reduces area harvested; (d) forest management plans that specify environmental measures and required sustainable management have been tested and are being extended nationwide under an extension to our Forestry Development Project (FDP); (e) many local communities have been involved in forest protection; and (f) hundred of foresters have received technical and academic training. The GOH is now consolidating the Honduras Protected Area System in order to protect fragile ecosystems and is identifying all forest lands with an eye toward their rational use and preservation.

Through Mission initiatives, the area of pine forests under effective management already has increased from zero in 1989 to 127,000 hectares in 1994. The target of 500,000 hectares in 1997 would represent 25 percent of the existing pine forest area. A critical element associated with execution of these management plans will be the establishment of an improved national forest fire management system. The Mission also will extend the recent success of maintaining allowable cuts on forest management pilot units to all commercial forests. The timber auction system that began in 1993 marks the beginning of a move from cheap timber sales to a privileged few to a fairer, more environmentally appropriate free market system where prices reflect true resource costs. During 1995 and 1996, the timber sales system will be refined, manuals will be prepared, and its application will be extended on a national scale.

The FDP in its forest management initiatives continues to develop means of involving forest and forest fringe dwellers -- regardless of gender -- in the sustainable use of forest resources. One of these involves extension education activities at the community and individual level. These activities are carried out by a team of seven female and six male technology transfer promoters.

**Sustainable Agricultural Practices Extended.** The Mission will continue to implement the Land Use Productivity Enhancement (LUPE) Project, which is transforming traditional and destructive hillside agricultural practices and providing marginal farm families with sustainable cultivation technologies. The project utilizes an outreach strategy encouraging full participation by all target area individuals -- male and female -- in all aspects of technology transfer. By involving PVOs in extension-education activities and using trained "collaborative" contact farmers" as extension agents (see box below), the LUPE project has increased the number of poor hillside farm households practicing environmentally sound cultivation practices by almost 9,000 since 1989 to reach 19,800 in 1994, contributing to an estimated 2,057,000 ton decrease in soil erosion losses. The project expects to reach some 37,000 households by 1997. Moreover, by 1994, the cumulative number of households achieving at least 30 percent increases in basic grain yields amounted to some 8,800, including 500 headed by women; by 1997 the total should be 25,000. The end result of the USAID initiative should be a reduction in soil erosion losses, higher and sustainable production yields, and improvements in nutrition and social well-being of the target population.

**Improved Management of Protected Areas.** Under the FDP, the Mission has supported the delineation, establishment, and management of La Muralla National Park adjacent to the Project's pilot forest management units. The FDP was instrumental (a) in stopping and re-routing a road that was being constructed through this park and (b) in obtaining from the GOH additional public

### **CONTACT FARMERS TEACH SUSTAINABLE CULTIVATION METHODS**

The Land Use Productivity Enhancement Project (LUPE) has expanded its outreach capacity during the past 12 months through the use of contact farmers. These participating community leaders are trained by project technicians and incorporate new technologies into their own farming systems and homes as demonstrations. The most responsive and enthusiastic are selected as collaborating contact farmers to visit neighboring farm families and instruct them in the adoption of project-promoted practices. This new methodology, which is being implemented collaboratively by LUPE and five NGOs, has significantly increased the sustainability of the new practices, which in turn augments family incomes, and has greatly enhanced technology transfer into remote areas previously excluded from assistance. Forty-three percent of the current 672 collaborating contact farmers are women, and their training in non-traditional areas such as production and organization is proving successful.

lands to extend the Park's area significantly. This cloud forest area has become a model and a "laboratory" for protected area management elsewhere in Honduras and is utilized for training exercises by COHDEFOR, NGOs, U.S. Peace Corps, and others. The Mission has also collaborated with the World Bank and the IDB in supporting COHDEFOR's work in protected areas. For example, as part of a multi-donor approach, USAID/Honduras will provide L.26,000,000 in local currency (the equivalent of nearly \$3 million) during the Action Plan period for the establishment and initial management of 15 protected areas. The amendment to the FDP includes a new Protected Areas Component that will provide necessary technical and logistical support to enable COHDEFOR's Department of Protected Areas and Wildlife to fulfill its responsibilities. USAID will finance the delineation, management planning, and initial operation of 10 additional protected areas beginning in 1995.

The Mission also continues to encourage U.S./Honduran-NGO joint ventures to help extend protected areas and bring them under effective management. Through support to the "Fundación VIDA", three to five U.S./Honduras PVO "partnerships" will take over management of selected parks, reserves, or watersheds in 1995/96. One of these partnerships, recently approved for funding, involves the transformation of a local NGO that initially focused on the provision of small-scale credit to women to one that emphasizes environmental protection. End results of improved management of protected areas will be the encouragement of biodiversity preservation and the protection of key watersheds.

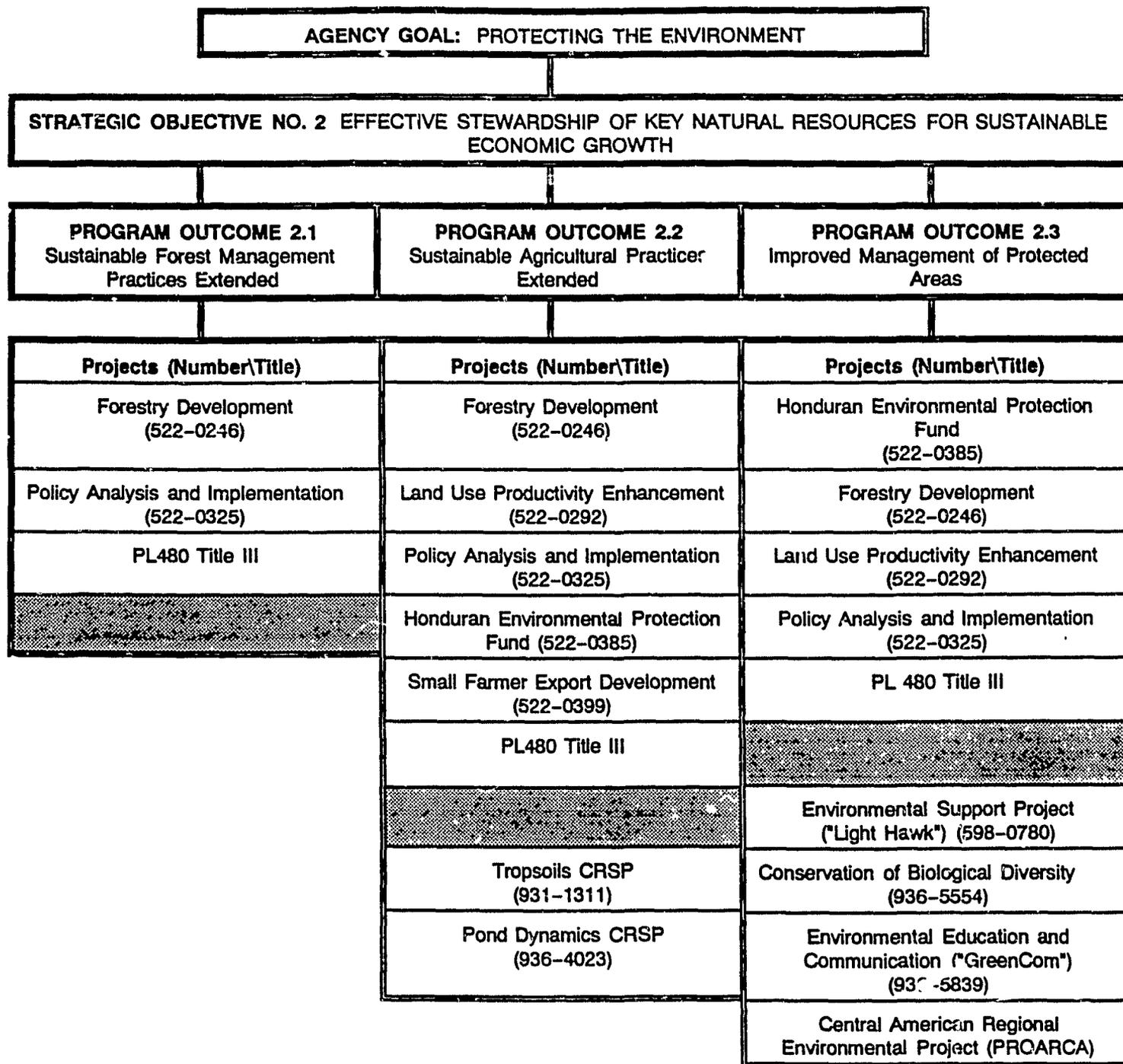
**Other USAID Programs Contributing to the Agency Goal.** Other Mission activities, whose primary focus is not the environment, also are contributing to the Agency's environmental goal. These include:

- family planning programs that are helping to reduce the fertility rate;
- health programs that provide water and sanitation to rural communities, while at the same time protecting micro-watersheds for village water supplies; and

- the Municipal Development Project which, by increasing the number of citizens receiving all three public services (water, sewerage, and refuse collection), is assisting municipalities move toward adequate sewerage treatment and solid waste management. This program is also encouraging municipalities to protect municipal watersheds.

USAID/Honduras also is coordinating extensively with our Central America regional Mission in Guatemala in the development of the regional project PROARCA. The project will be focusing heavily on the Mosquitia (Honduras/Nicaragua) and the Gulf of Fonseca (Honduras/El Salvador/Nicaragua). The project will emphasize management of protected areas and biodiversity preservation.

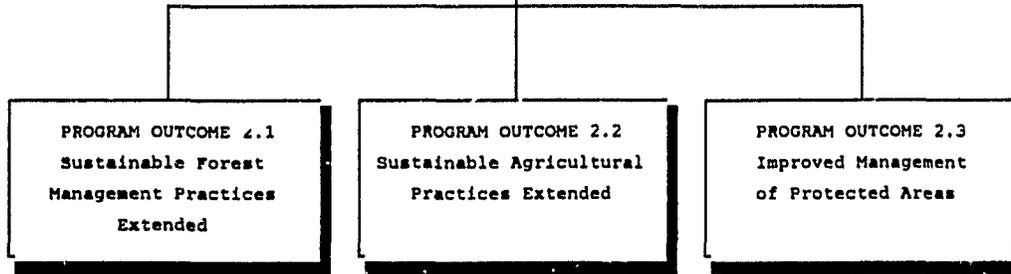
**TABLE 1: STRATEGIC OBJECTIVE FRAMEWORK**



PERFORMANCE INDICATORS:

EFFECTIVE STEWARDSHIP OF  
KEY NATURAL RESOURCES  
FOR SUSTAINABLE ECONOMIC  
GROWTH

- A) INCREASED AREA OF PINE FOREST UNDER EFFECTIVE FOREST MANAGEMENT PROGRAMS
- B) INCREASED NUMBER OF DECLARED PROTECTED AREAS PLACED UNDER MANAGEMENT NATIONWIDE
- C) SOIL EROSION LOSSES REDUCED ON TREATED HILLSIDE FARMS



PROGRAM INDICATORS

- |  |   |   |
|--|---|---|
| a) Increased Area of Public Forest with Approved Forest Management Plans Applied.  | a) Increased Number of Households Practicing Environmentally Sound Cultivation Practices. | a) Increased Total Number of USAID Assisted Parks, Reserves, or Watersheds Under Effective Protection Programs. |
| b) Volume of Standing Pine in Forestry Development Project Pilot Areas Maintained. | b) Increased Grain Yields on Treated Hillside Farms.                                      | b) Increased Effective Environmental Activities.  |

## STABILIZING WORLD POPULATION GROWTH AND PROTECTING HUMAN HEALTH

### STRATEGIC OBJECTIVE NO. 3: IMPROVED FAMILY HEALTH

#### Program Outcomes:

1. Increased use of reproductive health services, including family planning services.
2. More effective child survival interventions.
3. Increased use of STD/AIDS prevention practices.

Strategic Objective Linkage to the Goal: The program and targets supporting Strategic Objective (SO 3) virtually mirror the Agency's strategy. Achieving such targets as reduced rates of fertility, infant mortality, maternal mortality, child malnutrition, and HIV transmission, will contribute to the Agency's worldwide population and health goal.

Program Direction and Progress: Family health has improved in major ways over the last decade as a result of USAID assistance. Infant mortality decreased from 61 deaths/1000 live births in 1985 to 50 in 1989, and is estimated at 44 for 1993. Fertility declined from 6.4 to 5.1 in the same period. Low weight-for-age malnutrition in children 12-23 months of age declined from 30 percent in 1987 to 24 percent in 1994. These improvements are attributable in large part to significant increases in access, quality and use of health and family planning services, potable water and sanitation systems. Further declines are expected when the Mission next measures the impact in the Epidemiology and Family Health Survey (ENESF) later this year. The Mission is reviewing and prioritizing current needs for sustaining the positive impact and further improving family health as part of design work underway in population (new project), health (amendment), and Title II (new 5-year proposal).

Maternal mortality reduction has lagged behind other indicators – the maternal mortality ratio in Honduras of 221/100,000 live births is the worst in Central America, in contrast to infant mortality which is lower in Honduras than any other Central American country, with the exception of Costa Rica. Consequent to the persistent maternal health problems, neonatal mortality in the first month of life remains high, comprises over 50 percent of infant mortality, and represents the next phase for improving child survival in Honduras since prematurity and birth-related complications are the leading causes of death in children under five years of age. Another challenge is to increase the use of modern family planning methods. Completing this picture of a large reproductive health complex of unmet needs is the growing HIV-AIDS problem, with 57 percent of all reported cases in Central America found in Honduras alone. The Mission is refocusing its health, population and nutrition portfolio to address these remaining, recalcitrant health problems. At the same time we will place equal emphasis on leaving in place sustainable support systems, so that the hard won gains are not eroded. From the financial perspective this includes linking quality of care, costs and cost recovery, decentralized local programming of funds generated, cost accounting and MIS systems for

better decision-making, and increased GOH financing of recurring costs. However, equally critical will be making programs more client-oriented and flexible, increasing community participation, and improving training and supervision of staff.

**Increased use of Reproductive Health Services.** "Reproductive Health" encompasses family planning as well as other essential complementary interventions. Prenatal and safe delivery care and birth spacing through family planning are key elements of this larger strategy for reducing high fertility and maternal and neonatal mortality. The Mission will implement its reproductive health/family planning strategy through three major channels: (1) the public sector MOH; (2) the private Honduran Family Planning Association (ASHONPLAFA); and (3) other PVOs. The Mission supports private sector activities through the Private Sector Population II project and its planned FY 1995 follow-on. Public sector family planning activities are supported under the Health Sector II project as part of its primary health-care activities.

During the Action Plan period, the main family planning activity will be continued assistance to ASHONPLAFA to expand coverage and improve the quality of services. ASHONPLAFA currently has over 1,900 community distribution points providing information and family planning products to clients of both sexes. Its efforts, combined with those of the GOH, led to an increase in contraceptive prevalence (CPR) from 41 percent (33 percent modern) in 1987 to 47 percent (35 percent modern) in 1991. Our targets for 1996 are 51 percent (39 percent modern) for CPR and 4.6 for fertility.

USAID-supported programs will continue to emphasize the use of modern family planning methods. The Catholic Church's restraint in expressing open opposition to condom use because of the AIDS pandemic in Honduras should help in this regard. Three key thrusts will be expanding community based distribution, improving social marketing and making medical/clinical services more accessible. To meet the growing demand for family planning services in rural areas, ASHONPLAFA, with USAID support, will develop an innovative outreach strategy for increasing access to clinical services by offering clients complementary transportation to existing clinics, enabling physicians already present in rural towns to offer services, and opening more satellite clinics in existing private facilities staffed by nurses. In addition, USAID will continue to address the priority issue of ASHONPLAFA's self-sufficiency. We will stress lower operating costs, implementation of fee-generation activities (e.g., cytology services), better cost-recovery and cost accounting mechanisms, decentralization and more region-specific programming autonomy, along with a results-oriented MIS for better decision-making. USAID will also support more rural-based PVOs to promote and offer family planning services in underserved areas and populations. This year the MOH will launch a reproductive risk/family planning Information, Education and Communication (IEC) campaign, targeting especially adolescents and men to increase demand for services.

With respect to safe pregnancy services, there has been an important increase in referrals of high-risk pregnancies. Referrals by traditional birth attendants to health centers increased from 35 percent (1989) to 53 percent (1994) and referrals from rural health centers to hospitals increased from 22 percent (1989) to 60 percent over the same period. Furthermore, the percentage of rural health centers which provided postpartum check-ups in the past month increased from 69 percent (1989) to 91 percent (1994). During the Action Plan period the

Mission will assess the key contributing factors to high maternal mortality and revise its strategy as part of the amendment of the Health Sector II Project. We will provide more assistance for improving timely detection and effective referral of obstetric emergencies and to improving the quality of delivery care through better training and supervision of health providers who attend deliveries. If ongoing pilot activities in post-partum and post-abortion contraception are successful, we will expand them in tandem with safe pregnancy services.

#### INNOVATIVE FAMILY PLANNING OUTREACH

**Satellite Clinics.** Through operations research supported by the Private Sector Population II project, ASHONPLAFA opened three satellite clinics in underserved small cities during 1994, sharply cutting the distance between clients and services. These clinics avail of the facilities and personnel of established private clinics to offer family planning information and supplies, IUD insertions, and pap smears, with prices subsidized by ASHONPLAFA. The satellite clinics have proved to be a cost-effective alternative to the larger, more distant, regional clinics operated by ASHONPLAFA, since they are located where the clients live, staffed by registered nurses rather than physicians, and avoid the need for new clinic construction. Client satisfaction has increased significantly among users who previously had to travel at least two hours round trip to receive family planning services. Consequently, ASHONPLAFA plans to open five more satellite clinics throughout Honduras during 1995.

**PVO Participation.** Through USAID assistance the number of PVOs that provide family planning/reproductive health information, referrals, and/or services has increased dramatically. In 1989 only one PVO was working in family planning/reproductive health. By 1994 twenty additional PVOs have successfully incorporated these activities into their ongoing projects. These PVOs are an important medium for carrying family planning information and services to remote rural areas and specific population groups that are currently not served directly by the Ministry of Health or ASHONPLAFA.

**More Effective Child Survival Interventions.** USAID will amend the Health Sector II Project, following a second midterm project evaluation and subsequent design exercise in FY 1995, to add funding to the Project and extend its PACD to FY 1998. Health Sector II, with excellent cooperation from the Peace Corps and 16 PVOs, has contributed to a number of major achievements, which are all the more striking because Honduras is such a poor country. The magnitude of the decline in Honduras' infant mortality rate (IMR) during the last 20 years has not been exceeded by any other country in Latin America. One contributing factor responsible for the decline in the IMR has been control of diarrheal diseases. As a proportion of outpatient visits to health centers by children under five, diarrheal diseases dropped from more than 17 percent for the period 1988-90 to less than 13 percent in 1994. Already between 1987 and 1991 the share of children treated with oral rehydration solutions (ORS) for diarrhea had shot up from 17 percent to 30 percent, greatly reducing diarrheal death rates. USAID will continue to assist the strengthening of local capacities to address diarrheal diseases and cholera through community-based distribution of ORS and diarrhea case management.

Another major factor in the reduction in infant mortality has been the near universal immunization of children under one year of age. In 1993 and again in 1994, more than 94 percent of Honduran infants were vaccinated against diphtheria, measles, polio, and tuberculosis, compared to 83 percent coverage in 1990 -- the best record in Central America.

Furthermore, in 1994 over 85 percent of women of reproductive age were vaccinated with a second dose of tetanus toxoid. There has not been a case of diphtheria in Honduras since 1981, neither were there any measles deaths nor cases of polio between 1990-94. As a result, PAHO/WHO certified that Honduras was free of the wild polio virus, an important testimony to the Honduran EPI program. The Mission's Health Sector II project provides strong and sustained support to EPI, financing Information, Education, and Communication materials and campaigns, the procurement of equipment and materials for the cold chain, training of MOH and community personnel, supervision, and the mobilization of auxiliary nurses who immunize children in remote areas. This success is a consequence of the Mission's efforts, as well as those of other donors including Spain, Japan, UNICEF, EEC, World Bank, and PAHO.

Despite progress, however, the infant mortality rate remains too high. According to the 1991-92 EFHS, prematurity and birth-related problems are now the primary causes of infant and child mortality in Honduras; acute respiratory infections (ARI) occupy the second position, and diarrheal diseases have moved to third place. Accordingly, the Mission will intensify its focus on maternal and neonatal health care and more effective treatment of ARI. One promising ongoing intervention has been the Mission's support to the national breastfeeding promotion program through the local La Leche League which includes establishing training centers, a network of community breastfeeding counsellors, and removal of obstacles to breastfeeding in maternity wards. Attacking micronutrient malnutrition is an important plank in the Mission's child survival and reproductive health strategies, including support for food fortification with vitamin A and iodine, public-private sector collaboration, quality assurance, education strategies and breastfeeding. We will also explore ways to reduce maternal anemia through iron supplementation during this Action Plan period, as the Mission places more emphasis on maternal/neonatal health.

Safe water and sanitation facilities are key to helping Honduras reduce the incidence and impact of diarrhea, cholera and other diseases. Today, 600,000 rural residents are benefiting from USAID-supported water and sanitation systems. The cumulative target for 1996 had been 554,000, a target that already had been surpassed by the end of 1994. A recent survey suggests that coverage of rural areas with adequate water supplies has risen from 48 percent when USAID began the Health Sector II Project in 1989 to over 65 percent in 1994, which will be confirmed in the next ENESF. Water and sanitation programs, combined with a vigorous GOH public-awareness campaign in 1991, had helped contain cholera. However, the epidemic expanded in 1993 and 1994 due largely to excessive rains and flooding along the North Coast. Despite the increase, the share of cholera cases that were fatal was cut in half, over 1992-94, to 2 percent. Given declining project resources, the Mission will continue to work on key institutional reforms in the water and sanitation sector and to leverage other donor's support. Prospects are good for cooperation with the Germans, the IDB and the World Bank in water and sanitation improvements through reform of SANAA and work with the municipalities.

Since 1994, USAID, CARE and the GOH have been working closely in the reorientation of the Title II program to increase its impact on food security and the Mission's performance indicator of reduced malnutrition. Based on the results of a thorough Food Security Rapid Appraisal (FSRA) conducted in 1994, CARE plans to geographically relocate the program to the most food-insecure departments and withdraw from less needy areas. The refocus

contemplates increased use of food for employment/production and infrastructure for long-term self-sufficiency. Welfare feeding will be terminated because such short-term interventions do less to improve food security. As these reforms go into effect in FY 1996-97, we expect to see a further reduction in childhood malnutrition in the most food-insecure departments through food aid complemented by the Mission's support for water and sanitation systems and improved health services. In the FSRA, CARE found that 40 percent of the children under five years of age suffered from low weight-for-age in the three most food insecure departments in Honduras.

Noteworthy successes in the Mission's efforts to assure sustainability include the fact that health centers now collect and manage user fees at a much higher level than earlier: in 1994, 77 percent charged a fee for services compared with only 13 percent in 1989. These cost recovery efforts, the proceeds from which are managed by community support organizations, have enabled health centers to expand and improve delivery of services. Mission-supported rural water technicians in operations and maintenance (TOMs) and in water and sanitation (TASes from the Spanish acronym) are contributing to the sustainability of water and sanitation systems. They are participating in innovative programs with small rural "Water Boards" in order to strengthen their capacity to collect user fees and maintain their water systems. Four hundred such boards have been established with USAID help. The Mission is also encouraging decentralization of health care delivery, including interventions in child survival, to improve the quality of health care through increased local participation and control.

The achievements of the child survival program are also due in large part to the high level of cooperation among donor agencies, including USAID, PAHO, UNICEF, UNDP, the World Bank, IDB, JICA (Japan), AECI (Spain), SIDA (Sweden) and the EEC. This is facilitated by the MOH-led Committee for Interagency Cooperation, which meets regularly to resolve issues faced by specific health programs and to discuss projected plans of action. The Japanese International Cooperation Agency (JICA) is poised to embark on a major series of health interventions and will prepare a strategy, master plan, and action plan later this year. The Mission has met with JICA representatives who share our strong interest in coordinating our respective resources. The focus of the JICA effort likely will be on child survival and, to a lesser extent, AIDS. The Mission also coordinates with the IDB and the World Bank on their support to the Honduran social safety-net program (FHIS) and with the World Food Program concerning food aid.

**Increased use of STD/AIDS-prevention practices.** Honduras continues to struggle with a high rate of HIV transmission. One positive development was a 19 percent increase in condom distribution in 1994 as compared with 1992. We believe this is the beginning of a trend, especially since public education programs have shifted their focus from fidelity/abstinence to condom promotion for AIDS prevention. The Mission, through AIDSCAP, will initiate this year a support program for the National AIDS Control Program in Honduras that will focus on: (1) improved condom distribution and use; (2) detection, control and treatment of sexually transmitted diseases; and (3) social communication for modified sexual behaviors. Through this effort, we will work to reduce the seroprevalence rate among the highest risk groups in the country: commercial sex workers (men and adolescents as well as women), people in the workplace on the North Coast, Tegucigalpa and Comayagua, and the Garifuna population. A number of UN agencies are involved in AIDS prevention activities and the Mission is coordinating with them collectively through the leadership of UNDP.

**TABLE 1: STRATEGIC OBJECTIVE FRAMEWORK**

**AGENCY GOAL: STABILIZING WORLD POPULATION GROWTH AND PROTECTING HUMAN HEALTH**

**STRATEGIC OBJECTIVE NO. 3: IMPROVED FAMILY HEALTH**

**PROGRAM OUTCOME 3.1**  
Increased Use of Reproductive Health Services Including Family Planning Services

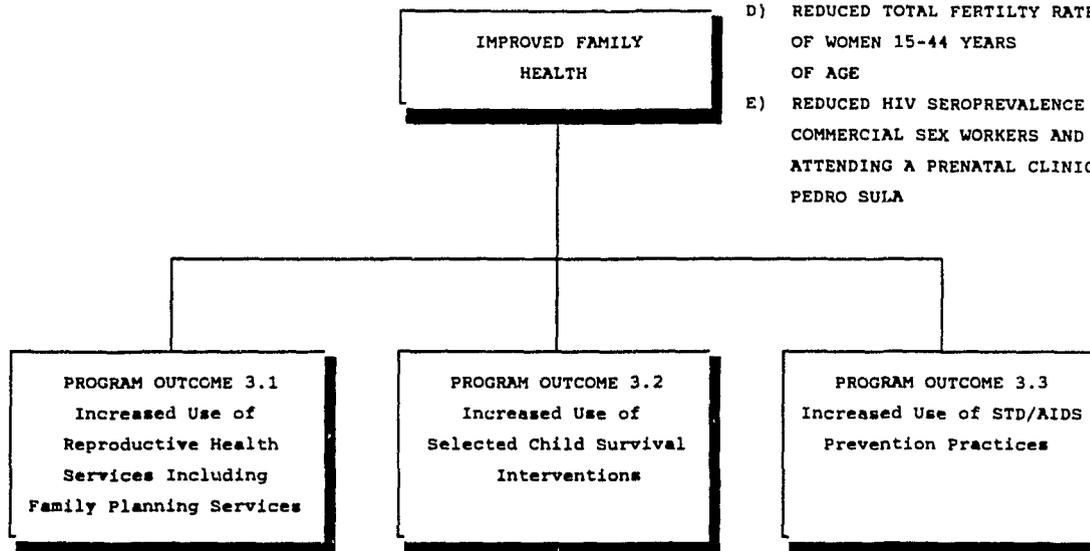
**PROGRAM OUTCOME 3.2**  
Increased Use of Selected Child Survival Interventions

**PROGRAM OUTCOME 3.3**  
Increased use of STD/AIDS Prevention Practices

<b>Projects (Number\Title)</b>	<b>Projects (Number\Title)</b>	<b>Projects (Number\Title)</b>
Health Sector II (522-0216)	Health Sector II (522-0216)	Health Sector II (522-0216)
Private Sector Population Program II (522-0369)	Private Sector Population Program II (522-0369)	Private Sector Population Program II (522-0369)
Private Sector Population Program III (522-0389)	Private Sector Population Program III (522-0389)	Private Sector Population Program III (522-0389)
	PL 480 Title II - CARE	
Strategies for Improving Service Delivery (The Population Council) (936-3030)	PL 480 Title II - CHF	International Population Fellows Program (936-3054)
Family Planning Logistics Management (936-3038)		Central Contraceptive Procurement (936-3057)
Contraceptive Social Marketing III (SOMARC III) (936-3051)	International Population Fellows Program (936-3054)	Technical Advisors in AIDS and Child Survival (936-5970)
International Population Fellows Program (936-3054)	Food Nutrition Monitoring and Support (IMPACT) (936-5110)	AIDS Technical Support - AIDS Control and Prevention (AIDSCAP) (936-5972.31)
Family Planning Management Development (936-3055)	Opportunities for Micronutrient Interventions (936-5122)	
Central Contraceptive Procurement (936-3057)	Breastfeeding and Maternal and Neonatal Health - Mother Care II (936-5966)	
Association for Voluntary Surgical Contraception (936-3068)	Breastfeeding and Maternal and Neonatal Health (Expanded Program in Breastfeeding) (936-5966)	
Breastfeeding and Maternal and Neonatal Health - Mother Care II (936-5966)	Technical Advisors in AIDS and Child Survival (936-5970)	
	BASICS (936-6006)	

PERFORMANCE INDICATORS:

- A) REDUCED INFANT MORTALITY RATE
- B) REDUCED LEVEL OF MALNUTRITION AMONG CHILDREN 12-23 MONTHS OF AGE
- C) REDUCED MATERNAL MORTALITY RATIO
- D) REDUCED TOTAL FERTILITY RATES OF WOMEN 15-44 YEARS OF AGE
- E) REDUCED HIV SEROPREVALENCE RATE IN COMMERCIAL SEX WORKERS AND WOMEN ATTENDING A PRENATAL CLINIC IN SAN PEDRO SULA



PROGRAM INDICATORS

- |   |   |   |
|---|---|---|
| <ul style="list-style-type: none"> <li>a) Increased Contraceptive Prevalence in Women 15-44 Years of Age, in Union.</li> <li>b) Increased Percentage of Rural Women who Gave Birth Within the Last Five Years who had a Prenatal Visit at a Health Facility During her Last Pregnancy.</li> </ul> | <ul style="list-style-type: none"> <li>a) Increased Percentage of Children 2 - 3.99 Months who were Exclusively Breastfed During the Previous 24 Hours.</li> <li>b) Increased Percentage of Children Under One Vaccinated for Selected Diseases (DPT, Measles, Polio, and Tuberculosis).</li> <li>c) Increased Percentage of Women Aged 12-49 Vaccinated with a Second Dose of Tetanus Toxoid within the Last 3 Years.</li> <li>d) Cholera Fatality Rate (Reduced to Less than One Percent of Reported Cholera Cases).</li> <li>e) Reduced Percentage of Outpatient Visits of Children Under Five to Health Centers Due to Diarrhea.</li> <li>f) Improved Treatment for Diarrhea.</li> <li>g) Increased Number of Rural Residents Benefitting from USAID-Supported Water and Sanitation Systems.</li> </ul> | <ul style="list-style-type: none"> <li>a) Increased Total Number of Condoms Distributed (Sold and Handed Out).</li> </ul> |
|---|---|---|

## BUILDING DEMOCRACY

### STRATEGIC OBJECTIVE 4: MORE RESPONSIVE DEMOCRATIC PROCESSES WITH GREATER CITIZEN PARTICIPATION

#### Program Outcomes:

1. More ethical and effective prosecutorial and judicial systems
2. More responsive and effective municipal government
3. Greater number of Hondurans exposed to and trained in democratic values

**Strategic objective Linkage to the Goal:** Strategic Objective (SO) 4 supports the Agency's democracy goal. USAID/Honduras is seeking to foster a society that lives the rule of law, with transparency and accountability in government, more responsive public institutions and greater citizen participation in the country's affairs -- both at the national and municipal levels.

**Program Direction and Progress:** USAID is continuing the overall thrust of its democracy program by (a) supporting strengthened democratic institutions; (b) helping to deepen citizen participation in local-government processes, helping strengthen municipal governments' accountability and responsiveness to citizens' need for public services; and (c) introducing Hondurans to U.S. democratic, economic, and cultural values and systems. However, based on progress to date under our Strengthening Democracy Institutions (SDI) Project, we are shifting the focus of our efforts under SDI and its follow-on SDI II scheduled for FY 1996. (See NAD in Section III.)

SDI has met the objectives of two of the early thrusts of the democracy program in Honduras. It is fair to say that Honduras has institutionalized elections. In 1993, it held its fourth consecutive free and fair national elections for president, members of Congress, and mayors (for which USAID provide logistic and commodity assistance); and these elections provided for yet another peaceful transfer of power between opposing parties. USAID has also improved the policy analysis capability of the Honduran Congress through establishment of the Congressional Center for Information and Legislative Studies (CIEL), which has become a pilot model for future legislative research institutions in Central America and its recent designation as the Central America Institute for Legislative Studies (ICEL). Given these achievements, USAID plans to focus democratic-institutions activities principally on promoting the rule of law. And within that effort, we are taking advantage of a significantly improved political environment to shift from an emphasis on laying the institutional base for improvements in the justice sector, to fostering implementation of a true rule-of-law system. (Our performance and program indicators reflect the shift.)

**More Ethical and Effective Prosecutorial and Judicial Systems.** Good governance requires an honest judiciary, where the guilty do not enjoy impunity, where rights are protected, and where judgements are based on the law. Key to achieving this is reducing undue political and financial influence in the judicial system.

Major institutional improvements in the judicial system under SDI have resulted in elimination of a number of structural deficiencies. This has led to a more efficient justice system and appointment of more competent and independent court officials. Among the more specific accomplishments:

-- The SDI-supported merit-based Judicial Career Law intended to eliminate political influence on Court personnel decisions. According to Court records, 97 percent of the personnel actions on law-school-graduate judges are currently in accordance with the Career Law. An "experimental" USAID program to strengthen the professionalism of lower-court judges has resulted in the Court's integration of this program into its permanent organizational structure.

-- The USAID-supported Public Defender Program to guarantee a poor defendant's right to legal representation has grown from 49 to 104 public defenders and is now, like the judges program, permanently integrated into the Court's structure and fully funded with GOH resources.

-- Judges and public defenders in these programs are now trained professionals selected on a competitive basis.

In short, SDI has laid the technical base for progress in the sector.

What had been missing was the political will to make more fundamental changes. Today, prospects and conditions for genuine reform are better than ever. In 1993, Honduras took a further step toward institutionalizing the rule of law when the Callejas administration created the Public Ministry. Representing the interests of society at large, the Ministry has full criminal investigative and prosecutorial powers over both civilians and the military. President Reina has held to his pledge of a "moral revolution" and has appointed honest and competent individuals to the Supreme Court. Moreover, the President of the National Congress has committed himself to support a proposed Constitutional amendment that will give the Court independence from the other branches of the GOH.

The time is ripe for action. The Mission has already begun implementing a revised, more focused SDI strategy aimed at *promoting more honest judicial decisions*. This revised strategy will underlie the SDI II Project scheduled for FY 1996.

There already has been progress toward this objective. In 1994, the Court Inspector General of Tribunals' Office (IG) investigated 258 complaints, of which 46 were sanctioned by the Court. SDI is continuing assistance to the IG's office to ensure accountability by government employees working within the Court system. It is supporting development of a new IG Implementing Regulation that will strengthen the IG's authority and extend coverage nationally.

Meanwhile, with SDI support, the new Public Ministry created by the GOH in 1993 performed very well in 1994. SDI is building the capacity of the Ministry to act on behalf of Hondurans in the fight against societal ills such as public corruption, crimes against women, discrimination toward minorities, and damage to the environment. In 1994, the Ministry prosecuted 35 cases on corruption, 80 on crimes against women and minorities, 20 on environmental damage, and 207 cases on other issues. In order to sustain the independence of the Public Ministry from political and other special interests, SDI will also support implementation of a Career Statute and Regulation.

The Mission also is supporting actions that will make the Court independent of the rest of the Government. We and other donors are promoting a Constitutional amendment under which the

tenure of Supreme Court Justices would no longer coincide with that of the political party in power. The amendment would also require full allocation of Constitutionally mandated budgetary appropriations for the Judiciary. The country's Constitution requires allocations equivalent to three percent of revenues net of official grants and transfers, a mandate that so far has never been met. This year's budget allocation was two percent. Passage of the amendment requires approval of two Congresses. (As previously mentioned, the President of the current Congress has already expressed his support for the amendment.)

To help reform Honduras' obsolete legal structure, SDI is supporting the enactment of a new Criminal Procedures Code, which will reduce opportunities for corruption in the judicial system and strengthen the Public Ministry's prosecutorial case preparation and presentation procedures. SDI is also promoting a revised Penal Code which strengthens penalties for such crimes as official/white-collar corruption and crimes against women and children. To build the Judiciary's capacity to work within the new legal framework, the Project will support the Court's Judicial School curriculum.

At the same time, SDI is supporting the Foundation for Democracy and Development of Honduras (FDDH), a newly established nongovernmental organization advocating nonpartisan debate on such key issues as honesty in government and the judiciary, greater citizen participation in a democratic society, maintenance of an open economic system, a limited role for the military, and promotion of social justice. We will also consider support to other private groups dedicated to public-interest advocacy.

#### **THE PUBLIC MINISTRY REPRESENTS SOCIETY IN THE COURTS**

Prosecution of criminals, regardless of their economic and social status, is essential for a rule-of-law system. USAID/Honduras is supporting the new Public Ministry's fight against corruption, environmental degradation, violations of civil, constitutional and women's rights, and common crime.

USAID contributed in the creation of the Public Ministry as an independent entity representing the rights of all Honduran citizens. The Mission's cooperation has concentrated on institution building, technical assistance and training using the U.S. and other established democratic systems as models.

-- For the first time in the history of Honduras, criminal corruption charges have been filed against high- and middle-level public officials of past and current administrations.

-- For the first time, judges are being criminally accused of abuse of power and violations of the very laws they were charged to uphold.

-- Since October 1994, the Public Ministry has initiated more than 5,000 criminal prosecutions around the country.

USAID is helping Honduras establish the Rule of Law as a way of life for its people. This will benefit all citizens regardless of their social, political or economic status. At the same time, this will help the U.S. build a profitable partnership with a stable and progressive democratic country very close to its shores.

**More Responsive and Effective Municipal Government.** The twin aims of the USAID Municipal Development Project (MDP) are the promotion of meaningful participation of Hondurans in local governance and strengthening the capacity of municipalities to provide basic services to their citizens. In 1993, a USAID-supported public awareness campaign spearheaded by the Association of Honduran Municipalities (AMHON), an organization representing all of Honduran mayors, helped the country take a major step in breaking the political monopoly of traditional parties and increasing mayoral accountability to the people. Hondurans won the important right to vote for mayors separately from the national ticket. This has provided them, for the first time, with a truly representative form of local government.

Because empowerment of local communities is essential for the survival of the municipalities, the MDP is assisting citizens move beyond representative government to participatory government by helping them learn about and participate effectively in such a process. The MDP is helping build, at the community level, "empowerment bridges" that will enable citizens to participate in the decision-making process and play a key role in the decentralization of services at the local level. These "bridges" will include efforts to (a) increase participation in town meetings and public hearings, (b) promote the use of plebiscites to resolve local issues and (c) encourage participation of independent candidates in municipal elections. The MDP has already met with some success in this effort. The average number of participants per town meeting jumped ninefold in a four-year span, from 20 in 1991 to 180 in 1994. While in 1992 female participants outnumbered male participants by more than two to one, by 1993 and 1994 male attendance had grown steadily, reaching a level similar to that of female participation.

The municipalities are serving their constituents better. The share of urban inhabitants receiving water, sewerage, and refuse collection has gone up from 17 to 29 percent in USAID-assisted municipalities. The municipalities also have hiked the share of their budgets earmarked for investment purposes, from 14 percent in 1991 to 32 percent in 1994; they have cut back on nonessential personnel, emphasizing improved, more efficient service delivery. As for the future, the MDP will encourage decentralization of service delivery; six municipalities will be provided authority to provide and levy fees for the provision of water. The MDP Project also will (a) help 20 municipalities to develop master investment plans and (b) assist in the installation of accounting and administrative systems in 15 to 20 of the largest municipalities in the country.

To enable the municipalities to better provide services to their constituents, the Mission is working with AMHON to persuade the central government to provide transfers to the municipalities on a regular quarterly basis and to increase the size of transfers to the municipalities. The central government is obliged to transfer 5 percent of its tax revenues on a quarterly basis to the municipalities with 90 percent of the transfer to be utilized by the municipalities for economic-infrastructure investments. The failure to provide the transfers on a regular quarterly basis has frustrated planning on the part of the municipalities. AMHON is promoting legislation to have the mandated appropriations transferred to the municipalities in a timely manner. This year, the GOH is transferring L.150 million -- \$17 million -- or roughly 3 percent of tax revenues. This is less than the 5 percent allocated in 1993 but greater than the 1.4 percent provided in 1991.

To build the technical capacity of local government officials to better serve their communities, the MDP is supporting the provision of technical assistance through the Foundation for Municipal Development (FUNDEMUN). This technical assistance focuses on areas such as planning for service provision, maintenance and repair, and tariff design and cost recovery. In addition, the Central American Technological University (UNITEC) is creating an extension program focusing

on administration, accounting, and computer technology. It is providing 527 scholarships with its own resources to municipal officials to take advantage of the extension program. It also will be furnishing 216 short-term courses to train 4300 municipal officials in the areas of management, finance, urban planning, and community development. Already 240 persons from 44 municipalities have attended these courses at nine separate sites. Further, four UNITEC seminars emphasizing decentralization and participatory culture were attended by more than 300 municipal and community leaders. Also, with USAID-backing, the University of San Pedro Sula (a) provided two short courses for 160 municipal employees from 30 municipalities in northern and northwestern sections of Honduras in municipal finance, administration, urban planning, environmental issues, and community development, (b) carried out four seminars on issues such as municipal autonomy, fiscal basis of municipalities, and encouragement of popular participation in local government, and (c) initiated the first formal training course in municipal development. The MDP also has carried out 14 cadastres to help improve the fiscal base of participating municipalities.

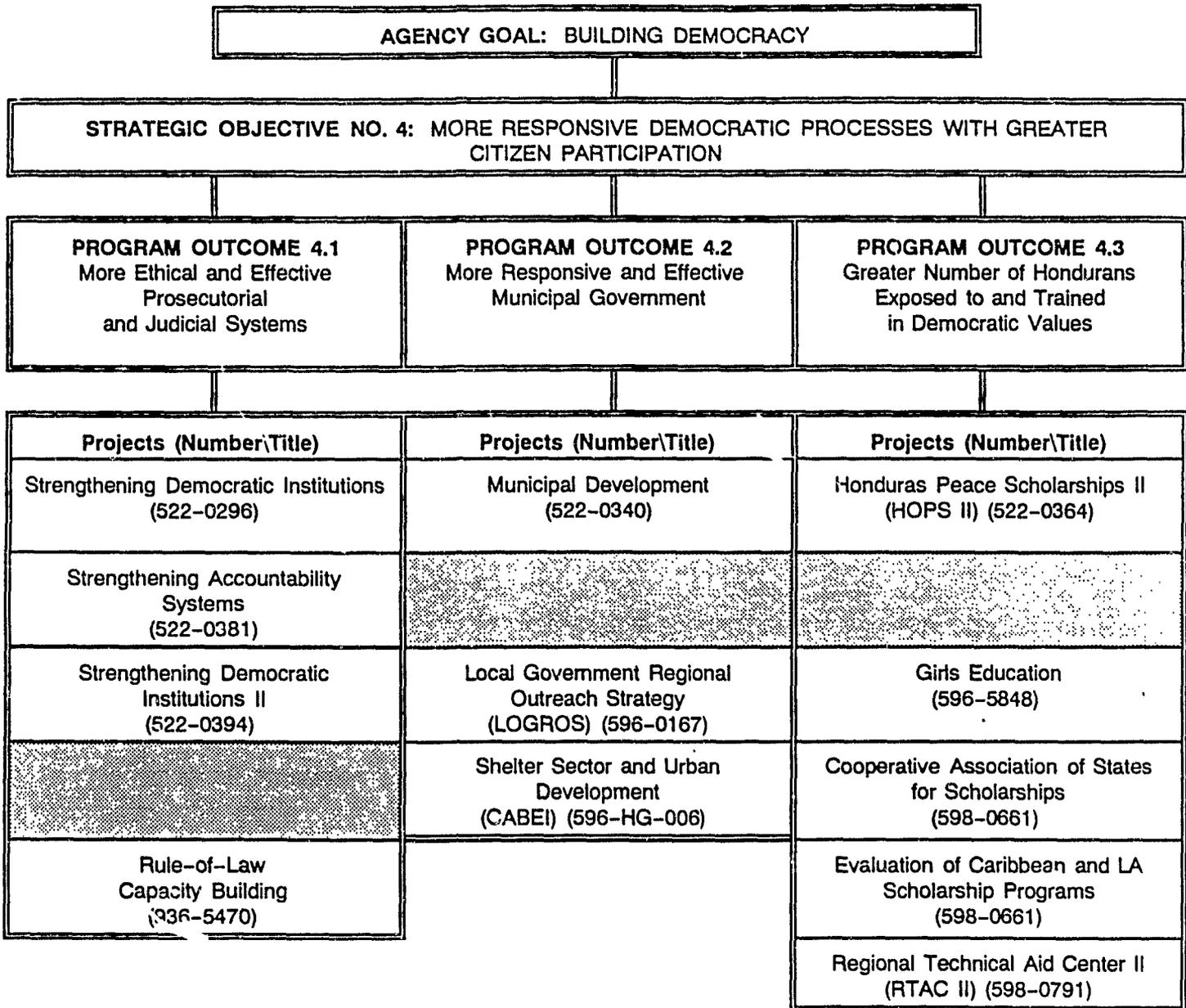
Finally, the Mission is active in financing economic and social infrastructure at the municipal level, including water, sewerage, street paving, and schools. The GOH will channel 50 million Lempiras (\$9.5 million) in ESF-generated local currency to the municipalities through the Honduran Social Investment Fund (FHIS)--the country's single-most important social safety net. To this end, twelve to fifteen basic infrastructure projects (water, sewerage and garbage collection systems) are expected to be implemented with these ESF counterpart resources benefitting approximately ten to twelve municipalities. The Mission also will provide \$11 million under the two remaining Housing Guaranty (HG) programs for infrastructure improvements, serving low-income families.

**Greater Number of Hondurans Exposed to and Trained in Democratic Values.** The purpose of the "Experiencing America" program is to equip a broad base of leaders and potential leaders with technical skills, training, academic education, and an appreciation and understanding of the workings of a free enterprise economy in a democratic society. The primary vehicle has been the Honduras Peace Scholarship Project-Phase II (HOPS II). An additional 421 short-term technical scholarships were funded during 1994; women received 202 of the scholarships. The cumulative total of Hondurans "Experiencing America" is now 2,595. The vast majority come from economically- and socially-disadvantaged sectors and 40 percent of the total scholarships have been awarded to women.

With the termination of the CAPS/HOPS I during FY94, we anticipate that future Peace Scholarships will not exceed 75 short-term technical scholarships annually, assuming that the levels of financing for the Mission's development activities are not further reduced and the remaining Peace Scholarship program (HOPS II) will be able to receive complementary financing for scholarships from other Mission projects. However, the numbers of people "Experiencing America" will be increased beyond the 75 short-term scholarships available yearly. The HOPS II Strategy includes Experience America, predeparture, and follow-on components; these components will be made available to participants under our other participant training programs.

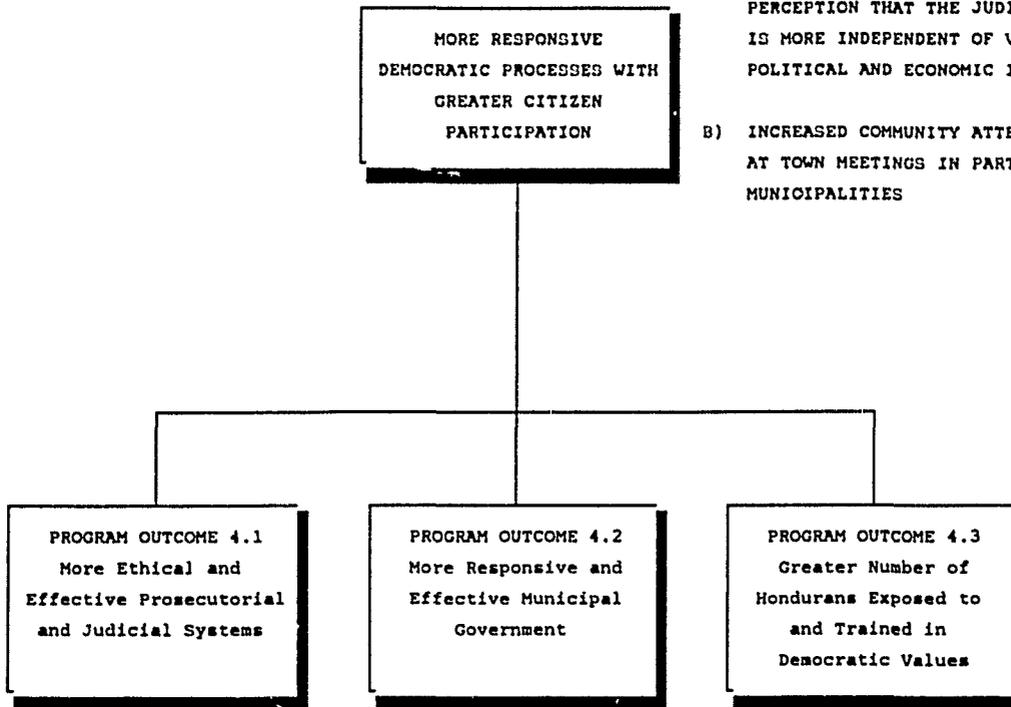
By the end of 1994, more than 396,000 university textbooks had been sold to bookstores participating in the Regional Technical Aid Center Project (RTAC II). By the end of the Project in Fiscal Year 1996, RTAC II will have achieved self-sufficiency and will continue to provide approximately 30,000 reasonably-priced Spanish translations of U.S. university textbooks per year to Honduran university students through 12 local textbook outlets.

**TABLE 1: STRATEGIC OBJECTIVE FRAMEWORK**



PERFORMANCE INDICATORS:

- A) INCREASED PERCENTAGE IN PUBLIC PERCEPTION THAT THE JUDICIAL SYSTEM IS MORE INDEPENDENT OF VESTED POLITICAL AND ECONOMIC INTEREST
- B) INCREASED COMMUNITY ATTENDANCE AT TOWN MEETINGS IN PARTICIPATING MUNICIPALITIES



PROGRAM INDICATORS

- |  |  |   |
|--|--|---|
| <ul style="list-style-type: none"><li>a) Increased Number of Cases Prosecuted by the Public Ministry on:<ul style="list-style-type: none"><li>1. Corruption;</li><li>2. Crimes against women and ethnic minorities;</li><li>3. Environmental Liability: and</li><li>4. Others</li></ul></li><li>b) Increased Number of the Above Mentioned Public Ministry Cases Adjudicated by the Courts.</li><li>c) Increased Number of Court Officers Investigated by the Court's Inspector General of Tribunals' Office and Sanctioned by the Court.</li><li>d) Increased Number of Court Officers Prosecuted by the Public Ministry.</li></ul> | <ul style="list-style-type: none"><li>a) Increased Proportion of Municipal Budgets Going to Capital Projects.</li><li>b) Increased Coverage/Provision of Public Services (Water, Sewerage, Refuse Collection) by Municipalities.</li></ul> | <ul style="list-style-type: none"><li>a) Increased Number of People Having Completed "Experience America" Program.</li><li>b) Increased Number of Textbooks Sold.</li></ul> |
|--|--|---|

## SECTION III: NEW ACTIVITIES

### NEW ACTIVITY OVERVIEW

USAID/Honduras plans to launch or amend the following activities during the period covered by this Action Plan:

1995:

522-0216	Health Sector II	(Amendment)
522-0241	Small Business II	(Amendment)
522-0340	Municipal Development	(Amendment)
522-0388	Basic Education and Skills Training	(New)
522-0389	Private Sector Population III	(New)
P.L. 480	Title III Food for Development	(Amendment)

1996:

522-0394	Strengthening Democratic Institutions II	(New)
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1997:

522-0395	Economic Policy and Productivity Program	(New)
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In FY 1995, USAID/Honduras is designing substantive amendments to four ongoing activities and launching two new activities. Three of these design efforts were reviewed and approved by the LAC Bureau during the 1994-95 Action Plan cycle:

- ▶ An amendment adding \$3.0 million to the authorized USAID contribution to the Small Business II Project (for a new authorized LOP total of \$20.2 million) will contribute to Strategic Objective No. 1 (*Enhanced Economic Participation and Increased Incomes of the Poor*) by significantly improving small business access to credit and generating new employment opportunities for the disadvantaged.
- ▶ An amendment adding \$2.0 million to the Municipal Development Project (for a new LOP total of \$12 million) will deepen the Mission's support to our Strategic Objective of *More Responsive Selected Democratic Processes with Greater Citizen Participation* by continuing and expanding that project's efforts to strengthen local governments and increase the role of citizens in the decision-making process.
- ▶ The new \$10 million Basic Education and Skills Training Project (BEST), which will also contribute to the Strategic Objective of *Enhanced Economic Participation and Increased Incomes of the Poor* by expanding basic and vocational education opportunities to those Hondurans who heretofore have had the least access to them.

Two other FY 1995 design efforts were reviewed and approved by USAID/W with our 1995-96 Action Plan:

- ▶ An amendment raising the authorized USAID contribution to the Health Sector II Project and extending its PACD to May 1998 (for a total LOP of 10 years). The amendment will

expand assistance in support of family planning, reproductive/maternal health, and control and prevention of sexually transmitted diseases (including HIV/AIDS), and will continue the project's primary health care activities. The amendment will therefore directly support the Strategic Objective of *Improved Family Health*. The New Activity Description (NAD) submitted with last year's Action Plan called for adding \$7.1 million to the current authorized LOP USAID contribution of \$57.3 million. The Mission now plans to increase the authorized LOP USAID contribution by \$11.0 million (for a new total of \$68.3 million).

- ▶ A new \$14 million Private Sector Population III Project (522-0389), which will build on the successes of the existing Private Sector Population II Project by increasing the access of rural Hondurans to family planning information and modern contraceptive methods. This activity will contribute directly to the Mission's Strategic Objective of *Improved Family Health*.

As plans for these FY 1995 starts have not changed substantially since their approval, USAID/Honduras has not submitted updated NADs for them. We have, however, submitted under separate cover a proposal to use \$600,000 in BEST funds to create an endowment to fund technical assistance through the Advisory Council for Human Resources Development (CADERH), the Honduran PVO that will implement the vocational training portion of the BEST Project. This endowment was not included in the NAD for BEST, and must be approved by USAID/W. As of this writing, the proposal was under review in Washington.

One further effort approved by USAID/W subsequent to the 1995-96 Action Plan review, a new three-year, \$30 million P.L. 480 Title III Food for Development Program, has been substantially scaled back. As only \$3 million in Title III assistance was available for FY 1995 rather than the \$10 million requested, and because it is doubtful that these resources will be available after FY 1995, the Mission chose to provide this assistance to Honduras through a one-year amendment to the existing Title III Program rather than through establishment of a new program. As of this writing, negotiations with the GOH on the necessary Program Agreement Amendment were underway. As described elsewhere in this Action Plan, even at this reduced level the Title III assistance to Honduras will contribute to improved food security and to three of the Mission's four Strategic Objectives.

In FY 1996, the Mission will begin full implementation of the Agency's new re-engineered operating procedures with the launch of a new program designed in accordance with those procedures:

- ▶ The \$7 million Strengthening Democratic Initiatives II Program (522-0394) in support of Strategic Objective 4 (*More Responsive Democratic Processes with Greater Citizen Participation*). The efforts encompassed in this new five-year Program would build on the most successful components of the current Strengthening Democratic Institutions Project (522-0296). USAID and its partners would use a variety of tools (e.g. grants to Honduran NGOs; technical assistance, training; commodity support; and policy dialogue) to promote due process and the rule of law and to encourage good governance through increasing transparency and accountability. These objectives are encompassed in the articulation of the Program Outcome to which SDI II will contribute, "More Ethical and Effective Prosecutorial and Judicial Systems," which in turn is key to Honduras' continued progress toward stable, representative democracy. Major results of these interventions are to include the development of an independent, depoliticized, and effective court system; the

development of an effective Court Inspector General; the enactment of a new Criminal Procedures Code and a strengthened Penal Code; and the active prosecution by the new Public Ministry of criminal and corruption cases.

As noted in the New Activity Description of SDI II presented on the following pages, USAID has taken advantage of the flexibility offered by the Agency's new operating procedures and proposes *not* to authorize and obligate SDI II at the Strategic Objective level in tandem with the Mission's other activities under this S.O. (the ongoing Municipal Development and HOPS II Projects). Though obligation at this level may become the preferred mode in this sector in the future, we believe that the importance of – and political sensitivities about – the interventions encompassed by SDI II warrant their independent development and discussion with the GOH and other partners and stakeholders in these efforts. With the submission of the New Activity Description for SDI II, the Mission requests program concurrence to design and authorize this program.

In FY 1997, USAID/Honduras plans to begin to obligate funds at the Strategic Objective level with the initiation of the following new program:

- ▶ The \$25 million Economic Policy and Productivity Program (PROPEP). This five-year set of initiatives would use tools such as policy dialogue, credit for poor small and microenterprises in both rural and urban settings, leadership training, and cash transfers to achieve results synonymous with all three of USAID's planned Program Outcomes under our Strategic Objective No. One, "*Enhanced Economic Participation and Increased Incomes of the Poor*": Expanded Access and Opportunity Through Empowerment of the Poor, Improved Functioning of Markets, and Investment in People. Indicators of progress toward these results would be the same as those set forth in the Mission's Action Plan framework.

We are submitting an initial New Activity Description for this FY 1997 effort with this Action Plan. In the next Strategic Plan cycle (1997–98), USAID/Honduras will request program concurrence to design and authorize this program in FY 1997. Descriptions of any other proposed new activities identified by the Mission over the next twelve months will also be included in the 1997–98 Strategic Plan.

## NEW ACTIVITY DESCRIPTION

### 1. BASIC DATA

a. Activity Title:	ECONOMIC POLICY AND ENHANCED PRODUCTIVITY PROGRAM (PROPEP)
b. Activity Number:	522-0395
c. Source of Funding:	Development Assistance
d. Duration:	Fiscal Years 1997-2002 (5 years)
e. Proposed LOA Funding:	\$25.0 million

### 2. OBJECTIVES AND EXPECTED RESULTS

#### a. Relationship to Agency and Bureau Goals

This program would support the Agency's goal of *encouraging broad-based economic growth* and the Bureau's themes of *balanced, interactive, inclusive and focused economic growth*. It is based on the LAC Bureau premise that markets can work for the rural poor.

#### b. Mission Strategic Objectives and Program Outcomes Supported

PROPEP would be one of the Mission's two primary tools for achieving its Strategic Objective #1, "*Enhanced Economic Participation and Increased Incomes for the Poor*". The Program would support each of the current Program Outcomes that contribute to Strategic Objective #1:

- ◆ Expanded access and opportunity through improved functioning of markets
- ◆ Expanded access and opportunity through empowerment of the poor
- ◆ Expanded access and opportunity through investment in people

PROPEP would improve the functioning of markets by developing a sound policy and institutional framework in which the poor participate and lead; would increase access to input and output markets, especially for lower income groups; would empower the poor to participate (and lower their costs of competing) in those markets by strengthening the small and medium size enterprises which provide employment and income for the poor or which themselves poor own; and it would invest in people by developing a corps of young leaders with a common vision of the path to market-based, equitable economic growth. The combination of these efforts would lead to a reduction in poverty, particularly in rural areas, by providing the poor with increased job opportunities and income. The people-level indicators used to measure progress toward these results would be synonymous with those in the Action Plan framework for S.O. 1. As such, they would be disaggregated by gender.

#### c. Major Expected Results

The general results expected from PROPEP are better policies, productivity, and participation by the poor in markets - national, regional, and international - which yield opportunities for

enhanced economic growth and increased incomes for the poor. Specific results expected from PROPEP include:

- ◆ Deepening of market-based policies that are transparent and that open the economy to all participants, including the poor.
- ◆ Public sector institutions that effectively analyze economic policies and more consistently and equitably implement market-based policies.
- ◆ Private sector institutions that effectively analyze economic policies and lobby for reform.
- ◆ Increased access by the poor to productive factor markets of land, capital, technology, and qualified human resources.
- ◆ Increased access by the poor to final product markets, including national, regional and international markets.
- ◆ Increased institutional capabilities of entities which are owned by the poor and/or which serve the poor.
- ◆ Improved ability of the poor to combine and utilize effectively the productive factors to which they have access.
- ◆ Increased ability of selected young leaders, particularly among the poor, to help create and maintain a sustainable climate for economic development and investment and to influence public policy.

At this early stage in PROPEP's development, people-level indicators for measuring progress toward these results have not yet been developed. When they are developed, these indicators will be disaggregated by gender.

#### **d. Description of Activities and Tools Needed to Achieve Results**

The initial USAID-supported reforms of the early 1990's produced a macroeconomic climate conducive to economic development, and USAID's strategy of enhancing economic participation and increasing incomes of the poor takes advantage of this climate. The activities undertaken by PROPEP would be largely a consolidation and continuation of ongoing activities that currently support this strategy. Many of the ongoing projects will terminate in 1997-98.

For example, the landmark Agricultural Modernization and Development Law (AMDL) was developed with the assistance of USAID's Policy Analysis and Implementation Project (PAIP). It laid a solid basis for deepening reforms within the agricultural and rural economies. The Small Farmer Organization Strengthening (SFOS) and Small Business II (SB II) projects have exceeded all targets in increasing rural financial services, but their success has bred the need for further activities to extend coverage and quality of rural financial services. The Small Farmer Agribusiness Development (SFAD) project is assisting farmer-owned cooperatives, but demand is greater than project resources permit. The Small Farmer Export Development (SFED) project is providing market and production assistance to traditional small farmers entering non-traditional

export markets. In another sector, leadership programs for teachers under the Honduran Peace Scholarships (HOPS) Program multiplied their benefits as the participants returned to their schools with better understanding of the educational system and the teacher's role within it. Each of these programs has been successful, and PROPEP would draw lessons from all of them. It would contribute to Strategic Objective #1 through three interrelated components:

#### The Policy Component

The policy component would achieve the following results:

- ◆ Deepening of market-based policies that are transparent and that open the economy to all participants, including the poor.
- ◆ Public sector institutions that effectively analyze economic policies and more consistently and equitably implement market-based policies.
- ◆ Private sector institutions that effectively analyze economic policies and lobby for reform.

To achieve these results, the policy component must level the policy and institutional "playing fields" of Honduras. For example:

- Markets in which the poor participate - e.g., basic grains - are often distorted and manipulated. Markets still do not respond to the opportunities offered by trade.
- Land tenure remains a problem, and the agrarian reform has not been a solution.
- The precarious financial situation precludes adequate financial services to the poor. Many rural residents must attempt to operate enterprises without access to any form of financial services.
- Water rights legislation is antiquated and inconsistent with market-based economic growth. Water use is often governed by the principle of "might makes right."

To facilitate the development and enactment of appropriate policy changes to overcome these constraints, PROPEP would provide technical assistance and training to strengthen public and private sector policy-making of analytical entities such as the Agricultural Sector Policy Unit (UPSA) within the Ministry of Natural Resources, the Economic Policy Analysis and Development Unit (UDAPE) that advises the Economic Cabinet, and the private sector Foundation for Investment and Export Development (FIDE). It would continue to educate the public, as well as GOH officials who often state a policy without understanding what that policy means or how to implement it. A policy mapping exercise to identify and prioritize key policy constraints, as well as major stakeholders in and counterparts for change, is underway and will help USAID and its partners define the specific policies that will be the focus of this program. Proposed reforms are likely to be in areas such as free trade, land tenure security, rural credit, technology transfer, and market developed price policies. In addition, cash transfers would be used to encourage

necessary policy and institutional changes. Local currency generated by such transfers would help implement the agreed upon policy and institutional reforms.

#### The Productivity Enhancement Component

This component would be the practical extension of the policy component. Opportunities are created by policy reforms, but the poor often need help in taking advantage of these opportunities (for example, in gaining access to input and product markets). This component of the PROPEP Program would work with and assist institutions capable of providing such help. The productivity enhancement component would achieve the following results:

- ◆ Increased access by the poor to productive factor markets of land, capital, technology, and qualified human resources.
- ◆ Increased access by the poor to final product markets, including national, regional and international markets.
- ◆ Increased institutional capabilities of entities which are owned by the poor and/or which serve the poor.
- ◆ Improved ability of the poor to combine and utilize effectively the productive factors to which they have access.

To achieve these results, PROPEP would use various tools (e.g. technical assistance, training and economic support) to strengthen the enterprises which the poor own and operate or which serve the poor. These activities will draw from the experience of recent or ongoing USAID projects to help the poor obtain access to factors of production, identify market opportunities, lower their cost of doing business, restructure their enterprises, and respond to opportunities with high quality production.

USAID has considerable experience working with a variety of non-governmental organizations (NGOs) that help the poor enhance their productivity: FHIA, FACACH, Covelo Foundation, FINACCOOP, credit unions, cooperatives, campesino organizations, agricultural associations, etc. These organizations have demonstrated an ability to reach the poor and deliver programs which enhance their abilities to compete in markets. In general, they provide access to information, markets, technology, production, and organizational skills to small and medium enterprises that are owned by the poor and, usually, based in rural areas.

PROPEP would establish a network of existing organizations which provide these types of small business development services, and would assist these organizations to extend their reach to greater numbers of the poor.

#### The Leadership Component

The leadership component would achieve the following result:

- ◆ Increased ability of selected young leaders, particularly among the poor, to help create and maintain a sustainable climate for economic development and investment and to influence public policy.

The leadership component would invest in people. It would also increase the sustainability of the activities carried out under the first two components and provides a forum for participation. Activities under the leadership component would seek to identify a group of potential young male and female leaders, largely representing rural and/or poor constituents. They would then participate in a concentrated program of leadership development. Young leaders selected for the program would be regularly exposed to the role of markets in an economy, the effect of market failure, the relationship between democracy and economics, the impact of economic decisions on social well-being, as well as Honduras' role in the economies of the region and the world.

These young people are the glue that would bind the PROPEP Program together. They will understand the import of the policy component while largely representing the beneficiaries of the productivity enhancement component.

### **3. POLICY AGENDA AND STRATEGY**

The Mission, in coordination with the multilateral donors, will continue our policy dialogue with the GOH to maintain and deepen existing policy reforms in free trade, land tenure security, rural credit, technology transfer and market determined price policies. As noted, the specific policies that would be the focus of the PROPEP Program will be defined by USAID in collaboration with its partners over the next two years, and will stem from current analytical work on agricultural, natural resource, and trade policy.

As part of this analytical work, USAID has undertaken a complete review of the ongoing Policy Analysis and Implementation Project (PAIP). On the basis of this review it will narrow and focus PAIP's current policy reform activities. The exact number of policies to be undertaken will be negotiated with the GOH in the coming months. An important theme will be the need to enhance Honduras' ability to compete effectively in the regional and global economies. Progress and lessons learned under PAIP, as well as by the current portfolio of projects which seek to enhance productivity, will be incorporated into PROPEP's design. As the current GOH is skeptical of free market approaches, it is likely that most policy issues will remain unresolved before PROPEP is in place or before the Honduran elections of 1997.

### **4. RELATIONSHIP TO OTHER USAID ACTIVITIES, HOST COUNTRY PRIORITIES, AND OTHER DONOR EFFORTS**

As noted, PROPEP would be one of the Mission's two primary tools for moving towards its Strategic Objective #1, *"Enhanced Economic Participation and Increased Incomes for the Poor"*.

The other will be the soon to be authorized Basic Education and Skills Training Project (BEST, 522-0388). BEST will focus on the provision of basic and vocational education to out-of-school youth and young adults, and will thereby reach out to – and help provide employment and income opportunities for – an important disadvantaged population not specifically targeted by planned PROPEP efforts.

PROPEP would be coordinated with the USAID G-CAP Regional Trade Policy and Economic Integration Project. It is also consistent with USAID's LAC Bureau support to the Summit of the Americas' agreements to *eradicate poverty and discrimination*, as well as to *promote prosperity through economic integration and free trade*. PROPEP directly supports USAID's commitments to the Summit of the Americas on *economic sustainability*.

## 6. REQUIRED DESIGN AND ANALYTICAL WORK

### a. Required Analyses

#### (1) Policy Component

The analysis recently conducted of PAIP and the policy mapping exercise now underway will constitute the initial analytical work required to begin the design of PROPEP's policy-related activities. With the results of these studies in hand, USAID will then carry out *choice analyses* of (a) which policies are most in need of reform (i.e., which are the most salient obstacles to our Strategic Objective); and (b) which public and private entities could most effectively further these reforms. The latter effort will involve an analysis of the institutional constraints facing our potential partners in PROPEP. These analyses will inform our choices of which policies to seek to reform and which partners to work with in these efforts. In terms of potential public sector partners for the policy reform component, the choices are largely fixed, though the tools we may use are not. In terms of potential private sector partners, both the choice of partners and the tools are open, although it is clear that our choice of the types of policies we wish to help reform will play a major part in determining our choice of partners.

#### (2) Productivity Enhancement Component

Here, too, USAID plans to carry out a series of choice analyses over the next two years to assess the institutional strengths and weaknesses of our potential partners in efforts to enhance productivity. These analyses will focus on questions such as the institutional constraints these entities face, their prospects for sustainability, their ability to reach traditionally disadvantaged groups such as women and ethnic minorities, and the potential costs and benefits of each alternative. As with the policy-related initiatives PROPEP will support, our choice of partners will depend in large part on the specific sectors in which we choose to work.

#### (3) Leadership Component

Well before the obligation of PROPEP in FY 1997, USAID plans to begin to analyze alternative mechanisms for carrying out planned training efforts. This will entail a review of other leadership programs, both those already undertaken by USAID/Honduras and elsewhere, as well as a socio-political analysis of how to choose leaders in the Honduran context. This latter analysis would examine what constitutes leadership, would look critically at the sectors in which we should seek to identify and train leaders, and would examine ways of reaching women and ethnic minorities and including them in leadership training efforts.

Per the suggested approach of the Operations BAA, we will include the above analyses as Annexes to our revised Strategic Plan for S.O. 1. We will include any required analyses not complete upon submission of this plan as Annexes to the design document itself.

### b. Key Stakeholders, Partners and Beneficiaries

Key stakeholders in PROPEP would include the Honduran poor; the policy making entities – both public and private – which determine the rules under which the rural poor organize themselves into productive activities; special interests opposed to or in favor of policy change; other private

sector groups; and ultimately the Honduran public as a whole. Honduran NGOs, credit unions, village banks, cooperatives, farmer-owned enterprises, etc. which service the poor, or to which they belong, are both stakeholders themselves and surrogate representatives for (and intermediaries between) these other groups. Our partners in PROPEP would likely be the poor themselves, the policy-making entities, special interests in favor of policy reform, and various NGOs. These same entities would be the principal direct beneficiaries of PROPEP, while ultimately the Honduran people as a whole would be the chief beneficiary.

#### **c. Participation Plan for Activity Design**

USAID would collaborate with all the expected key participants cited above to design PROPEP, first in the context of carrying out the analyses described above and later in that of preparing a design document based on those analyses. We would also work with interested representatives of the LAC and Global Bureaus. To prepare the design document itself, we plan to form working groups of USAID and appropriate non-USAID personnel for each component. The design document itself will be a flexible tool explicitly subject to regular updating in response to changing circumstances and opportunities. It will detail the specific expected results; targets and indicators for assessing progress toward those results; data collection requirements (and the end users of that data), planned activities (including a summary of the tactics and tools to be used to progress towards the expected results of the program), and a summary budget.

#### **d. Design Timetable and Resource Requirements**

As described above, USAID and its partners plan to "design" this program on an ongoing basis throughout the remainder of FY 1995 and FY 1996. Obligation is tentatively scheduled for the second quarter of FY 1997 and would take place via a bilateral agreement with the GOH at the Strategic Objective level. Various other subsidiary instruments (e.g. Cooperative Agreements with NGOs, Memoranda of Understanding with participating GOH institutions) would be used to channel funds directly to participants in the program. We expect to contract the services of appropriate technical specialists with experience in Honduras to assist with certain analyses and with the technical definition of some of the proposed interventions. All other design work would be undertaken in-house by USAID and its partners.

### **7. RECOMMENDATIONS FOR REVIEW, WAIVER APPROVAL, AND DELEGATION OF AUTHORITY**

None at this time. USAID/Honduras plans to submit an updated New Activity Description (or equivalent document) for PROPEP with its FY 1997-98 Action Plan. In that updated NAD, we will request program concurrence to proceed with design and authorization of PROPEP in FY 1997.

The GOH has adopted a strategy of "adjustment with a human face." PROPEP's activities will promote an adjustment to new economic realities by increasing the ability of poor Hondurans to raise incomes, by increasing food security, and by improving Honduras' ability to compete in the regional and global economies. The GOH has adopted a strategy for rural development and agriculture, PROAGRO, and a goal of accession to regional free trade agreements. PROPEP is entirely consistent with this strategy and this goal.

PROPEP is related to a planned World Bank/InterAmerican Development Bank loan which would provide for increased property security by conducting a national cadastre and reforming the property registry, improving forest management practices, and strengthening public and private systems for agricultural technology generation and transfer. The IDB is also considering the provision of an Investment Sector Program; PROPEP would be supportive of this initiative.

## **5. ESTIMATED RESOURCE REQUIREMENTS**

### **a. Preliminary Cost Estimate**

The preliminary estimate of the cost of the activities described above is approximately \$25 million over five years. The distribution of total costs between components is estimated as follows:

Policy Component	\$13 million (including \$8 million in cash transfers)
Productivity Component	\$10 million
Leadership Component	<u>\$ 2 million</u>
<b>TOTAL:</b>	<b>\$25 million</b>

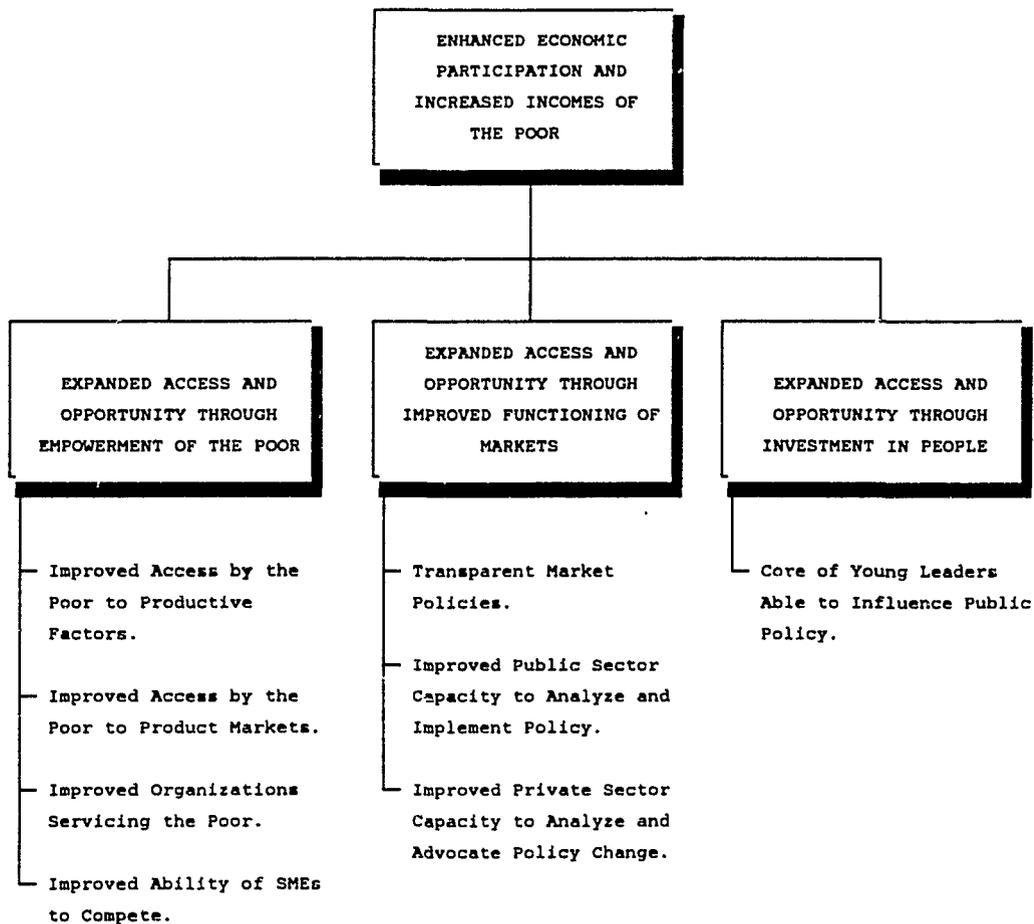
### **b. USAID Management Resources Required**

At present USDH FTE levels, USAID could manage this program with its existing direct hire staff and with two U.S. PSCs (both of whose positions already exist within USAID's current PSC ceiling). Most management functions would be assumed by personnel currently managing existing projects that will terminate before or during 1997. The total number of long term institutional contractors is likely to decrease as the remaining activities of on-going programs are combined into PROPEP.

### **c. Linkage to Global Bureau Resources**

The primary linkage between PROPEP and the Global Bureau would be determined after Global has consolidated its activity portfolio and the Mission has determined what remaining activities are within PROPEP's scope.

PROPEP PROGRAM  
Preliminary Objective Tree



## NEW ACTIVITY DESCRIPTION

### 1. BASIC DATA

- |                          |  |
|--------------------------|--|
| a. Activity Title:       | STRENGTHENING DEMOCRATIC INSTITUTIONS II |
| b. Activity Number:      | 522-0394                                 |
| c. Source of Funding:    | Development Assistance (DA) Funds        |
| d. Duration:             | Fiscal Years 1996-2000 (5 years)         |
| e. Proposed LOA Funding: | \$7,000,000                              |

### 2. OBJECTIVES AND EXPECTED RESULTS

#### a. Relationship to Agency and Bureau Goals

The activity would help institutionalize Honduran democracy by fostering due process and the rule of law and encouraging good governance through increasing transparency and accountability. In so doing, the program would strengthen accountability of the Government of Honduras (GOH) to the Honduran people. It would seek to ensure that accountability runs not only vertically, making elected officials answerable to the ballot box, but also horizontally, across a network of relatively autonomous powers (i.e. the Court and the Public Ministry) that can call into question, and eventually punish, improper conduct by officials.<sup>1</sup>

#### b. Mission Strategic Objectives and Program Outcomes Supported

The planned program would contribute directly to Strategic Objective 4, "*More Responsive Democratic Processes with Greater Citizen Participation*", by facilitating progress toward a major Program Outcome essential to achievement of this objective, "More Ethical and Effective Prosecutorial and Judicial Systems."

#### c. Major Expected Results

The principal results expected from this program are set forth in USAID's Action Plan framework as described on pages xx-xx of this document, i.e.:

- ◆ An increased public perception that the judicial system is more independent of vested political and economic interests;
- ◆ An increased number of cases *prosecuted* by the Public Ministry in the areas of corruption, crimes against women and minorities, environmental liability, and others;

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<sup>1</sup> As Guillermo O'Donnell notes in "Delegative Democracy", *Journal of Democracy*, January 1994, Johns Hopkins University Press, Baltimore MD, p. 61. "Representation and accountability together constitute the republican dimension of democracy: the existence and enforcement of a careful distinction between the public and the private interests of office holders."

- ◆ An increased number of the above-mentioned Public Ministry cases *adjudicated* by the Courts;
- ◆ An increased number of Court officers *investigated* by Court Inspector General's Office; and
- ◆ An increased number of such Court officers *prosecuted* by the Public Ministry.

Other important results expected from this program include:

- ◆ **Impact on the Poor:** The judicial system in Honduras has traditionally favored the economically and politically powerful elites, while denying equal access to justice for the poor. **The proposed program would continue the process of enfranchisement of the poor begun under the Strengthening Democratic Institutions Project (SDI I, 522-0296) by improving their access to the judicial system and their standing before the law.**
- ◆ **Developmental Impact:** Corruption and abuse of authority have a significant adverse impact on the development of any society; ethical and effective public administration is essential to enhancing popular participation in, and support for, democracy. **The program would result in a measurable reduction in corruption in judicial and other governmental institutions and a corresponding increase in public confidence in these same institutions.**
- ◆ **Impact on Citizen Participation:** The program would foster a more participatory democratic process through support to public-interest advocacy NGOs, thereby **increasing informed, nonpartisan public discussion and debate of democratic reform issues and the dissemination of information on these issues to the public.**
- ◆ **Gender Impact:** **The program would strengthen enfranchisement of women within the Honduran judicial sector by reducing the adverse influence of corruption, economic interests and undue political influence that have historically tended to exclude women disproportionately from equal standing before the law.**

#### **d. Description of Activities and Tools Needed to Achieve Results**

This new program would build upon the accomplishments of the SDI I Project by enhancing the capacity of the Justice sector (Courts and Public Ministry prosecutors) to apply the rule of law in Honduras. The program would strengthen non-governmental (NGO) and GOH organizations charged with "watchdog" functions; respectively, monitoring and enforcing the rule of law. To help the Judiciary fairly represent the interests of the public vis-a-vis powerful political and financial interests, the program would (1) promote sustained independence and depolitization of the Judiciary, (2) continue to expand and strengthen the structure and functions of the Court Inspector General of Tribunals office, (3) support long-term efforts towards Judicial Reform by facilitating implementation of a reformed Criminal Procedures Code and a strengthened Penal Code; and (4) continue to strengthen the Public Ministry prosecutorial structures and functions (and public access to the same) as an anti-corruption/public empowerment instrument. USAID would maintain the relationships developed under SDI I with key GOH democratic institutions, notably elements of the Judiciary (Inspector General of Court Tribunals, Judicial School and Career Law activities) and the Public Ministry, and with Honduran NGOs dedicated to public interest

advocacy. This choice of partners recognizes the vital role these institutions play in promoting public empowerment and participation, as well as their function as counterweights to powerful special interests.

Activities under SDI II would pursue these objectives using the tools and tactics described below.

**OBJECTIVE ONE - STRENGTHEN THE SUPREME COURT OF JUSTICE (JUDICIARY):**

**(a) An Independent, Depoliticized and Effective Court:** Program funds would continue to provide grants to NGOs in the private sector for effort to highlight the importance of a truly "independent Judiciary". As necessary, public information and education campaigns would be sustained to:

- (1) Promote a Constitutional Amendment delinking selection of Supreme Court Magistrates from the four year electoral process and increasing length of appointment as Justices;
- (2) Promote the public's understanding, through public information programs, of the importance of increased Judicial autonomy from and decreased vulnerability to political influences; and
- (3) Mobilize groups to dialogue with the Congress on the need to provide an adequate budget to the Judiciary (and Public Ministry).

**(b) Decentralization:** Program funds would continue to support the decentralization of the Judiciary's administration. This process would be aimed at enhancing the ability of individual Courts to conduct sound legal research on and analyses of the cases before them and to process those cases with appropriate speed. Program funded efforts (e.g., short-term local technical assistance, commodity procurement, and policy dialogue) would seek to empower selected lower level courts with budget management and contractual authority to obtain needed expert assistance and adequate logistical support.

**(c) Adherence to the Judicial Career Law:** To foster the impartial and professional provision of justice, the program would support efforts to enhance adherence to the Judicial Career Law. Such efforts would include regular evaluation of Court personnel; measuring of the Personnel system's adherence to the Judicial Career Law; institutionalization of cooperative/information sharing procedures between the Court Inspector General (IG), the Court's Directorate of Personnel, the Court Grievance Board and, in cases of Judicial employee corruption, the Public Ministry.

**OBJECTIVE TWO - COURT IG OVERSIGHT AND INVESTIGATIONS:** The program would fund technical assistance and investment in logistical support to strengthen and expand the Court Inspector General offices. These efforts would seek to enhance (a) The IG's capability to identify corrupt, politicized and/or ineffective Court functionaries; and (b) public information on and access to the Court IG.

**OBJECTIVE THREE - NEW CRIMINAL PROCEDURES CODE AND STRENGTHENED PENAL CODE:** The program would fund technical assistance to conduct training to be provided by the Judicial School and other appropriate justice sector entities for Judicial employees and justice sector professionals on the new legal reforms and how to operate

within the new Criminal Procedures and Codes. The program would also fund small grants to NGOs which have specifically expressed a desire to educate the public on the impact of legal reforms and/or to monitor long-term implementation of these reforms.

**OBJECTIVE FOUR – ACTIVE PUBLIC MINISTRY PROSECUTION OF CRIMINAL/CORRUPTION CASES:** To promote its effective operation as an anti-corruption instrument, the program would continue to provide grant support to the Public Ministry in five areas:

- Organizational Effectiveness Strengthening
- Public Prosecutors Case Management Strengthening
- Forensic Science Strengthening
- Public Awareness campaigns in support of the Public Ministry
- Strategic Planning

The SDI II Program would also retain flexibility to support Honduras' 1997 general elections process if needed and warranted.

As design of this program proceeds, USAID and its partners will develop appropriate indicators to measure progress toward these expected results. People – level indicators will be disaggregated by gender.

### **3. POLICY AGENDA AND STRATEGY**

The Mission's policy dialogue agenda with the GOH in the area of democratic initiatives would focus on the following:

- (a) Independence of the Judiciary through reform in the selection process of Magistrates and extended tenure for the same.
- (b) Fiscal Support: Provision of adequate funding to justice-related institutions. Congressional commitment to sustained, long term, adequate budget for the Court and Public Ministry to enable long term institution building under new reforms.
- (c) Judicial Reforms: sustained commitment by the GOH to reform the Justice system to promote transparency and streamlining of that system.
- (d) No Impunity: A strong commitment to the investigation and prosecution of corruption in the justice sector organizations.
- (e) Qualified Persons: Appointment of qualified, capable people.
- (f) Job Security: Compliance by the Court and Public Ministry with Career Law and Career Statute, respectively.

#### 4. RELATIONSHIP TO OTHER USAID ACTIVITIES, HOST COUNTRY PRIORITIES, AND OTHER DONOR EFFORTS

The Reina Administration has attached high priority to anti-corruption initiatives and legal reform; the proposed program would directly support these priorities. USAID would continue to coordinate with donor agencies working locally in the area of democratic initiatives, including a complementary Rule of Law program funded by the Interamerican Development Bank (IDB).

#### 5. ESTIMATED RESOURCE REQUIREMENTS

##### a. Preliminary Cost Estimate

The preliminary estimate of the cost of the activities described above is approximately \$1.3 million a year over 5 years. At this point, we expect to allocate funds among the program's four principal objectives as follows:

<u>Objective:</u>	<u>\$ ('000)</u>
Strengthen Supreme Court of Justice:	\$2,750
Court IG Oversight and Investigations:	\$ 800
New Criminal Procedures Code and Strengthened Penal Code:	\$1,100
Active PM Prosecution of Criminal Cases:	\$2,350
	—
<b>TOTAL:</b>	<b>\$7,000</b>

##### b. USAID Management Resources Required

At projected USDH FTE levels, additional direct hire management resources for this activity would not be required. The two U.S. PSC positions now assigned to the SDI Project would be retained and assigned to this new program.

##### c. Linkages to/Utilization of Global Bureau

Use of the Democracy Center to assist in the development of the NGO approach is anticipated.

#### 6. REQUIRED DESIGN AND ANALYTICAL WORK

##### a. Required Analyses

A fundamental hypothesis underlying USAID's efforts in the justice sector is that the significant GOH institutional changes already underway will prove sustainable in a continuing context of diverse economic growth, maturation of the democratic political process, and increased independence (both political and financial) of justice sector institutions. To examine the validity of this hypothesis, USAID plans to begin the design of the SDI II Program early in FY 1996 with an analysis of the GOH's continued commitment to change in this sector. We will also look critically at the institutional viability and effectiveness of, and commitment to reform within, the

institutions that are to be our counterparts (notably the Court and the Public Ministry). The Mission will also work with Honduran NGOs focused on public interest advocacy to analyze their prospects for financial sustainability and to seek ways to move these groups toward self-sufficiency. We will submit these analyses as an Annex to our Strategic Plan for the Justice section within S.O. 4. We expect that this Annex will encompass most of the economic, financial, and social analyses needed to plan the SDI II Program.

#### **b. Key Stakeholders, Partners, and Beneficiaries**

The key stakeholders in the proposed program include the Supreme Court of Justice, the Public Ministry, and the U.S. State Department, as well as the Honduran Congress, the Executive Branch of the GOH, and powerful interest groups that benefit from the present weak justice system. Honduran NGOs, another set of stakeholders, play a unique role as intermediaries between, and in some cases the surrogate representatives of, several of these other interested parties. Many of these entities – the Court, the PM, the State Department, and interested NGOs – would be our partners in designing and implementing planned activities. Clearly, the Court, the Public Ministry, and participating NGOs would be the principal *direct* beneficiaries; the ultimate beneficiary will be the Honduran public, particularly its poor majority and traditionally disenfranchised groups such as women and ethnic minorities.

#### **c. Participation Plan for Activity Design**

USAID will collaborate with the partners listed above, as well as interested representatives of the Global and LAC Bureaus, to produce a concise initial design document for SDI II. The document produced via this participatory process is to be a flexible instrument detailing the specific expected results, targets and indicators for assessing progress toward those results; data collection requirements (and the end users of that data), planned activities (including a summary of the tactics and tools to be used to progress towards the expected results of the program), and a summary budget. The plan set forth in this initial document would be revised on a regular basis – with the active collaboration of our partners – to reflect changing circumstances and opportunities.

#### **d. Design Timetable and Resource Requirements**

USAID and its partners would design this program in the first two quarters of FY 1996. Obligation is tentatively scheduled for the third quarter of FY 1996. We expect to contract the services of an Institutional Analyst with significant experience in this sector in Honduras to assist with the analytical work described in Section 6.a above. All other design work will be completed in-house by USAID and its partners. Obligation would *not* take place at the Strategic Objective level, but rather would occur via a Program-specific Grant Agreement with the Government of Honduras. Various other subsidiary instruments (e.g. Cooperative Agreements with NGOs, Memoranda of Understanding with participating GOH institutions) would be used to channel funds directly to participants in the program.

**7. RECOMMENDATIONS FOR REVIEW, WAIVER APPROVAL, AND DELEGATION OF AUTHORITY**

Through submission of this New Activity Description, we request USAID/W concurrence to proceed with design and authorization of this activity in Fiscal Year 1996. No waivers requiring USAID/W approval are anticipated.

**8. PRELIMINARY OBJECTIVE TREE**

See following page.

STRENGTHENING DEMOCRATIC INSTITUTIONS  
OBJECTIVE TREE

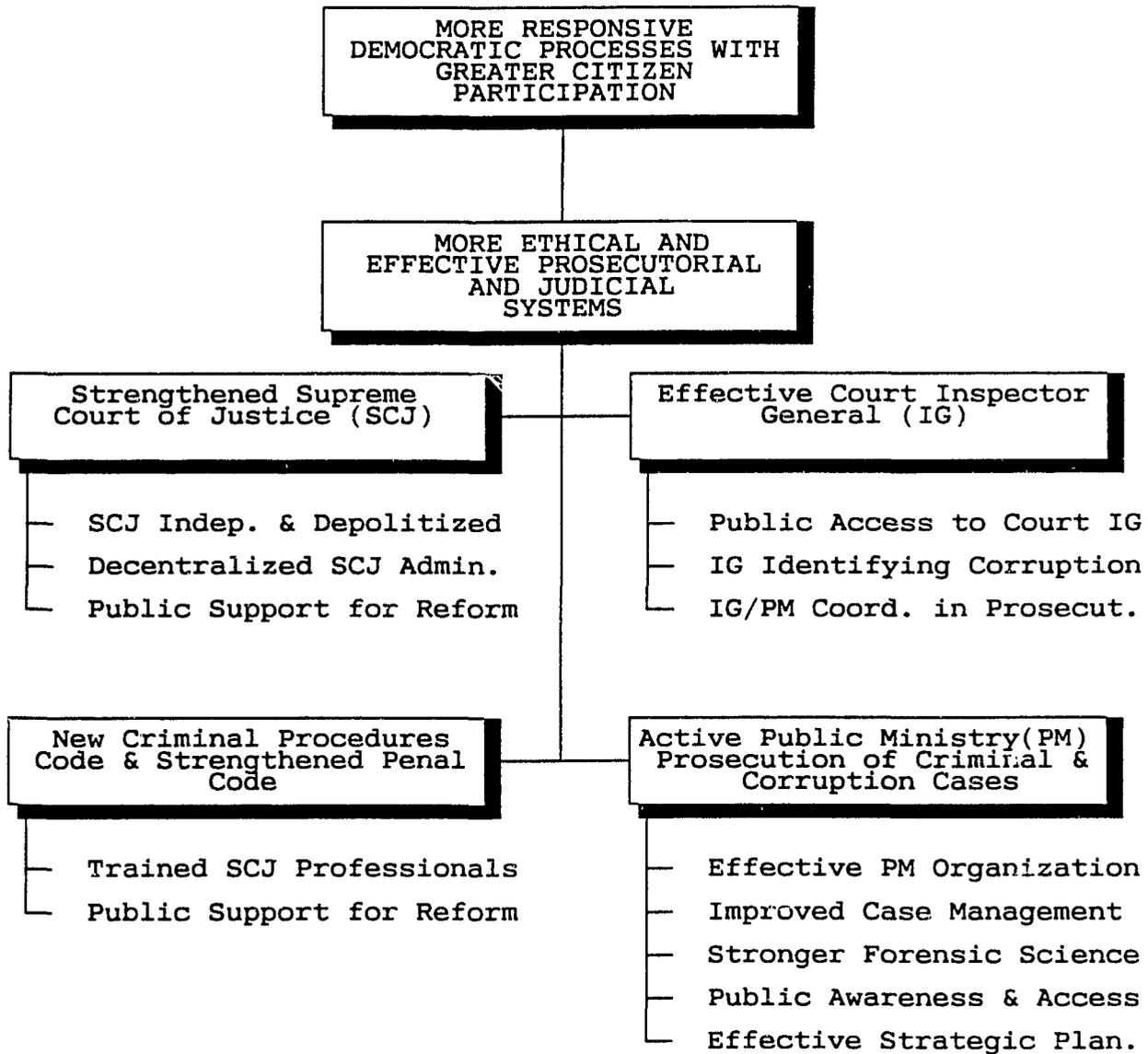


TABLE 5: USAID/HONDURAS PORTFOLIO -- PROJECT TIMELINE

PROJECT NUMBER (522-)	TITLE	FY 93				FY 94				FY 95				FY 96				FY 97				FY 98				FY 99			
		1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
341	INTERNATIONAL EXECUTIVE SERVICE CORPS	12/98																											
289	STRATEGIC PLANNING & TECHNICAL SUPPORT	09/30/93																											
324	SHELTER SECTOR PROGRAM	09/30/93																											
365	STRUCTURAL ADJUSTMENT PROGRAM	09/30/93																											
268	IRRIGATION DEVELOPMENT	10/30/93																											
380	CASA-WRF	2/28/94																											
257	HUMAN RESOURCES DEVELOPMENT COUNCIL	07/15/94																											
363	CHAMBER OF COMMERCE & INDUSTRY OF CORTES	09/30/94																											
207	EXPORT DEVELOPMENT & SERVICES	08/29/94																											
249	AGRICULTURE RESEARCH FOUNDATION	08/31/94																											
329	HONDURAS PEACE SCHOLARSHIPS	09/30/94																											
334	RURAL ROADS MAINTENANCE	12/31/94																											
396	STRUCTURAL ADJUSTMENT PROGRAM II	05/02/95																											
252	SMALL FARMER ORGANIZATION STRENGTHENING	09/26/95																											
381	STRENGTHENING ACCOUNTABILITY SYSTEMS	09/30/95																											
289	PRIVATIZATION OF STATE OWNED ENTERPRISES	12/31/95																											
369	PRIVATE SECTOR POPULATION PROGRAM II	03/31/96																											
273	PRIMARY EDUCATION EFFICIENCY	12/31/95																											
282	LAND USE PRODUCTIVITY ENHANCEMENT	02/08/97																											
296	STRENGTHENING DEMOCRATIC INSTITUTIONS	08/12/97																											
325	POLICY ANALYSIS & IMPLEMENTATION	08/27/97																											
246	FORESTRY DEVELOPMENT	04/30/95																											
383	SMALL FARMER AGRIBUSINESS DEVELOPMENT	12/31/97																											
216	HEALTH SECTOR II	02/23/98																											
384	HONDURAS PEACE SCHOLARSHIPS II	05/24/98																											
241	SMALL BUSINESS DEVELOPMENT II	06/30/98																											
399	SMALL FARMER EXPORT DEVELOPMENT	08/31/98																											
340	MUNICIPAL DEVELOPMENT	09/30/98																											
385	HONDURAN ENVIRONMENTAL PROTECTION FUND	06/30/99																											
389	PRIVATE SECTOR POPULATION III	*****																											
388	BASIC EDUCATION AND SKILLS TRAINING	NEW																											
394	STRENGTHENING DEMOCRATIC INSTITUTIONS II	NEW																											
395	ECONOMIC POLICY AND PRODUCTIVITY PROGRAM	NEW																											
400	BASIC EDUCATION AND SKILLS TRAINING II	NEW																											
391	SUSTAINABLE RESOURCE USE	NEW																											
403	HEALTH SECTOR III	NEW																											
PL480	TITLE II	CONTINUING																											
PL480	TITLE III	***** 09/30/94																											
		***** 09/30/98																											
TOTAL PROJECTS (Numbers)		28				25				20				17				16				13				9			
(at end of each Fiscal Year)																													

- \* Proposed PACD extension for the Primary Education Efficiency Project is 08/07/96
- \*\* Proposed PACD extension for the Forestry Development Project is 12/31/97
- \*\*\* Proposed PACD extension for the Health Sector II Project is 5/24/98
- \*\*\*\* Proposed PACD extension for the Small Business II Project is 08/31/98
- \*\*\*\*\* Proposed PACD extension for the Municipal Development Project is 06/30/99
- \*\*\*\*\* Authorized PACD for the Honduran Environmental Protection Fund is 07/10/2000
- \*\*\*\*\* Reflects two multi-year programs: 1992-1994; 1995-1998
- Blank space indicates a proposed PACD extension

**CENTRALLY AND REGIONALLY FUNDED PROJECTS ACTIVE IN HONDURAS**

**CATEGORY A\***

<b>PROJECT NUMBER</b>	<b>PROJECT NAME</b>
596-HG-006	Shelter Sector Urban Development (CABEI)
596-0167	Local Government Regional Outreach Program (LOGROS)
596-0178	Regional Trade Policy
596-5848	Girl Education project
598-0654	Rural Development Technology Services (LACTECH)
598-0661	Evaluation of Caribbean and LA Scholarship Programs (CLASP)
598-0661	Cooperative Association of States of Scholarships (CASS)
598-0780	Environmental Support Project (LAC) (LightHawk)
598-0791	Regional Technical Aid Center II
931-1311	Tropsoils CRSP
936-4023	Pond Dynamics CRSP
936-3030	Strategies for Improving Service Delivery (The Population Council)(INOPAL)
936-3038	Family Planning Logistics Management (CDC)
936-3051	Contraceptive Social Marketing III (SOMARC III)
936-3054	International Population Fellows Program
936-3055	Family Planning Management Development
936-3057	Central Contraceptive Procurement
936-3068	Association for Voluntary Surgical Contraception
936-5110	Food, Nutrition Monitoring and Support (IMPACT) (ISTI)
936-5122	Opportunities for Micronutrient Interventions (JSI) (Field Support/TA)
936-5451	Implementing Policy Change
936-5470	Rule of Law Capacity Building
936-5554	Conservation of Biological Diversity
936-5839	Environmental Education and Communication (GreenCom)
936-5966	Breastfeeding Maternal & Neonatal Health (Expanded Program in Breastfeeding)
936-5966	Breastfeeding Maternal & Neonatal Health (Mother Care II)
936-5970	Technical Advisors in AIDS and Child Survival
936-5972	AIDS Technical Support -- AIDS Control and Prevention (AIDSCAP)
936-6006	Basic Support for Institutionalizing Child Survival (BASICS)
940-0404	Institute for Contemporary Studies
940-0406	Microenterprise Innovation Impact Component Central American Regional Environmental Project (PROARCA)

\* Supports Mission Strategic Objective and is within Mission capacity to manage.

**CENTRALLY AND REGIONALLY FUNDED PROJECTS ACTIVE IN HONDURAS**

**CATEGORY B\***

<b>PROJECT NUMBER</b>	<b>PROJECT NAME</b>
596-0150	Regional Environmental Natural Resources Mgt.(RENARM)
598-0813	Partners of the Americas/Civic Education
931-1254	Sorghum/Millet CRSP (Intsormil)
936-4195	Post Harvest Collaborative Agribusiness Support Project
936-4198	Sustainable Agriculture and Natural Resources Management CRSP (SANREM)
936-5063	University Development Linkages Project
936-5922	Applied Research in Child Survival Services (Quality Assistance)
938-0158	World Relief Corporation Matching Grant
938-0158	The People to People Health Foundation (Project Hope) (Matching Grant-CS)
938-0158	Freedom from Hunger Matching Grant
938-0158	Katalysis North/South Development Partnership (Matching Grant)
938-0284	Adventist Development and Relief Agency International (Child Survival Grant)
938-0500	World Vision Relief and Development (Child Survival Grant)
938-0500	International Eye Foundation (Child Survival Grant)
938-0500	Save the Children Federation (Child Survival Grant)
938-0705	Farmer to Farmer (VOCA)
938-0705	Farmer to Farmer (NAPA)

**CATEGORY C\*\***

596-0146	Regional Central American Rural Electrification Support (CARES)
596-0147	Economic Policy Research
596-0177	Support for Partnership for Democracy and Development
596-0179	Establishment of Central American Development Coordination Commission
930-0185	USAID/Israel Cooperative Development Program
931-1310	Bean/Cowpea CRSP
936-5743	Energy Efficiency Project
936-5750	Renewable Energy Application/Training
936-5838	United States Telecommunications Training Institute (USTTI)

\* Supports Mission Strategic Objective but is beyond Mission Capacity to manage.

\*\* Does not support Mission Strategic Objective.

## Resource Requirements

The Development Assistance and PL 480 Title II levels provided in the summary below and detailed in Table 3 beginning at Page 65 are in line with the LAC guidance. On the other hand, we are going beyond the guidance to request a continuation of PL 480 Title III at a level of \$5 million in each of FYs 1996 and 1997. Honduras is a food-insecure country. In Latin America, only Haiti has a larger food gap. Integrating Title III resources into our program has been a critical element in achieving food security and development impact. We would be remiss in not requesting resources that have already helped Honduras undertake reforms in support of enhanced food security and whose generated financial resources have resulted in the creation of thousands of jobs, thus improving household food access.

	FY 1995	FY 1996	FY 1997
		(\$000)	
Development Assistance	18,520	25,680	25,680
Mission	(14,265)	(23,230)	(22,195)
Global Bureau	( 4,255)	( 2,450)	( 3,485)
PL 480 Title II	4,270	4,410	4,410
PL 480 Title III	3,000	5,000	5,000
<b>TOTAL</b>	<b>25,790</b>	<b>35,090</b>	<b>35,090</b>

**NOTE:** Global Bureau levels for FYs 1995 and 1996 represent only those portions of field support financed from Global Bureau resources; projected field support needs for FY 1996, excluding overhead, total \$4.837 million. This assumes that total country levels would hold at the planning levels. The level for FY 1997 represents the Mission's total field support needs as best as can be determined at this point.

The proposed program levels also respond to:

- ▶ The Agency's strategic goals of: encouraging broad-based economic growth, protecting the environment, stabilizing population growth and protecting human health, and building democracy;
- ▶ Continued high levels of poverty, malnutrition, illiteracy, and infant and maternal mortality, despite steady improvement over the past two decades.
- ▶ The GOH Administration's focus on social programs and anticorruption, and a growing appreciation of the importance of natural resources conservation as a result of the country's energy crisis.

The Mission's program is totally consistent with the Agency's strategy and its strategic objectives structured around the first four of the five program goals.

USAID has long played a significant role in the Honduran development process, and continued assistance at viable levels is needed, especially as the GOH attempts to make economic, social, and democratic progress in the face of a difficult economic situation compounded by an energy crisis and heavy debt burden.

Honduras is a poor country. Remarkably, it is also a good performer, having made enormous strides in improving social conditions, building a solid democracy, improving human rights, and opening its economy to free-market forces. Nonetheless, the program has undergone sharp and sustained budget reductions. Directives compounded the resource limitations. In response, we have not only trimmed programs, we have cut them. In the past two years, we have eliminated activities entirely if the activities were not critical to achieving strategic objectives or were not producing. What remains is a core program. To protect that program's integrity, some projects have lived off pipeline for one year in order to meet critical funding requirements in others. Now those projects themselves need funding. Last year a two-year pipeline was a target; today it is a luxury.

The latest Bureau guidance provides increased flexibility in allocating resources among objectives. That added flexibility helps enormously. Our budget allocations have, in response, attempted to stay as close as possible to the allocation proportions outlined in recent Agency guidance, even in the alternative scenarios.

Last year's Resource Requirements Narrative went into great detail about the anticipated adverse impact of a DA reduction to 75% of the then-proposed FY 1996 level. As it turns out, that 75% level is remarkably similar to our ultimate FY 1995 DA level, excluding Global. Discussing alternative-scenarios this year is, unfortunately, much simpler. We've cut, trimmed, and stretched ongoing projects as much as we can. New activities are essentially follow-ons that build on impressive successes in our core strategic program. A cut of 25% from planning levels in FY 96 and FY 97 (the 75% level) would essentially straightline FY 95 DA levels. At this level in 1996 we could not come close to meeting assigned 1996 earmarks. Furthermore at the 75% level both years, even with full flexibility we could not meet current commitments for our scaled down, core strategic program. This would significantly affect our ability to achieve projected results. We certainly could not begin either of the projected new activities. This would mean that by the end of 1997 we would no longer support policy reform in the agriculture and natural resource sectors nor would we deal with trade policy reform. We would also cease assistance in reform of the justice system. If our FY 1996 or 1997 budgets are reduced below 75% of planning levels - i.e. below 1995 DA levels - we would have to cut one or more strategic objectives, losing important synergies we now have in our well balanced, carefully integrated program. With the cuts would go major development impact.

**A Special Word on PL 480 Title III.** An evaluation of the PL 480 Title III program undertaken in 1994 found the past performance under the FY 91 and FY 92-94 Title III programs had been excellent but the task was not complete. The evaluation found, for example, that production of basic grains grew 10 percent per year for three years (through 1993) following introduction of reforms supported by the Title III program. Also overall agricultural production grew at 5.4 percent per year since the reforms, compared to 2.2 percent during the previous seven years.

Moreover, thousands of jobs and the incomes that go with them have been created as a result of USAID projects supported by Title III local currency, thus improving household food access. In brief Title III investments in Honduras pay off in humanitarian and developmental terms.

Continuation of a PL 480 Title III program in Honduras would:

- ▶ Fill some 17% of a critical food import gap, estimated at 140,000 MT of wheat per year.
- ▶ Maintain crucial policy leverage in seeking to resolve the internal GOH debate over the direction of agricultural sector policy in favor of continuing to implement the market-based reforms. If the GOH reverts to the inward-looking, protectionist policies of the past, food security will be threatened to the detriment of Honduras' poor.
- ▶ Continue a flow of local currency to finance nutrition programs for needy mothers and children, support small farmer development activities, watershed protection, and rural water and sanitation. Local currency would also finance the costs of implementing policy reforms, including among them the establishment of an accelerated land titling program and the development of a market information system for agricultural products. Such initiatives, costly under any circumstances, will be particularly difficult for the GOH to undertake using its own monies, owing to IMF budget stringency.

**Global Bureau Field Support.** The USAID/Honduras program field support needs for Fiscal Years 1996 and 1997 are detailed by Strategic Objective in the tables beginning at Page 70. The levels shown therein *do not include overhead*, since the Global Bureau has not yet provided a rate schedule. For 1997, the dollar value of field support needs in these tables matches the dollar levels shown for the Global Bureau in Table 3. These Global Bureau needs are predicated on the assumption that total resource levels – and particularly DA resources – going to Honduras would be maintained at the 100% planning levels.

## ACTION PLAN 95/97 BUDGET

PROJECT NUMBER	PROJECT TITLE	FY 95	FY 96	FY 97
<b>S.O. 1 - Enhanced Economic Participation</b>				
522-0241	Small Business Development II	1,500	587	913
522-0273	Primary Education Efficiency	235	0	0
522-0325	Policy Analysis & Implementation AG *	475	772	0
522-0325	Policy Analysis & Implementation EPA	0	200	0
522-0383	Small Farmer Agribusiness Develop.	500	773	202
522-0363	Basic Education and Skills Training	1,435	4,000	3,200
522-0395	Economic Policy and Productivity Program	0	0	3,587
522-0399	Small Farmer Export Development	600	550	650
598-0654	Lactech	0	0	10
936-4195	Postharvest Collaborative Agri-Business	110	100	0
940-0406	Microenterprise Innovation	0	0	50
	P.L. 480 Title III *	1,500	2,500	2,500
<b>S.O. 1 Subtotal</b>		<b>6,355</b>	<b>9,482</b>	<b>10,112</b>
<b>S.O. 2 - Effective Stewardship of Key Natural Resources</b>				
522-0246	Forestry Development	0	1,476	1,504
522-0292	Land Use & Productivity Enhancement	1,450	850	760
522-0325	Policy Analysis & Implementation AG *	1,425	1,585	528
522-0385	Honduran Environmental Protection Fund	0	1,000	1,128
	P.L. 480 Title III *	1,500	2,500	2,500
<b>S.O. 2 Subtotal</b>		<b>4,375</b>	<b>6,411</b>	<b>6,220</b>
<b>S.O. 3 - Improved Family Health</b>				
522-0216	Health Sector II **	2,501	6,270	5,240
522-0369	Private Sector Population Program II	94	0	0
522-0389	Private Sector Population III ***	2,559	3,000	1,663
936-3030	Strategies for Improving Service Del.	154	300	200
936-3038	Family Planning Logistics Management	95	0	0
936-3051	Contraceptive Social Marketing	75	120	120
936-3055	Family Planning Management Develop.	75	0	0
936-3057	Central Contraceptive Procurement	756	580	750
936-5110	Food and Nutrition Monit. & Support	100	0	0
936-5122	Opportunities for Micronutrients Interv.	200	0	0
936-596605	Wellstart	200	200	100
936-596607	Mothercare	250	150	325
936-5970	Technical Advisors in AIDS & Child S.	150	0	0
936-5972	AIDSCAP	1,240	550	1,530
936-6006	Basic Support for Inst. Child Survival	750	250	350
	P.L. 480 Title II	4,270	4,410	4,410
<b>S.O. 3 Subtotal</b>		<b>13,469</b>	<b>15,330</b>	<b>12,698</b>

\* These projects are included in S.O. 1 and S.O. 2

\*\* \$640,000 of this project have been OYB transferred to the Global Bureau

\*\*\* \$170,000 of this project have been OYB transferred to the Global Bureau

**ACTION PLAN 95/97 BUDGET**

PROJECT NUMBER	PROJECT TITLE	FY-95	FY-96	FY-97
<b>S.O. 4 - Democracy</b>				
522-0340	Municipal Development	656	660	670
522-0364	Honduras Peace Scholarships II	400	400	400
522-0394	Strengthening Democratic Institutions II	0	1,000	1,280
936-5470	Rule of Law Capacity Building	100	200	50
<b>S.O. 4 Subtotal</b>		<b>1,156</b>	<b>2,260</b>	<b>2,400</b>
<b>Other</b>				
522-0000	Program Development and Support	435	107	470
<b>Other Subtotal</b>		<b>435</b>	<b>107</b>	<b>470</b>
<b>Total Assistance</b>		<b>25790</b>	<b>35090</b>	<b>35090</b>

FY 1996 Budget Planning Document  
Strategic Objective Summary Report  
Table III

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SO No	Title Project	Obligations X Percentages				FY94 Pct	FY95 Pct	FY96 Pct	FY97 Pct
		FY94	FY95	FY96	FY97				
01	ENHANCED ECONOMIC PARTICIPATION.								
	522-0241	700	1,500	587	913				
	522-0273	1,610	235	0	0				
	522-0289	600	0	0	0				
	522-0325	515	475	972	0	100	25	38	0
	522-0383	725	500	773	702				
	522-0388	0	1,435	4,000	3,200				
	522-0395	0	0	0	3,587				
	522-0399	700	600	550	650				
	522-P480	5,500	1,500	2,500	2,500	50	50	50	50
	598-0654	0	0	0	10				
	936-4195	0	110	100	0				
	940-0406	0	0	0	50				
	Total:	10,350	6,355	9,482	11,112				
	S.O. PCT:	34.4	29.5	30.9	36.2				
	USDH FTE	FY94	FY95	FY96					
		6.0	6.0	6.0					
	Central Regional Costs for FY96			360					
02	EFFECTIVE STEWARDSHIP OF KEY NATURAL RESOURCES.								
	522-0246	0	0	1,476	1,504				
	522-0292	1,550	1,450	850	760				
	522-0325	0	1,425	1,585	528	0	75	62	100
	522-0385	1,000	0	1,000	1,128				
	522-P480	5,500	1,500	2,500	2,500	50	50	50	50
	Total:	8,050	4,375	7,411	6,420				
	S.O. PCT:	26.8	20.3	24.2	20.9				
	USDH FTE	FY94	FY95	FY96					
		1.5	1.5	1.5					
	Central Regional Costs for FY96			95					
03	IMPROVED FAMILY HEALTH.								
	522-0216	8,117	2,501	6,270	5,240				
	522-0369	2,498	94	0	0				

SO No	Title Project	Obligations X Percentages				FY94 Pct	FY95 Pct	FY96 Pct	FY97 Pct
		FY94	FY95	FY96	FY97				
	522-0389	0	2,559	3,000	1,663				
	936-3030	0	154	300	200				
	936-3038	0	95	0	0				
	936-3051	0	75	120	120				
	936-3055	0	75	0	0				
	936-3057	0	756	580	750				
	936-5110	0	100	0	0				
	936-5122	0	200	0	0				
	936-596605	0	200	200	100				
	936-596607	0	250	150	325				
	936-5970	0	150	0	0				
	936-5972	0	1,240	550	1,530				
	936-6006	0	750	250	350				
	<b>Total:</b>	<b>10,615</b>	<b>9,199</b>	<b>11,420</b>	<b>10,278</b>				
	<b>S.O. PCT:</b>	<b>35.3</b>	<b>42.7</b>	<b>37.2</b>	<b>33.5</b>				
	<b>USDH FTE</b>	<b>FY94</b>	<b>FY95</b>	<b>FY96</b>					
		2.0	2.0	2.0					
	<b>Central Regional Costs for FY96</b>			<b>815</b>					
<b>04</b>	<b>MORE RESPONSIVE SELECTED DEMOCRATIC PROCESSES.</b>								
	522-0296	500	0	0	0				
	522-0340	0	656	660	670				
	522-0364	400	400	400	400				
	522-0394	0	0	1,000	1,280				
	936-5470	0	100	200	50				
	<b>Total:</b>	<b>900</b>	<b>1,156</b>	<b>2,260</b>	<b>2,400</b>				
	<b>S.O. PCT:</b>	<b>3.0</b>	<b>5.4</b>	<b>7.4</b>	<b>7.8</b>				
	<b>USDH FTE</b>	<b>FY94</b>	<b>FY95</b>	<b>FY96</b>					
		2.5	2.5	2.5					
	<b>Central Regional Costs for FY96</b>			<b>205</b>					
<b>99</b>	<b>OTHER ACTIVITIES IN SUPPORT OF AGENCY GOALS</b>								
	522-0000	144	435	107	470				
	<b>Total:</b>	<b>144</b>	<b>435</b>	<b>107</b>	<b>470</b>				
	<b>S.O. PCT:</b>	<b>0.5</b>	<b>2.0</b>	<b>0.3</b>	<b>1.5</b>				
	<b>USDH FTE</b>	<b>FY94</b>	<b>FY95</b>	<b>FY96</b>					

SO No	Title Project	Obligations FY94	X FY95	Percentages FY96	FY97	FY94 Pct	FY95 Pct	FY96 Pct	FY97 Pct
		0.0	0.0	0.0					
	Central Regional Costs for FY96			0					
Report Totals									
		30,059	21,520	30,680	30,680				
	S.O. PCT:	100.0	100.0	100.0	100.0				
	USDH FTE	12.0	12.0	12.0					
	Central Regional Costs for FY		96	1,475					

**REGIONAL AND GLOBAL FIELD SUPPORT**

Project Name and Number	Field Support Requested	Priority	Approximate Duration	Estimated Funding	
				FY 1996	FY 1997
<b>STRATEGIC OBJECTIVE 1</b>					
Rural Development Technology Services (LACTECH) (598-0654)	Technical assistance in nontraditional agricultural exports to FHIA for a total of five weeks in the two-year period.	3 Medium	5 weeks	15,000	10,000
Rural Development Technology Services (LACTECH) (598-0654)	Technical assistance in food security.	2 Medium	3 weeks	15,000	None
Rural Development Technology Services (LACTECH) (598-0654)	Technical assistance in rural finance.	1 High	2 weeks	10,000	None
The Microenterprise Innovation Project, IMPACT Component (940-0406)	Technical assistance for a village bank study.	4 Medium	6 weeks	50,000	None
The Microenterprise Innovation Project, IMPACT Component (940-0406)	Technical assistance for a microenterprise survey.	5 Low	4 weeks	None	50,000
<b>STRATEGIC OBJECTIVE 2</b>					
Environmental Education and Communication (GreenCom) (936-5839)	Assistance in the implementation of a nationwide public awareness campaign for protected areas. This will complement work under the Forestry Development Project (FDP) extension on protected areas.	Medium	4 months	30,000	None

**REGIONAL AND GLOBAL FIELD SUPPORT**

Project Name and Number	Field Support Requested	Priority	Approximate Duration	Estimated Funding	
				FY 1996	FY 1997
<b>STRATEGIC OBJECTIVE 3</b>					
TAACS (936-5970)	Technical support from Mission TAACS Officer. FY96 funds will be used for both FY96 and FY97 activities.	1 High	2 years (1996-97)	300,000	None
AIDSCAP (936-5972.31)	Technical support to the National AIDS Program, especially in STD prevention and treatment and behavior change communication. Mission will add funding in FY98 to extend project life.	2 High	3 years (1996-98)	1,430,000	1,550,000
BASICS (936-6006)	Provide support to implement the Mission's child survival strategy, including diarrheal diseases, ARI, and integrated child care. Mission will add funding in FY98 to extend project life.	3 High	3 years (1996-98)	350,000	350,000
Central Contraceptive Procurement (936-3057)	Contraceptives procurement. Contraceptives are procured one year in advance.	4 High	2 years (1997-98)	750,000	750,000
Breastfeeding (BF) Maternal Neonatal Health: Wellstart (936-5966.05)	Support to local La Leche League's country program and to the Ministry of Health (MOH) to integrate BF into maternal and child care.	6 High	2 years (1996-97)	250,000	100,000
Breastfeeding Maternal Neonatal Health: Mothercare II (936-5966.07)	Assistance to the MOH and Mission in implementing maternal and neonatal health and nutrition interventions.	8 Medium	2 years (1996-97)	325,000	325,000

**REGIONAL AND GLOBAL FIELD SUPPORT**

Project Name and Number	Field Support Requested	Priority	Approximate Duration	Estimated Funding	
				FY 1996	FY 1997
<b>STRATEGIC OBJECTIVE 3 (continued)</b>					
International Population Fellows Program (936-3054)	Technical support from Mission Population Fellow. FY97 fund will be used in the period 1998-99.	7 High	2 years (1998-99)	None	180,000
Contraceptive Social Marketing (936-3051)	Assistance to Mission's private sector cooperating agency to develop and execute an effective contraceptive social marketing program. Funds from one fiscal year will be used in the subsequent year.	5 High	2 years (1997-98)	120,000	120,000
Strategies for Improving Service Delivery (936-3030)	Assistance to the Mission in developing and monitoring operations research in reproductive health and family planning. Funds from one fiscal year will be used in the subsequent year.	9 Low	2 years (1997-98)	160,000	160,000
<b>STRATEGIC OBJECTIVE 4</b>					
Local Government Regional Outreach Program (LOGROS) (596-0167)	Technical assistance for municipal development activities for a total of two months in the two-year period.	2 High	2 months	12,000	15,000
Rule-of-Law Capacity Building (936-5470)	Technical assistance for the strengthening of prosecutors and lower court management for a total of twenty five person/months for the two-year period	1 High	9 months	100,000	25,000

**REGIONAL AND GLOBAL FIELD SUPPORT**

Project Name and Number	Field Support Requested	Priority	Approximate Duration	Estimated Funding	
				FY 1996	FY 1997
<b>STRATEGIC OBJECTIVE 4 (continued)</b>					
Regional Technical Aid Center II (598-0791)	Managerial support. Funds are allocated to USAID/W office to cover Honduras' administrative services. Nine additional countries support this office.	3 High	1 year	10,000	None
Cooperative Association of States for Scholarships (CASS) (598-0661)	Thirty scholarships for a two-year period	4 Medium	2 years	900,000	900,000
Evaluation of Caribbean and LA Scholarship Programs (CLASP) (598-0661)	Regional evaluations.	5 Low	2 years	10,000	10,000

## **Other Donor Issues**

### **Economic Policy Reform**

At this point the World Bank and the IDB are under tremendous pressure to disburse in Honduras. In order to avoid default we are concerned that this pressure not exceed the need to hold disbursements until real progress is made in order to keep the country on the appropriate development path. The Agricultural Sector Loan supported by both Banks is the primary case in point. Whereas the Banks had weighed in on the pre-Christmas price controls by withholding disbursements, since then they seem to have run out of resolve in the face of recent clear violations of free-trade conditions. Our economic-growth Strategic Objective depends on the GOH's maintaining the economic reforms of the early 1990s. More importantly, so does the well-being of the majority of Hondurans. The Banks hold the resources and therefore the leverage. They need to regain their resolve.

### **Institutional Reform**

The World Bank and the IDB are the major donors providing assistance to the GOH for "Modernization of the State" (MOS). MOS is a mammoth, complex, and, we believe, overambitious undertaking. We are concerned that proposed restructuring of some key ministries, including agriculture, health and education appear to be taking an theoretical cookie-cutter approach apparently developed by outsiders with little knowledge of Honduras. Meanwhile, over the last ten years USAID has invested heavily in bringing about major institutional improvements in the agriculture, education and health sectors. We do not want to see the progress achieved to date lost.

The USAID Mission has previously and plans to continue pursuing these issues with the Banks' representatives both in Honduras and Washington. During the Action Plan period, we may request assistance from USAID/Washington in dealing with specifics relating to these issues.

## **Performance Measurement**

### **Performance Measurement System Status**

The Mission has a well established performance evaluation system. During the past four years a Strategic Framework has been developed and streamlined. Performance and progress indicators have been identified and targets have been established for all four Strategic Objectives. The sources of information include project information systems, Government of Honduras statistics, project evaluations, special studies and surveys at both the project and program levels. These sources are providing enough and reliable data to assess progress and impact at the program level.

The Mission program results are assessed through 52 indicators. All targets have been set for these indicators except for performance indicator 3.E "Reduced HIV Seroprevalence in Commercial Sex Workers and Women Attending a Prenatal Clinic in San Pedro Sula". The Mission plans to have all needed data collected by May, 1995, therefore the April 1st deadline for this indicator will not be met.

### **Special Studies**

The Mission carries out special studies and surveys to obtain a better understanding of progress and problems in areas of interest, and the impact these have on people. Some of these include an agricultural census survey, a workforce assessment, opinion polls, a food program cost-effectiveness study and others. Please refer to Annex B for detailed information.

**SECTION IV: FY96-1997 PROGRAM MANAGEMENT  
RESOURCES - WORKFORCE AND OE**

**OE RESOURCES NARRATIVE**

USAID/Honduras has been able to develop Operating Expense budgets which conform to target annual plan levels established in the action plan guidance, or straight line funding levels from FY95 through FY97. We have had to plan some minor further attrition in overall FSNPSC workforce levels from FY96 to FY97 in order to meet the budget target. However, we believe this adjustment will be realistically achievable without an adverse impact on our program portfolio management as we further reduce portfolio size during 1996. The most significant factor enabling the Mission to meet the action plan OE budget targets is the reduction in USDH, FSNDH and FSNPSC staff already accomplished from 1993, through 1995. Clearly our budgets are extremely sensitive to projections on domestic inflation (particularly local wage surveys/adjustments) and exchange rates, and unanticipated departures from past trends could have a serious negative impact on costs.

Finally it should be noted that our straightlined OE level includes \$25,000 each for two IDIs planned during the 1995-1997 period in addition to our currently authorized FY 1995 annual plan level of \$3,709,600.

**TABLE 4  
USAID/Honduras  
OE Funding Requirements  
(\$000)**

<b>OE/Trust Funded Levels By Major Function Code:</b>	<b>FY 95</b>	<b>FY 96</b>	<b>FY 97</b>
U100 U.S. Direct Hire	459.2	495.0	490.2
U200 F.S.N. Direct Hire	455.6	433.7	415.7
U300 Contract Personnel	1,335.3	1,394.4	1,383.8
U400 Housing	373.1	379.3	388.5
U500 Office Operations	943.5	907.2	956.4
U600 NXP Procurement	192.9	150.0	125.0
Total Mission Funded OE/TF Costs	3,759.6	3,759.6	3,759.6
Of Which TF Funded	1,007.1	1,007.1	1,007.1

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<b>MISSION STAFFING REQUIREMENTS</b>															
	<b>FY95</b>					<b>FY96</b>					<b>FY97</b>				
	USDH	USPSC	TCNPSC	FSN	Other	USDH	USPSC	TCNPSC	FSN	Other	USDH	USPSC	TCNPSC	FSN	Other
Total Authorized Positions	20	14	1	137	2	20	14	1	137	2	20	14	1	134	2
Of which Program funded	0	12	0	21	2	0	12	0	21	2	0	13	0	21	2

## SECTION V. -- MISSION-INITIATED ISSUES

### PL 480 Title III

The Mission request for Title III at \$5 million for each of FYs 1996 and 1997 falls outside the budget parameters in the LAC Bureau guidance. The Mission's rationale for the request is founded on: (a) Honduras' need based on its severe poverty and food insecurity; and (b) Title III's role in Honduras' excellent progress in improving food security and reducing poverty. What position should the LAC Bureau take on this issue as it presents its Budget Submission to the Agency?

### Improving Global Bureau/Mission Coordination

The first year of the new relationship between the Global Bureau, the LAC Bureau, and the Mission has been very confusing and time-consuming. A current problem is that, in accordance with guidance, we presented our budget estimates of Global Bureau field support based only on actual *needs*. We have never received any information on overhead and administrative costs which we believe to be relatively high. We need to know these costs to do sound planning and to better assess the cost-effectiveness of alternative technical-assistance sourcing. What other steps can each of these players take toward a smoother process through the Action Plan period?

## SECTION VI: SPECIAL REPORTING REQUIREMENTS

### UPDATE ON THE STATUS OF TROPICAL FORESTS AND BIODIVERSITY (FAA 118 & 119)

#### FY 96-97 ACTION PLAN MARCH 1995

#### Section III. Environment.

##### III. A. *Major conservation challenges facing the host country (reduction of deforestation and conservation of biodiversity).*

The major conservation challenges have not changed since the update of February 1994. The main issues include deforestation of both pine and hardwood forests with associated loss of biological diversity, loss of topsoil due to unsustainable agricultural methods, and loss and contamination of water supplies from agricultural practices and deforestation.

##### III. B. *Progress made during the last year regarding reduction of deforestation and conservation of biodiversity.*

The progress towards deforestation and conservation of biodiversity in 1994 was related to continued policy implementation (as referred to in the 1994 update), and the strengthening of government institutions related to natural resources and environment.

The Regulations for the Environmental Law were established at the end of 1993, and during 1994 the Ministry of the Environment (SEDA) set up its internal organization for policy analysis and compliance with environmental assessment requirements. In addition, initial steps were taken by SEDA and the forestry agency responsible for protected areas, COHDEFOR, to jointly develop the regulations necessary to implement the National System of Protected Areas, SINAPH. There were several opportunities for training SEDA staff in policy analysis through a regional USAID project, RENARM. Also in 1994, several environmental cases were analyzed, fines collected, and other cases have been taken to higher authorities in the recently established Public Ministry.

During 1994, COHDEFOR took leadership in making protected areas and conservation of biodiversity a high priority of the institution, and committed human and financial resources to support this position. Another initiative of COHDEFOR in 1994 was to make the NGO sector an important priority in both forestry and protected areas management. Working closely with SEDA and NGOs, COHDEFOR has developed a draft document which will be used for implementation of the SINAPH. During 1994, SEDA also established and strengthened its role in making environmental protection and sustainable natural resource use prominent in the public awareness. The USAID/Honduras Mission supported this role by providing resources for the technical advisor to the Environmental Minister.

The project with LightHawk for conservation in La Mosquitia (funding under the FDP/522-0246) resulted in a workshop in 1994 on environmental issues in the region, an environmental education workshop for teachers, and the formation of an ad hoc group of public and private

sector representatives in Puerto Lempira, the Commission for Development and Environment, CODIMA.

Also in the policy arena, forestry regulations of the Agriculture Modernization Law continue to be implemented, including required forest management plans and allocation of timber harvests on public lands via a transparent timber sales system. Once fully implemented, the sales system promises to move the price of timber closer to its real cost; thus reducing forest resource degradation or depletion. The Mission collaborated very closely with the international banks and other donors in the furtherance of effective forest policy and management.

*III. C. How the mission will address host country needs over the Action Plan Period: FY 96 - 97.*

Additional mission activities since the update of January 1994 include employment of a natural resources economist under the Agricultural Component of the Policy Analysis and Implementation Project (PAIP), the continued implementation of the Honduran Environmental Protection Fund Project (HEPF), and an increased emphasis on protected areas through the existing Forestry Development Project (FDP). The HEPF project addresses a range of conservation and biodiversity issues through joint projects between U.S. NGOs and Honduran NGOs.

The design of a new component for protected areas under the pending extension of the FDP took place during 1994. The activities are primarily designed to: (1) develop and support the policy framework necessary to implement SINAPH and related conservation laws (especially international treaties), and (2) to move pilot protected areas from their status as parks only on paper to a functional level with protection and management in the field (10 protected areas total). The project with LightHawk will be finalized in 1995, with associated maps and inventories of La Mosquitia as major products expected to serve as a basis for land use planning and conservation in the region.

The Mission will work closely with the GCAP regional office in the design of the new environmental project, PROARCA. The project will address conservation and biodiversity, pollution, and regulatory issues related to the environment in Central America.

## FOOD SECURITY

Honduras is not only the third poorest country in the Western Hemisphere, it is a food-insecure country. Among the countries applying for Title III in 1995, Honduras had the third largest food gap in terms of kilograms per capita after Haiti and Mozambique. Even Bangladesh, Ethiopia, Ghana and Nicaragua had smaller gaps, according to USDA/ERS data for 1995. In the face of such great need, the impact of the Mission's program on our key performance indicator of food security -- prevalence of underweight 12-23 month old children - namely the reduction from 30 percent to 24 percent between 1987 and 1994 -- is very encouraging and a testimonial to the soundness of the Mission's strategy and its closely integrated package of Title II and III food aid and bilateral assistance to improve food security.

Planning levels indicate that Honduras will continue to receive Title II food aid through the Action Plan period, although at decreased levels. Honduras also has been approved as a Title III country at the \$3 million level for FY 1995, a marked reduction from prior-year and requested levels. Because Honduras is food-insecure and because Title III is so integral to helping alleviate food insecurity and to development impact under our economic-growth and environmental objectives, the Mission has gone beyond the budget parameters to request continuation of Title III at \$5 million for FYs 1996 and 1997. Even at this minimum level over a three year period the Title III program could address all three elements of food security: access, availability, and utilization. With \$3 million in FY 1995 alone, we are unable to use Title III resources to address utilization.

### Title III and Food Security

#### Contribution to Food Security

1. **Access.** Since the root cause of food insecurity in Honduras is poverty, the Title III's central focus continues to be increased food production and increased incomes of poor rural households. For some households, changes in price incentives and land tenure arrangements, coupled in some cases with Mission project activities, enable them to increase incomes by increasing production of cash crops, including both traditional and nontraditional exports. For others, income increases come from additional off-farm employment, some of which will be generated by increases in economic growth in rural areas stimulated by the policy reforms and some as a result of Mission-financed activities. Some of the local currency generations will support the GOH's family assistance program (PRAF) which increases the income and thus access of poor households to food through the distribution of coupons.
2. **Availability.** The food imported under the Title III program also increases the aggregate amount of food available in the country. This is important to national-level food security because the Title III food is needed *as food*. Our wheat imports, even at 25,000 metric tons per year, would increase the country's overall calorie availability by approximately 36 calories per person per day. In addition, Title III supported policy and institutional reforms are leading to substantial increases in local basic grains production -- increasing food availability and

reducing food prices.

3. **Utilization.** Title III can only address this point with a program of at least \$5 million per year from 1995-1997. Assuming a program at that level, the Mission could support one or more of the following: (a) a component of the Title III policy agenda to help improve the coverage of potable water and sanitation systems, especially in rural areas; (b) local currency support to expand water and sanitation systems, and/or primary health and nutritional care services supported under the Health Sector II Project.

### **Progress in Improving Food Security**

The October 1994 evaluation of the Title III program reveals that past performance under the FY 91 and FY 92-94 Title III programs has been excellent, although the job is not complete. The agricultural sector policy reforms supported by the FY 92-94 Program have promoted food security and poverty alleviation among the most food-insecure groups in Honduras - rural residents in general and small-farm households in particular. Production of basic grains grew 10 percent per year for the three years (through 1993) following introduction of ESF and PL 480-supported economic reforms. Overall agricultural production grew at 5.4 percent per year between 1991 and 1993, compared to 2.2 percent during the previous seven years. With a 30 percent improvement in relative terms of trade, rural households whose primary economic activity is agriculture increased their incomes by 14.7 percent in real terms. These improvements spurred agricultural investments which increased 20 percent in real terms through the same period.

Thousands of jobs and the incomes that go with them have been created as a result of USAID projects supported by Title III local currency, thus improving household food access. One such project contributed to the creation of approximately 42,000 jobs, 70 percent of which went to women from poor households. A recent survey found that the average monthly income of households with these workers was over two times the level which limits eligibility for the GOH's coupon program. The same survey found these households expended significantly more on food than comparable households without workers. An evaluation of another local currency project found that over 6,375 farm jobs were created in 1993 alone, and that over 10,000 farm families who had benefited from the activity had seen their incomes rise more than 25 percent in real terms during the life of the project. Nearly 10,000 hectares of marginal hillside land are under improved management, and 6,000 households benefited from an estimated 50 percent increase in production and even greater increases in overall income. In addition, the Title III evaluation found that, during this period, at least \$500 million in foreign exchange was generated by enterprises supported by USAID projects benefitting from Title III generated local currency. With additional Title III resources in 1996 and 1997, similar achievements can be expected in the future.

## **Title II and Food Security**

### **Contribution to Food Security**

Through direct distribution of food aid to 402,119 (FY 1994) of the poorest and most vulnerable, the Title II program through CARE contributes to food security by increasing access to food. However, Title II food and monetization resources are also being programmed in innovative ways that improve food availability and utilization. The re-designed program proposed for FY 1996-2000 places equal stress on all three elements of food security, as well as on sustainability through improvements in local institutional capacity to manage resources. Illustrations of the broader food security contribution of Title II include this year's Drought Emergency Project in the department of Valle, an isolated region of the country, where food-for-work is being used to increase food availability by improving roads and thus marketing and acquisition of food. The result -- local prices of rice and beans have been stable for the past five months. The food that households receive for their work not only improves food access, but effectively increases household income. The School Breakfast Project provides food directly and brings about sustainable improvements in both access and utilization through eventual increased income and all of the positive behavior change benefits that flow from the program's impact on basic education attainment. Data show that a Honduran with at least a sixth grade education earns at least 50 percent more per year than someone with no education. The Maternal and Child Health component, while preventing and treating malnutrition due to inadequate food consumption, improves food utilization through increasing use of health services, nutrition education, and of family planning, as documented in a CARE pilot project in 3 departments. Thus the Title II program plays a critical role in improving food security and achieving the Mission's Strategic Objectives of enhanced economic participation and increased incomes of the poor, and improved family health.

#### **Progress in Improving Food Security**

In FY 1994, the School Feeding component encouraged attendance by 298,590 children at approximately 3,700 primary schools in the 9 poorest departments of Honduras. A recent evaluation of the School Breakfast Project documented positive impact on school performance and increased attendance. The Maternal and Child Health component reduced the nutrient gap of 95,692 preschool children and pregnant and lactating women and encouraged their use of health services by providing dry rations at 302 health centers and at 1,100 on-site feeding centers in 16 departments. The Municipal Infrastructure and Technical Assistance (MITA) urban food-for-work Project employed 7,837 families (approximately 54,800 beneficiaries in total) and improved community infrastructure, especially sanitation, toward improved food utilization, through 38 completed projects. Impact evaluation results showed that due to MITA there had been a 114 percent increase in the provision of physical infrastructure, a 75 percent increase in short-term employment, and a greatly strengthened capacity of the municipal authorities and district authorities to initiate and implement further community-based development programs on their own. Monetization funds supported key inputs for all of these activities, especially infrastructure creation projects. Through the Cooperative Housing Foundation's monetization supported program, 777 low income periurban households received sanitation improvements.

Throughout 1994, CARE/Honduras, the GOH, and USAID have engaged in a series of activities to solidify the transition from the traditional Title II food distribution program to a Title II program with greater impact on food security. These include Food Security Rapid Appraisals in 3 regions of Honduras, and an ongoing evaluation of the comparative benefits of direct feeding programs versus income subsidy coupon programs, to complement the

lessons learned in demonstration activities described above and to establish the basis for program re-design.

CARE's five-year Development Project Proposal, currently under review by the Mission, contemplates shifts in the categories of beneficiaries toward more use of food aid for employment/production and infrastructure for long-term self-sufficiency. Welfare feeding would be terminated because, in the long-term, it has less impact on food security. The Mission and CARE will use the results of the comparative evaluation of various food aid activities, available in late 1995, to guide decisions on major modifications in the ongoing program. CARE will re-locate the Title II program to the 10 neediest of Honduras' 18 departments in FY 1995 in order to concentrate resources for greater impact. More intensive food security activities, commencing in FY 1996, are planned for the three most food insecure departments where more than 50 percent of first graders manifest stunted height/ chronic malnutrition. The objectives of the FY 1996-2000 Title II food-security program, using direct food distribution and monetization, complemented by the Mission's and other donors' projects including Title III, are:

1. To improve **availability** of food through: increasing local production and crop diversity; improving storage and conservation; and improving marketing and acquisition;
2. To improve **access** to food through: increasing the resilience of household income; improving the stability of local food prices, and improving the provisioning of food to vulnerable groups, when and where needed;
3. To improve **utilization** of food through: improving maternal childcare and reproductive health practices; and improving the availability of, quality of, and access to water, sanitation, and health services.

However, to pursue this more effective but more resource-intensive approach, the Agency's commitment to maintaining the FY 1996 Title funding levels at a minimum, or preferably, restoring the FY 1994 Title II levels, is critical. Any further cuts in either overall Title II resources or in quantities designated for monetization will not only make it difficult to obtain results under the ongoing MCH, school feeding, and food-for-work components, but will preclude the very promising new Title II food security program in the three most critical, food deficit departments of Honduras.

## USAID SUPPORT TO THE SUMMIT OF THE AMERICAS PLAN OF ACTION

### I. PRESERVING AND STRENGTHENING THE COMMUNITY OF DEMOCRACIES OF THE AMERICAS

#### 1. Strengthening democracy

***Strengthen the dialogue among social groups and foster grassroots participation in problem solving at the local level.***

Much of USAID/Honduras' work promotes grassroots participation in problem solving at the local level. Perhaps the most concentrated effort is under our Municipal Development Project (MDP) which is helping to increase citizen participation in local government decisions and strengthening local governments so they can better respond to citizen's needs for public services.

Our health and education programs with the GOH are stressing decentralization and increased community participation. Under our Health Sector II Project, for example, communities elect members of the water board charged with organizing construction, operation, and maintenance of their water and sanitation system. Under our current Primary Education Efficiency Project (PEEP) and our soon-to-begin Basic Education and Skills Training (BEST) Project municipalities, NGOs, local groups, and individual volunteers will be participating in and contributing to alternative methods of basic education and to vocational training to serve out-of-school youth and adults.

USAID's Policy Analysis and Implementation Project is promoting dialogue among government and groups of small and large producers as a means of achieving consensus on policy measures that help the agriculture sector.

#### 2. Promoting and Protecting Human Rights

***a. Promote policies to ensure that women enjoy full and equal legal rights within their families and societies, and to ensure the removal of constraints to women's full participation as voters, candidates and elected and appointed officials.***

The USAID program, in addition to focusing on gender as a development issue, is also supporting the GOH move to increase its program focus on women.

One of the GOH vice presidents is a woman who is very active in promoting the improvement of women's status and opportunities in Honduras. Last fall, the USAID Mission sponsored her participation and that of members of her delegation in the LAC Regional Conference on Integrating Women into the Social and Economic Development of the Region. The purpose of that conference was to prepare for the fourth worldwide Conference on Women to be held in Beijing later this year. During the regional conference, she was elected vice president of the Latin America delegation to the upcoming Beijing Conference. USAID will also sponsor her participation in that forum.

- b. Review and strengthen laws for the protection of rights of minority groups and indigenous people and communities . . . to guarantee full and equal protection under the law and to facilitate civic participation.**

In Honduras where economic and political influence reigns rather than the rule of law, a Constitutional Amendment that gives the Court independence from the legislative and executive branches of government is a key element in guaranteeing "full and equal protection under the law." USAID is promoting such an amendment through policy dialogue, and plans to provide grants for information activities of NGOs to educate the public on the Amendment. The program is also helping to prosecute and adjudicate crimes against women.

Our Strengthening Democratic Institutions Project (SDI) is "facilitating civic participation" by promoting election of local representatives to the National Congress separately from the national ticket. This follows an earlier effort in which grassroots organizations, with the support of USAID, joined with other groups in a lobbying effort that resulted in GOH's permitting the election of mayors separately from the national ticket for the first time in the 1993 election.

### **3. Invigorating Society/Community Participation**

- a. Review the regulatory framework for non-governmental actors with a view toward facilitating their operations and promoting their ability to receive funds. This review will emphasize the management and oversight of resources as well as transparency and the accountability to society of said actors. . .**

Working primarily under agreements with the GOH, the USAID/Honduras program continues to strengthen a range of private groups that work within a spectrum of development areas. They must meet USAID financial-management requirements to receive USAID/GOH funds and/or are receiving USAID assistance to strengthen their administrative and financial-management capability.

The groups include PVOs and NGOs involved in support to microenterprises, agriculture cooperatives, farmer-owned businesses, and credit unions; FHIA (a major agriculture research organization); the Human Resources Development Council--CADERH) which provides technical and vocational training to out-of-school youth and adults; the Fundación VIDA, the entity charged with providing subgrants to private environmental organizations; the Honduran Association for Family Planning (ASHONPLAFA); the Association of Honduran Municipalities (AMHON Municipal Development Association); and the Honduran Foundation for Democratic Development (FDDH).

- b. Take steps to improve the participation in social activities and initiatives of groups traditionally marginalized, including women, youth, indigenous people, and the extremely poor.**

Among the groups identified in this action item, our programs address the poor, women, and youth. In supporting each of its four strategic objectives, the USAID/Honduras program emphasizes increased access, opportunity, and participation of low-income groups. The following narratives illustrate how the programs support and impact on these groups and help them to participate in economic, social, and democratic processes.

Economic Growth. The Mission's economic growth activities are helping increase the poor's economic participation and incomes. These programs support such organizations as credit unions, agricultural small holders and cooperatives, and small and microenterprises. Some 77 percent of microenterprise loan recipients are women.

At the policy level, the USAID-supported Agriculture Modernization and Development Law has helped poor basic-grains farmers increase their incomes as a result of improved pricing policies. The Law has also given women legal equality in owning land and receiving title and loans.

Since 1986, our education activities have focused on primary-school-aged children. Of those who graduate from sixth grade, 52 percent are female. Our focus is now turning to out-of-school youth and adults in providing alternative basic education methods, and vocational training for both males and females to give them the opportunity to increase their incomes.

Health and Population. Young children (five years old and younger) and mothers are the primary beneficiaries of such interventions as immunizations, clinic visits, and oral rehydration therapy under our Health Sector II program with the GOH. With Health Sector II assistance, PVOs are teaching poor people from rural areas to work together in constructing and maintaining water systems.

Meanwhile, our AIDS-prevention and family planning programs are attempting to reach adolescents--males as well as females.

Environment. Our Land Use Productivity Enhancement Project (LUPE) is helping farmers on poor hillside farms increase their crop production while protecting soils. Implemented by the GOH and CARE, the program uses "contact farmers" as extension agents. Many of the extension agents and "contact farmers" are women.

Democracy. The Municipal Development Project is bringing government closer to the people and encouraging increased participation of the citizenry in decisions through town meetings. Whereas just a few years ago these never existed, today average participation continues to increase and women participants continue to outnumber men. In the 1993 elections, Honduran voters were permitted for the first time to cast their ballot for mayor separately from the national ticket. This promises to break the monopoly of traditional parties and increase mayoral responsibility and accountability to people at the local level.

Included among the Mission targets in the justice sector is the increased number of cases of crimes against women and minorities investigated and prosecuted.

Lower-income individuals and groups trained in the United States under the Peace Scholarships program receive leadership training, which increases their self-confidence and encourages their participation in volunteer or community work upon their return to Honduras.

#### **4. Promoting Cultural Values**

The USAID/Honduras Peace Scholarships program in addition to providing technical and academic training, promotes democratic and open-market values, and encourages citizen participation and sound government. It also provides for cultural exchanges between HOPS participants and the people they meet during training in the United States.

#### **5. Combating Corruption**

The USAID/Honduras Strengthening Democratic Institutions Project (SDI) is focusing on replacing political and economic influence in the justice system with the rule of law, thereby fighting corruption in the justice system, government, and Honduran society.

##### ***a. Promote open discussion of the most significant problems facing government...***

The ongoing SDI Project and its follow-on SDI II will provide grants to private-sector groups for public information activities that promote better citizen understanding of the importance of increased judicial autonomy from and decreased vulnerability to political influences. Grants will also promote the mechanisms to achieve judicial autonomy. These include (1) a Constitutional Amendment delinking selection of Supreme Court Magistrates from the four-year electoral process and increasing length of appointment as Justices and (2) mobilizing pressure on the Congress to provide the Judiciary the constitutionally mandated 3 percent of the net national budget.

##### ***b. Ensure proper oversight of government functions by strengthening internal mechanisms. . .***

The SDI Project is providing technical assistance and financial support for the strengthening and expansion of the Court Inspector General offices to enhance: (1) the IG's inspection/investigative capability to identify corrupt, overly politicized and/or ineffective functionaries; and (2) public information on and access to the IG as a counterbalance for the citizenry to any encroachments by special political or economic interests into the judicial process.

## **II. PROMOTING PROSPERITY THROUGH ECONOMIC INTEGRATION AND FREE TRADE**

#### **9. Free Trade in the Americas**

USAID-supported economic policy reforms, including an investment law that provides for equal treatment of domestic and foreign investment, have set the economic framework for moving toward a free-trade agreement. Our Policy Analysis and Implementation Project will continue to promote free trade in the Americas through support to the policy analysis unit of the Economic Cabinet.

### III. ERADICATING POVERTY AND DISCRIMINATION IN OUR HEMISPHERE

#### 16. Universal Access to Education

- a. Guarantee universal access to quality primary education, working with the public and private sectors and nongovernmental actors. . .*

The ongoing Primary Education and Efficiency Project (PEEP) with the GOH has, among its accomplishments provided near-total access to primary education for school-age children. USAID has introduced many innovations that have contributed to a 32 percent decrease in drop-out rates and a 57 percent increase in the number of primary school graduates since 1986. The USAID/Honduras program will also help the GOH expand basic education coverage through cost-effective alternative methods to reach out-of-school youth and adults under the new Basic Education and Skills Training Project (BEST).

- b. Promote . . . worker professional training as well as adult education. .*

The BEST project will also continue support to the private-sector Human Resources Development Council's (CADERH) vocational training program. Training under the program has been so relevant to the needs of the market and employers that to date over 90 percent of the 25,000 CADERH program graduates have found jobs shortly after graduating and their average annual incomes have increased by 80 percent or approximately \$1,000.

- c. Support decentralization. . .*

The World Bank has taken the lead in promoting decentralization of the primary education system by opening a direct link between the vice minister and the departments (states). The PEEP is supporting this effort by putting computers in each of the departmental-level education offices to give them access to an education Information Management System developed under the Project. If BEST pilot activities go well, there is likely to be decentralization under the Project as municipalities participate in and contribute to alternative basic education.

#### 17. Equitable Access to Basic Health Services

The Health Sector II and the Private Sector Population II Projects are directly supporting the GOH's efforts to assure access to a basic package of clinical, preventive, and public health services. As a result, Honduras has had the most rapid decline in infant mortality in Latin America during the last 20 years and has the highest immunization coverage rates in Central America.

The biggest challenges ahead are reducing maternal and neonatal mortality, increasing use of modern family planning methods, and preventing HIV/AIDS. USAID is working with the GOH and the local private family planning association to address these through the amended Private Sector Population III Project and the amended Health Sector II Project.

**18. Strengthening the Role of Women in Society**

The role of women cuts across all facets of the USAID/Honduras program. We will continue to support programs that include women as participants and beneficiaries. Some of our successes in this area are illustrated at Page 3 of this paper.

Also, as discussed at the top of Page 2, USAID is supporting GOH participation in the Beijing Conference on Women.

**19. Encouraging Microenterprises and Small Businesses**

**a. *Strengthen the institutions and programs that supply services and facilitate access to training and technical assistance . . .***

The Small Business II Project (SBII) supports five local development organizations that provide credit and other assistance to small and microenterprises. To date, the program has provided 85,000 loans and generated 31,000 jobs.

**b. *Recommend to the multilateral development organizations . . . mechanisms to support microenterprises and small businesses.***

Under SBII, USAID leverages IDB credit dollars to strengthen three of the five local development organizations working under the Project.

**IV. GUARANTEEING SUSTAINABLE DEVELOPMENT AND CONSERVING OUR NATURAL ENVIRONMENT FOR FUTURE GENERATIONS**

**21. Partnership for Sustainable Energy Use**

The IDB is implementing a \$36.3 million Energy Sector (reform) package aimed at structural adjustment and recovery of the energy sector. The loan's conditionality includes a provision on elimination of a special subsidy begun in 1991. The GOH has already fulfilled this requirement.

Given the IDB's heavy involvement in the Honduras energy sector and the narrowed focus of the USAID/Honduras program resulting from budgetary and staff reductions, we believe it is appropriate to refrain from any Mission bilateral initiative in the sector. However, the Honduras Mission will cooperate with the LAC Bureau and USAID/G-CAP on regional initiatives.

**22. Partnership for Biodiversity**

USAID/Honduras is currently contributing to this partnership through its work at the policy and implementation levels in conservation of forest and soil resources and in development of a national system of parks and protected areas. As a group, our projects:

**a. Support development and implementation of policies and techniques to conserve forest resources, including putting increasing areas of forest under management plans.**

- b. Introduce improved watershed management and agricultural practices on hillside farms that simultaneously help increase production and reduce soil erosion.
- c. Support development of policies and regulations for an effective and rational system of parks and protected areas.
- d. Support for the Honduran Environmental Protection Fund under which local NGOs team with U.S. conservation organizations to provide effective management of parks and protected areas. In short, building a private-sector network to complement GOH management of these areas.
- e. Work to increase public awareness of the need for and benefits of conservation.

The Mission works in close coordination with multilateral and bilateral donors. Their strong, unified approach on forest management issues has resulted in changes in roles and responsibilities by the GOH's Corporation for Forest Development from direct involvement in forest industries to regulation, oversight, and management of the sector.

### **23. Partnership for Pollution Prevention**

Two Mission activities contribute to this effort:

- 1. The Health Sector II Project's water and sanitation activities that provide environmental improvements in rural communities and
- 2. The Municipal Development Project's focus on improving water, sewerage, and refuse-collection activities in 22 of Honduras' largest municipalities participating in the program.

## ANNEX A

### CHANGES IN STRATEGIC PLAN PERFORMANCE MEASUREMENT SYSTEM

The basic structure of the Strategic Framework is maintained. Most of the refinement and focusing of our program took place during last year's Action Plan exercise. However, we eliminated some indicators as a result of reductions in the budget and others were modified to better represent the thrust of our program. The number of indicators was reduced from 63 to 52.

#### Strategic Objective 1

Enhanced Economic Participation and Increased Incomes of the Poor	
Program Outcomes	
1.1:	Expanded Access and Opportunity through Empowerment of the Poor
1.2:	Expanded Access and Opportunity through Improved Functioning of Markets
1.3:	Expanded Access and Opportunity through Investment in People

Program Outcomes for this Strategic Objective remained the same, however in light of funding constraints, the Mission opted not to proceed with a new activity in the area of free trade agreements and the protection of worker's rights. For this reason, indicators 1.2.b.1 and 1.2.b.2 from last year's Action Plan have been eliminated.

We have dropped "number of land sales" and will use "number of land titles" as one of the means to assess progress in expanded access through improved functioning of the markets.

#### Strategic Objective 2

Effective Stewardship of Key Natural Resources for Sustainable Economic Growth	
Program Outcomes	
2.1:	Sustainable Forest Management Practices Extended
2.2:	Sustainable Agricultural Practices Extended
2.3:	Improved Management of Protected Areas

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We are making several changes in the indicators for this S.O., all of which result in an improved monitoring structure. For example at the Performance Indicator level, where there had been two indicators we now have three indicators. All three are fully defined including targets, and all three relate directly to the "key natural resources" for which effective stewardship is being pursued.

In addition, we replaced an indicator that was poorly defined by one that provides clear tracking of the number of declared protected areas placed under management in Honduras. The third Performance Indicator is not new to the Action Plan, but has been moved to this level so that the soil resource impacts of our program -- which are significant at the national level -- can be reflected accordingly in our performance tracking exercise.

Due to changes in COHDEFOR, we dropped an obsolete indicator under Program Outcome 2.1. Likewise, we eliminated the indicator on training based on Mission and USAID/Washington concerns regarding the indicator's measurement of inputs rather than outputs. We developed a new indicator to track the physical area of government-owned pine forest being placed under sustainable management.

We also made changes in the indicator structure for Outcome 2.3. Two indicators have been streamlined into "Increased Total Number of USAID-Assisted Parks, Reserves, or Watersheds Under Effective Protection Programs". The Mission intends to continue to pursue an effective means of measuring environmental attitudes, and at such time as an appropriate mechanism can be instituted, a related indicator may reappear.

### Strategic Objective 3

Improved Family Health	
Program Outcomes	
3.1:	Increased Use of Reproductive Health Services Including Family Planning Services
3.2:	Increased Use of Selected Child Survival Interventions
3.3:	Increased Use of STD/AIDS Prevention Practices

The Mission made two changes in this area. First, we modified Program Outcome 3.1 to cover reproductive health including family planning. We now have a "Reproductive Health" umbrella, still conveying the importance to the Mission's interventions in family planning. Second, the indicator on HIV seroprevalence rate has become a Performance Indicator, due to the fact that it measures "impact" in the target population.

An AIDSCAP team is helping the Mission to develop AIDS indicators to closely monitor this area.

## Strategic Objective 4

### More Responsive Democratic Processes, with Greater Citizen Participation

#### Program Outcomes

- 4.1: More Ethical and Effective Prosecutorial and Judicial Systems
- 4.2: More Responsive and Effective Municipal Government
- 4.3: Greater Number of Hondurans Exposed to and Trained in Democratic Values

Per the newly focused "Democracy Building" strategy, USAID's emphasis is now on assisting Honduras both to strengthen the judicial sector and to deepen its citizens' participation in local governments. To that end, new performance indicators have emerged at both the Strategic Performance and Program Outcome levels. At the Strategic Performance level, we deleted the indicator measuring public perception of the elections given that the general election process has long been completed and USAID plans no further assistance in this area. Efforts are now geared to increasing public perception of the judicial system. Also, we repositioned the indicator measuring performance of public institutions charged with addressing fraud and corruption in government at the Program Outcome level.

We streamlined Program Outcome 4.1 on more ethical and effective prosecutorial and judicial systems, to assess the performance of the prosecutorial and judicial systems. As such, it will now measure effectiveness and/or bottlenecks in the systems. Essentially, its four distinct elements include measuring the effectiveness of: (1) the Public Ministry in conducting selected case investigations and prosecutions; (2) the Courts in handling Public Ministry cases; (3) the Court in performing, through the Inspector General's Office, internal investigations and sanctioning them as appropriate; and (4) the Court-case referral process for Public Ministry prosecutions.

Indicator 4.1.b. on number of cases adjudicated by the Court has undergone a significant change. In 1994 there was no record of actual Public Ministry prosecutions for the categories used in this indicator, thus for 1995 through 1997 related adjudications were projected using the following methodology.

We estimate that a conservative 20 percent of the cumulative number of cases prosecuted by the Public Ministry in 1995 (that is, actual data for 1994 plus projected data for 1995) will be adjudicated by the Courts during the year. In 1996, however, as the Ministry and Courts are further strengthened professionally, we expect an additional 50 percent of such cumulative number of cases to be adjudicated. In addition, we estimate that 20 percent of the new number of cases begun to be prosecuted by the Ministry in 1996 will be adjudicated. In 1997, as the Ministry and Courts become yet more effective and there is greater public awareness of what accountability in government entails, we expect the remaining 30 percent of the original cumulative number of cases to be finally adjudicated. Likewise, we expect that an additional 50 percent of the cases prosecuted by the Ministry in 1996 will be adjudicated as will, to follow the trend, an additional 20 percent of the cases begun to be prosecuted in 1997. In all, we expect that all Public Ministry prosecutions will be adjudicated by the Courts over a three-year period.

Example:

<b>Number of cases on corruption prosecuted by the Public Ministry</b>	
1994 Actual	26+
1995 Projected	<u>35</u>
1995 Cumulative	<u>61</u>
1996 Projected	40
1997 Projected	50
<b>Number of cases adjudicated by the Courts</b>	
1995 Projected	$(.20 \times 61) = 12$
1996 Projected	$(.50 \times 61) = 31+$ $(.20 \times 40) = 8$ <u>39</u>
1997 Projected	$(.30 \times 61) = 18+$ $(.50 \times 40) = 20+$ $(.20 \times 50) = 10$ <u>48</u>

This methodology applies to all four categories of cases described in Table 2, Indicator 4.1.b.

Program Outcome 4.2, on more responsive and effective municipal governments, has done away with measuring people attending training events on municipal affairs. Instead, it is now focused on assessing both the proportion of municipal budgets going to capital projects as well as the coverage of public services by municipal governments.

## ANNEX B

### SPECIAL STUDIES

**Strategic Objective 1:      Enhanced Economic Participation and Increased Incomes of the Poor**

A special study using a sample household survey designed to obtain detailed information on the food expenditure and consumption patterns of Honduran households, their education and health status, as well as information on their incomes and employment, is now being completed. This activity received support from the IMPACT project. Raw data were collected in 1993. These data are currently being revised and program "bugs" are being eliminated. So far, the most general finding of this survey is that 67.4 percent of Honduran families live in poverty, and that while the rural areas are still the poorest, the rural-urban gap is decreasing. A conference to discuss results with counterparts is scheduled in early May.

The first *National Agricultural Census (NAC)* since 1974 was taken in 1993 with Mission support. The fundamental purpose of this activity was to gather current and reliable information of Honduras' productive structure in the agricultural sector. The NAC results constitute a basic tool for the design of policies, plans and programs necessary to achieve sustained economic growth for the Honduran population. The NAC covered 308,347 producers/farmers, 53.6 percent were less than 45 years old, 90.3 percent were men and 9.7 percent women, with a literacy rate of 41.8 percent. Fifty seven percent of the land is owned by the producers, 25 percent is categorized as national land, 3 percent as rented land and 15 percent represent other forms of tenancy. There has not been a substantial increase in both area and production of basic grains, except for rice. Only 4.4 percent of the area was reported under irrigation. Another salient finding of this IV National Agricultural Census is the substantial increase in agricultural production and productivity of nontraditional crops over the past 20 years.

Under the Privatization of State-Owned Enterprises Project (522-0289) we are carrying out a survey to analyze the impact of privatization on employment (disaggregated by gender), exports, tax revenues, debt reduction and other key economic indicators.

A workforce assessment completed in 1994 was used by the Mission for the design of the Basic Education and Skills Training Project (BEST/522-0388). It concluded that low levels of basic education and technical skills are becoming a major obstacle for Honduras as it seeks to compete in regional and global markets. Therefore, massive skills upgrading for new labor force entrants and improvements in the basic literacy and numeracy of those already working are essential.

In addition, the Primary Education Efficiency Project (522-0273) is financing a study on the improved efficiency of the primary education system over the past decade and the implications of these improvements for the next decade. One of the emerging findings of the study to be completed in April 1995, is that the Ministry of Education's secondary education system cannot accommodate increased numbers of primary school graduates seeking a

secondary education, and that alternative funding and delivery systems on this level should be encouraged. BEST poses as one of these alternatives.

A semiannual household survey is carried out every year by the Government of Honduras with USAID assistance. In 1994 only one of these surveys took place due to change in administration. A "family" module was attached to the 1994 survey and data are currently being analyzed. There are two surveys planned for this year. The special module in 1995 will be disaggregated by gender and will be aimed at analyzing health issues.

**Strategic Objective 2:            Effective Stewardship of Key Natural Resources for Sustainable Economic Growth**

Central to the achievement of this Strategic Objective is people's attitudinal change in relation to natural resources, their use and conservation. Therefore, the Mission will attempt to measure the results of the public awareness activities through a special research study that will assess attitudinal change on a periodic basis.

The Mission is in the process of developing a strategy aimed at addressing key questions on environmental degradation, particularly in the area of deforestation. On step towards ensuring impact assessment will be taken under the Honduran Environmental Protection Fund Project (HEPF/522-0385). At the implementing institution level, *Fundación VIDA* has agreed to establish an "Evaluation Unit" to oversee program impact. This unit will directly report to the Foundation's Board of Directors. The "Evaluation Unit" is scheduled to start functioning this year to monitor progress and environmental impact of the first four subprojects under *Fundación VIDA*.

**Strategic Objective 3:            Improved Family Health**

The major source of information for measuring health sector impacts is the Epidemiological and Family Health Survey (EFHS), which takes place every four years. We will use the 1995 EFHS to analyze the validity of the "sisterhood" method and its use to monitor progress in the reduction of the maternal mortality ratio.

Under the PL-480 Title II Program, CARE carried out a Food Security Rapid Appraisal to determine the neediest areas of Honduras in terms of food security. This has enabled CARE to target its reduced food resources to those areas that are the most food insecure.

A Food Program Cost-Effectiveness Study is being done by ADAI with assistance and funding from LAC/HNS. This will measure the relative cost-effectiveness of the different food assistance programs, school feeding, MCH feeding, including food-for-work, cash-for-work, and the government's food coupon program under *Programa de Asignación Familiar (PRAF)*.

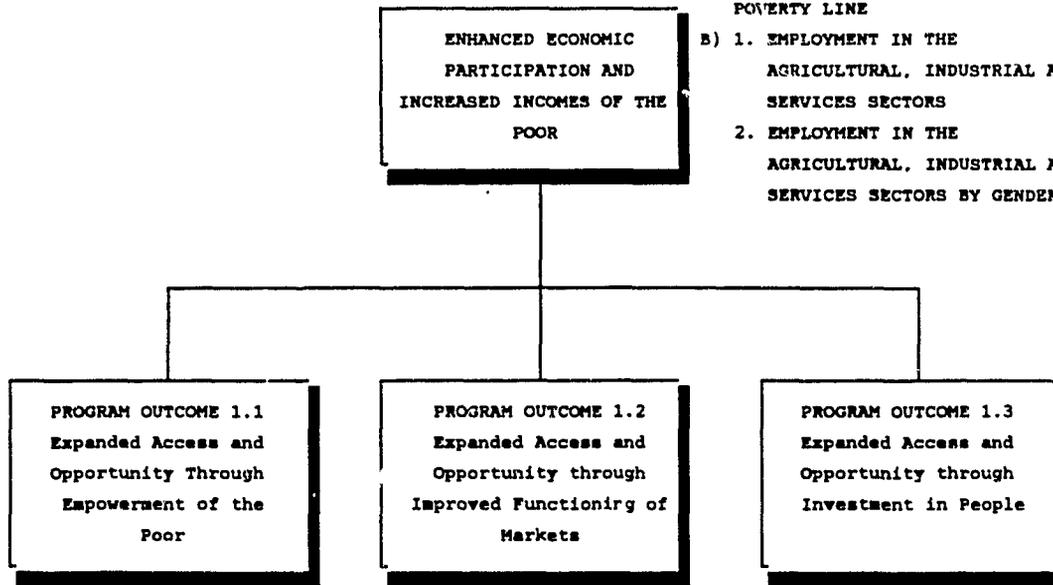
**Strategic Objective 4:            More Responsive Democratic Processes, with greater Citizen Participation**

Key to a good administration of justice is the public's perception that the judicial system is effective, efficient and impartial. To that end, the Mission relies on public opinion polls, mainly to assess whether or not the system is perceived as progressively more independent of vested political and economic interests.

Through the years, public opinion polls (mainly from the U.S.-based CID-Gallup firm) have been a valuable tool for the Mission to assess the level of public confidence in various GOH key democratic institutions. Regarding the Justice sector, they have unmistakably shown that people's attitudes are difficult to change: for instance, during most of the 1990s Hondurans have consistently believed that political and financial influences play a major role in Court decisions. It is expected, however, that over time, with the continuing institutional strengthening of the Judicial System, the creation of the Public Ministry and the eventual depolitization of the Supreme Court through Constitutional reforms, not only will the administration of justice in the country be progressively more efficient and impartial but, as a result, public confidence in it will improve steadily. And this is at the core of the Mission's Strategic Objective.

PERFORMANCE INDICATORS:

- A) REDUCTION IN THE PERCENT OF THE POPULACE LIVING BELOW THE POVERTY LINE
- B) 1. EMPLOYMENT IN THE AGRICULTURAL, INDUSTRIAL AND SERVICES SECTORS
2. EMPLOYMENT IN THE AGRICULTURAL, INDUSTRIAL AND SERVICES SECTORS BY GENDER



PROGRAM INDICATORS

- a) Number of Loans Made to Micro & Small Enterprises & Small-holders.
- b) Fully Performing Portfolio of PVO & Credit Union Loans to Micro & Small Businesses & Small-holders.
- c) Incremental Employment Attributable to USAID Projects.
- d) Increased Amount of Savings Generated by Credit Unions.
- e) Village Banks, Credit Unions and Agricultural Cooperatives Serving Local Communities.

- a) 1. Increased Production & Sales of Selected Nontraditional Crops Produced Primarily by Small Farmers.
- 2. Reduction in Price Distortions Affecting the Agricultural Sector.
- 3. Increased Investment in Agriculture.
- 4. Increased Agricultural Land Titles.
- b) Increased Number of Privatized State-Owned Enterprises (SOEs).

- a) 1. Increased Numbers of Children Completing Primary Education.
- 2. Improved Quality of Education Measured by Improvements in Primary Education Standardized Test Scores for Four Subjects. (Grades 1-6)
- b) 1. Basic Education Graduates on the Five Levels of the Alternative Delivery System.
- 2. Increased Quality of the Alternative Basic Education Delivery System as Measured by Aggregate Increases in Standardized Test Scores. (Grades 1-12)
- c) Graduates from PVO and Municipal Training Centers Employed.

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TABLE 2: STRATEGIC OBJECTIVE PERFORMANCE

Honduras														
STRATEGIC OBJECTIVE NO. 1 Enhanced Economic Participation and Increased Incomes of the Poor														
Indicator: 1.A REDUCTION IN THE PERCENT OF THE POPULACE LIVING BELOW THE POVERTY LINE														
Unit: Percent Population Below the Poverty Line		Year	Planned	Actual										
Source: The Government of Honduras' (GOH) Household Survey	Baseline	1990	---	72.1										
<p>Comments: The poverty line is derived from the amount of money required to purchase the basic food basket taking into consideration the level of household income. The figures from 1990 through 1993 have been revised due to more precise calculations by SECPLAN (Secretaría de Planificación), the institution in charge of the Household Survey.</p> <p>An increase in poverty is expected for 1994 due to negative GDP growth and high inflation which reached almost 30 percent that year. Supporting this view, a one-time household survey conducted by USAID in 1993-94 estimated the percentage of the populace living below the poverty line in 1994 at 69.0 percent. This survey showed no discernible difference in either the prevalence of poverty or malnutrition between male and female headed households.</p> <p>According to the World Bank, using data drawn from the same GOH annual household survey, the corresponding data for this indicator are:</p> <table border="1" style="margin-left: 40px;"> <thead> <tr> <th>Year</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>1990</td> <td>62</td> </tr> <tr> <td>1991</td> <td>63</td> </tr> <tr> <td>1992</td> <td>50</td> </tr> <tr> <td>1993</td> <td>53</td> </tr> </tbody> </table> <p>The World Bank believes that the GOH data overestimates poverty because the GOH food basket is too calorie rich and does not reflect what Hondurans actually eat.</p> <p>Data for 1994 from the GOH Household Survey will be available by mid-1995.</p>	Year	Percentage	1990	62	1991	63	1992	50	1993	53		1991	---	73.0
	Year	Percentage												
	1990	62												
	1991	63												
	1992	50												
	1993	53												
			1992	---	70.7									
		1993	---	64.4										
		1994	70.0	Not available										
		1995	69.0	***										
	Target	1996	68.0	***										

Honduras				
STRATEGIC OBJECTIVE NO. 1 Enhanced Economic Participation and Increased Incomes of the Poor				
Indicator: 1.B.1 EMPLOYMENT IN THE AGRICULTURAL, INDUSTRIAL AND SERVICES SECTORS				
Unit: Total Number of Individuals Employed in the Agricultural, Industrial and Services Sectors		Year	Planned	Actual
Source: The Government of Honduras' (GOH) Household Survey; Ministry of Planning	Baseline Total Agricultural Industrial Services	1990	---	1,094,200
			---	641,600
<p>Comments: These data include employment in both the modern and traditional sectors.</p> <p>The large increase in industrial sector employment in 1993 merits comment. According to the GOH Household Survey, there was a 17 percent increase in industrial sector employment in 1993; the number of employed went up more than 40,000 from 249,100 to 290,840. The lion's share of the increase can be attributed to three categories, including (a) printing, chemicals, food and beverage production, ceramics, hides, and tobacco (24,244), (b) textiles, carpentry, etc. (9,153), and (c) hauling and warehousing (4,941). The other seven categories accounted for modest increases and decreases in employment, producing a net gain in employment of 3,395.</p> <p>Data for 1994 will be available in late 1995.</p>	Total Agricultural Industrial Services	1991	---	1,127,400
		---	616,100	
		---	220,200	
		---	291,100	
		1992	---	1,132,500
		---	588,400	
		---	249,100	
		---	295,000	
		1993	1,169,200	1,197,221
582,500	600,561			
274,000	290,840			
312,700	305,820			
1994	1,209,600	Not Available		
576,700				
301,400				
331,500				
1995	1,253,800	***		
570,900				
331,600				
351,300				
1996	1,302,300	***		
565,200				
364,700				
372,400				
Target 1997	1,358,400	***		
562,400				
401,200				
394,800				

TABLE 1: STRATEGIC OBJECTIVE PERFORMANCE — S.O. 1

Honduras				
STRATEGIC OBJECTIVE NO. 1 Enhanced Economic Participation and Increased Incomes of the Poor				
Indicator: 1.B.2 EMPLOYMENT IN THE AGRICULTURAL, INDUSTRIAL AND SERVICES SECTORS BY GENDER				
Unit: Individuals Employed in the Agricultural, Industrial and Services Sectors by Gender		Year	Planned	Actual
Source: The Government of Honduras' (GOH) Household Survey; Ministry of Planning	Baseline Total	1990	---	1,094,200
	Female		---	262,608
<p>Comments: These data include employment in both the modern and traditional sectors. Female employment grew at a disproportionately faster rate than male employment, because of the good 1993-94 coffee crop.</p> <p>Data for 1994 will be available in late 1995.</p>	Male		---	831,592
	Total	1991	---	1,127,400
	Female		---	304,398
	Male		---	823,002
	Total	1992	---	1,132,500
	Female		---	317,100
	Male		---	815,400
	Total	1993	1,169,200	1,197,221
	Female		350,760	351,925
	Male		818,440	845,296
Total	1994	1,209,600	Not Available	
Female		374,976		
Male		834,624		
Total	1995	1,253,800	***	
Female		413,754		
Male		840,046		
Total	1996	1,302,300	***	
Female		442,782		
Male		859,518		
Target Total	1997	1,358,400	***	
Female		489,024		
Male		869,376		

Honduras																												
STRATEGIC OBJECTIVE NO. 1 Enhanced Economic Participation and Increased Incomes of the Poor																												
PROGRAM OUTCOME NO. 1.1 Expanded Access and Opportunity through Empowerment of the Poor																												
Indicator: 1.1.a NUMBER OF LOANS MADE TO MICRO AND SMALL ENTERPRISES AND SMALL-HOLDERS																												
Unit: Annual Number of Loans Made by PVOs and Credit Unions to Micro and Small business and Small-Holders. Total female, male		Year	Planned	Actual																								
Source: Small Business II Project (SBII/522-0241); Small Farmer Organization Strengthening Project (SFOS/522-0252); Financial Services Unit (FSU)	Baseline Total	1993	---	50,636																								
	Female			19,120																								
	Male			9,418																								
	SFOS																											
	Female			8,839																								
	Male			13,259																								
<p>Comments: This Chart shows the value of loans extended by PVOs and credit unions to micro and small business and small-holder.</p> <p>Loans Extended by PVOs and Credit Unions (Million Lempiras)</p> <table border="1"> <thead> <tr> <th></th> <th>Small Business</th> <th>Credit Union</th> </tr> </thead> <tbody> <tr> <td>1989</td> <td>N/A</td> <td>54</td> </tr> <tr> <td>1990</td> <td>N/A</td> <td>66</td> </tr> <tr> <td>1991</td> <td>N/A</td> <td>94</td> </tr> <tr> <td>1992</td> <td>49</td> <td>131</td> </tr> <tr> <td>1993</td> <td>53</td> <td>183</td> </tr> <tr> <td>1994</td> <td>58</td> <td>255</td> </tr> <tr> <td>1995 (projected)</td> <td>65</td> <td>320</td> </tr> </tbody> </table> <p>Average loan size in 1994 for the credit union was Lps.8,716, or \$937.</p> <p>1994 and 1995 projections in number of loans extended for the credit unions project were changed based on an in-depth credit review by the Mission. The 1995 Projection for the SB II project has also been adjusted downward because of a decision to slow the pace of expansion. Thus, the 1995 PLANNED figure for credit unions and small business has been revised downward. The SB II targets for 1995 and 1996, however, will be revised once a project redesign is finalized.</p> <p>The SB II 1995 projection for loan volume, above, has been dropped from Lps.8.5 million to Lps.6.5 million, since funds originally programmed were not approved for project use by the Central Bank of Honduras.</p>		Small Business	Credit Union	1989	N/A	54	1990	N/A	66	1991	N/A	94	1992	49	131	1993	53	183	1994	58	255	1995 (projected)	65	320	Total	1994	---	59,096
		Small Business	Credit Union																									
	1989	N/A	54																									
	1990	N/A	66																									
	1991	N/A	94																									
	1992	49	131																									
	1993	53	183																									
	1994	58	255																									
	1995 (projected)	65	320																									
	SBII																											
	Female				28,126																							
	Male				1,710																							
SFOS																												
Female				11,704																								
Male				17,556																								
	Total	1995	68,714	***																								
SBII																												
Female			28,480																									
Male			3,520																									
SFOS																												
Female			14,685																									
Male			22,029																									
	Total	1996	81,892	***																								
Target SBII																												
Female			32,000																									
Male			4,000																									
SFOS																												
Female			18,356																									
Male			27,536																									

TABLE 1: STRATEGIC OBJECTIVE PERFORMANCE — S.O. 1

Honduras				
STRATEGIC OBJECTIVE NO. 1 Enhanced Economic Participation and Increased Incomes of the Poor				
PROGRAM OUTCOME NO. 1.1 Expanded Access and Opportunity through Empowerment of the Poor				
Indicator: 1.1.b FULLY PERFORMING PORTFOLIO OF PVO AND CREDIT UNION LOANS TO MICRO AND SMALL BUSINESSES, AND SMALL-HOLDERS				
Unit: Percentage of Loans not in Arrears		Year	Planned	Actual
Source: Small Business II Project (SBII/522-0241); Small Farmer Organization Strengthening Project (SFOS/522-0252)	Baseline	1993		
	Small-Holders Small Business		--- ---	87 79
<p>Comments: The data in the chart represent percentage of loans that are fully performing without any delinquent payments.</p> <p>The data for credit unions overstate risk exposure as a portion of these loans is offset by the share balance of the borrowing member. Targets for credit unions are not provided beyond 1995 because the project terminates in that year.</p> <p>The 1994 actual figure has decreased when compared to the baseline. The overall deterioration of the economy negatively affected the market areas of some credit unions. At the national level, real output fell 1.40 percent in 1994, compared to a 6.1 percent increase in 1993.</p>	Small-Holders Small Business	1994	88 81	82 77
	Small-Holders Small Business	1995	90 83	***
	Small-Holders Small Business	1996	--- 85	***
	Small-Holders Small Business	1997	--- 86	***
	Target Small-Holders Small Business	1998	--- 87	***

Honduras				
STRATEGIC OBJECTIVE NO. 1 Enhanced Economic Participation and Increased Incomes of the Poor				
PROGRAM OUTCOME NO. 1.1 Expanded Access and Opportunity through Empowerment of the Poor				
Indicator: 1.1.c INCREMENTAL EMPLOYMENT ATTRIBUTABLE TO USAID PROJECTS				
Unit: Cumulative Number Additional Jobs		Year	Planned	Actual
<p>Source: Small Business II Project (SBII/522-0241); Small Farmer Export Development Project (SFED/522-0399); Export Development and Services Project (FPX component/522-0207)</p> <p>Comments: This indicator includes employment generation reported by three projects.</p> <p>Small businesses are from the Small Business II Project; small farms are from both the Small Farmer Export Development Project and FPX. The FPX component of the Export Development and Services Project terminated in 1994 while the Small Farmer Export Development Project will not begin to report its impact until 1995.</p>	Baseline Total Small Business Small Farms	1988	---	6,732 1,445 5,287
	Total Small Business Small Farms	1991	---	23,238 15,500 7,738
	Total Small Business Small Farms	1992	---	32,562 21,550 11,012
	Total Small Business Small Farms	1993	---	39,862 26,984 12,878
	Total Small Business Small Farms	1994	45,900	49,759 31,045 18,714
	Total Small Business Small Farms	1995	53,900	*** 36,000 17,900
	Total Small Business Small Farms	1996	65,200	*** 44,000 21,200
	Total Small Business Small Farms	1997	81,000	*** 56,000 25,000
	Target Total Small Business Small Farms	1998	107,500	*** 78,000 29,500

TABLE 1: STRATEGIC OBJECTIVE PERFORMANCE — S.O. 1

Honduras				
STRATEGIC OBJECTIVE NO. 1 Enhanced Economic Participation and Increased Incomes of the Poor				
PROGRAM OUTCOME NO. 1.1 Expanded Access and Opportunity Through Empowerment of the Poor				
Indicator: 1.1.d INCREASED AMOUNT OF SAVINGS GENERATED BY CREDIT UNIONS				
Unit: Millions of Lempiras*		Year	Planned	Actual
Source: Small Farmer Organization Strengthening Project (SFOS/522-0252)	Baseline	1989	---	60.8
Comments: This indicator includes total of share savings, sight deposits, and certificates of deposit of the 33 credit unions participating in the project. Data beyond 1995 are not provided because the project terminates that year.		1990	---	79.4
		1991	---	107.7
		1992	---	150.2
		1993	---	197.6
		1994	255.0	252.0
*Average exchange rate for 1994 was Lps.8.60 to \$1. Year-end exchange rate was Lps.9.30 to \$1	Target	1995	315.0	***

TABLE 1: STRATEGIC OBJECTIVE PERFORMANCE -- S.O. 1

<b>Honduras</b>				
<b>STRATEGIC OBJECTIVE NO. 1 Enhanced Economic Participation and Increased Incomes of the Poor</b>				
<b>PROGRAM OUTCOME NO. 1.1 Expanded Access and Opportunity Through Empowerment of the Poor</b>				
<b>Indicator: 1.1.e VILLAGE BANKS, CREDIT UNIONS AND AGRICULTURAL COOPERATIVES (AG. COOPS.) SERVING LOCAL COMMUNITIES</b>				
<b>Unit: Number of Banks, Branches and Stores</b>		<b>Year</b>	<b>Planned</b>	<b>Actual</b>
<b>Source: Small Business II Project (SB II/522-0241); Small Farmer Organization Strengthening Project (SFOS/522-0252); Small Farmer Agribusiness Development Project (SFAD/522-0383).</b>  <b>Comments: The credit union category includes branch offices or savings deposit points. The Ag. coops category also consists of coops plus branch stores.</b>  <b>The 1994 target has not been achieved because village bank expansion is being delayed until some methodological issues are resolved. The 1995 planned figures, have also been modified downwards for this reason.</b>	Village Banks	1992	---	172
	Credit Unions			59
	Ag. Coops			28
	Village Banks	1993	---	349
	Credit Unions			66
	Ag. Coops			28
	Village Banks	1994	650	524
	Credit Unions		76	74
	Ag. Coops		34	33
	Village Banks	1995	814	***
	Credit Unions		82	
	Ag. Coops		38	

Honduras																						
STRATEGIC OBJECTIVE NO. 1 Enhanced Economic Participation and Increased Incomes of the Poor																						
PROGRAM OUTCOME NO. 1.2 Expanded Access and Opportunity through Improved Functioning of Markets																						
Indicator: 1.2.a.1 INCREASED PRODUCTION AND SALES OF SELECTED NONTRADITIONAL CROPS PRODUCED PRIMARILY BY SMALL FARMERS																						
Unit: Thousands of Pounds		Year	Planned	Actual																		
Source: Agriculture Research Foundation Project (FHIA/522-0249); Small Farmer Export Development Project (SFED/522-0399); Export Development and Services Project (FPX/522-0207)	Baseline	1993	---																			
	Onions			340																		
	Asparagus Ginger			0 57																		
<p>Comments: Data represent new nontraditional crops which are produced primarily by small farmers.</p> <p>Measurement unit is "Thousands of Pounds" and was incorrectly reported last year. Also, amounts for ginger were highly overestimated in last year's Action Plan; therefore, they were corrected to more realistic figures.</p> <p>Annual sales for these crops are as follows:</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Estimated Amount (\$US)</th> <th>Actual Amount (\$US)</th> </tr> </thead> <tbody> <tr> <td>1993</td> <td>\$ 209,000</td> <td>\$264,000</td> </tr> <tr> <td>1994</td> <td>\$2,639,000</td> <td></td> </tr> <tr> <td>1995</td> <td>\$7,034,000</td> <td></td> </tr> <tr> <td>1996</td> <td>\$8,763,000</td> <td></td> </tr> <tr> <td>1997</td> <td>\$11,168,000</td> <td></td> </tr> </tbody> </table> <p>The Export Development and Services Project terminated in 1994 and the Small Farmer Export Development Project begins in 1995.</p>	Year	Estimated Amount (\$US)	Actual Amount (\$US)	1993	\$ 209,000	\$264,000	1994	\$2,639,000		1995	\$7,034,000		1996	\$8,763,000		1997	\$11,168,000		Onions Asparagus Ginger	1994	540 0 51	531 2 194
	Year	Estimated Amount (\$US)	Actual Amount (\$US)																			
	1993	\$ 209,000	\$264,000																			
	1994	\$2,639,000																				
	1995	\$7,034,000																				
	1996	\$8,763,000																				
1997	\$11,168,000																					
	Onions Asparagus Ginger	1995	1,700 3 250	***																		
	Onions Asparagus Ginger	1996	2,100 10 300	***																		
	Target Onions Asparagus Ginger	1997	2,500 20 400	***																		

TABLE 1: STRATEGIC OBJECTIVE PERFORMANCE — S.O. 1

<b>Honduras</b>				
<b>STRATEGIC OBJECTIVE NO. 1 Enhanced Economic Participation and Increased Incomes of the Poor</b>				
<b>PROGRAM OUTCOME NO. 1.2 Expanded Access and Opportunity through Improved Functioning of Markets</b>				
<b>Indicator: 1.2.a.2 REDUCTION IN PRICE DISTORTIONS AFFECTING THE AGRICULTURAL SECTOR</b>				
<b>Unit: A Range of Protection Coefficients</b>		<b>Year</b>	<b>Planned</b>	<b>Actual</b>
<b>Source: Policy Analysis and Implementation Project (PAIP/522-0325.02)</b>  <b>Comments: A Nominal Protection Coefficient (NPC) in the range of 0.9 to 1.1 implies a commodity market close to equilibrium (1.0) in terms of impact of policy on production. If the NPC is below 1.0, policy is a disincentive to production; if it is above 1.0, it is a subsidy. This indicator tracks NPCs for a selection of six commodities (bananas, beef, coffee, corn, melons, and sugar).</b>	<b>Baseline</b>	<b>1988</b>	---	<b>0.6 - 1.29</b>
		<b>1991</b>	<b>0.9 - 1.10</b>	<b>0.45 - 0.97</b>
		<b>1992</b>	<b>0.9 - 1.10</b>	<b>0.66 - 1.14</b>
		<b>1993</b>	<b>0.9 - 1.10</b>	<b>0.82 - 1.14</b>
		<b>1994</b>	<b>0.9 - 1.10</b>	<b>0.86 - 1.26</b>
		<b>1995</b>	<b>0.9 - 1.10</b>	<b>***</b>
		<b>1996</b>	<b>0.9 - 1.10</b>	<b>***</b>
	<b>Target</b>	<b>1997</b>	<b>0.9 - 1.10</b>	<b>***</b>

<b>Indicator: 1.2.a.3 INCREASED INVESTMENT IN AGRICULTURE</b>				
<b>Unit: Millions of Constant Lempiras (1978)</b>		<b>Year</b>	<b>Planned</b>	<b>Actual</b>
<b>Source: National Accounts</b>  <b>Comments: Data are provided by the Central Bank. Gains would have been larger in 1994 if it were not for the restrictive monetary policy pursued by the Central Bank.</b>  <b>The indicator reflects, producer and investor assessments of the general health of the agricultural sector.</b>  <b>Increased investment in agriculture has been directed to non-traditional crops which are labor intensive in Honduras.</b>	<b>Baseline</b>	<b>1990</b>	---	<b>46.7</b>
		<b>1991</b>	---	<b>48.4</b>
		<b>1992</b>	---	<b>55.0</b>
		<b>1993</b>	<b>60.0</b>	<b>59.8</b>
		<b>1994</b>	<b>70.0</b>	<b>65.8</b>
		<b>1995</b>	<b>80.0</b>	<b>***</b>
		<b>1996</b>	<b>90.0</b>	<b>***</b>
	<b>Target</b>	<b>1997</b>	<b>100.0</b>	<b>***</b>

<b>Honduras</b>					
<b>STRATEGIC OBJECTIVE NO. 1 Enhanced Economic Participation and Increased Incomes of the Poor</b>					
<b>PROGRAM OUTCOME NO. 1.2 Expanded Access and Opportunity through Improved Functioning of Markets</b>					
<b>Indicator: 1.2.a.4 INCREASED AGRICULTURAL LAND TITLES</b>					
<b>Unit: Annual Number of Land Titles Issued.</b>		<b>Year</b>	<b>Planned</b>	<b>Actual</b>	
<b>Source: National Agrarian Institute (INA)</b>	<b>Baseline</b>	<b>Total</b>	<b>1993</b>	<b>1,999</b>	
		<b>Female</b>	---	394	
		<b>Male</b>		1,605	
<p><b>Comments: Gender disaggregated data are not available directly from the registry. However, we assumed that land titles issued to women would be correlated to the proportion of the farm community accounted for by women, roughly 10 percent.</b></p> <p><b>Increased Agricultural sales were eliminated as an indicator because data is not available. Also, land titles are more related to access by the poor than land sales.</b></p>	<b>Total</b>	<b>1994</b>	<b>5,000</b>	<b>5,250</b>	
		<b>Female</b>		1,045	
		<b>Male</b>		4,205	
		<b>Total</b>	<b>1995</b>	<b>10,000</b>	<b>***</b>
		<b>Female</b>		1,000	
	<b>Male</b>		9,000		
	<b>Total</b>	<b>1996</b>	<b>10,000</b>	<b>***</b>	
	<b>Female</b>		1,000		
	<b>Male</b>		9,000		
	<b>Target</b>	<b>1997</b>	<b>10,000</b>	<b>***</b>	
	<b>Total</b>				
	<b>Female</b>		1,000		
	<b>Male</b>		9,000		

<b>Indicator: 1.2.b INCREASED NUMBER OF PRIVATIZED STATE-OWNED ENTERPRISES (SOES)</b>				
<b>Unit: Number of Privatized SOEs (Cumulative)</b>		<b>Year</b>	<b>Planned</b>	<b>Actual</b>
<b>Source: Privatization of State-Owned Enterprises Project (522-0289)</b>	<b>Baseline</b>	<b>1986</b>	<b>---</b>	<b>0</b>
<p><b>Comments: Privatized enterprises are more efficient than SOE's contributing to lower product prices and making products more accessible to the poor, thereby increasing trade and improving markets, which generate new jobs and create opportunities for the poor. In addition, the privatization of (SOE's) through eliminating subsidies reduces the fiscal deficit.</b></p> <p><b>Our involvement in the sector ends in FY 95.</b></p>		<b>1991</b>	<b>---</b>	<b>18</b>
		<b>1992</b>	<b>26</b>	<b>30</b>
		<b>1993</b>	<b>42</b>	<b>43</b>
		<b>1994</b>	<b>47</b>	<b>48</b>
		<b>Target</b>	<b>1995</b>	<b>55</b>

TABLE 1: STRATEGIC OBJECTIVE PERFORMANCE — S.O. 1

Honduras					
STRATEGIC OBJECTIVE NO. 1 Enhanced Economic Participation and Increased Incomes of the Poor					
PROGRAM OUTCOME NO. 1.3 Expanded Access and Opportunity through Investment in People					
Indicator: 1.3.a.1 INCREASED NUMBERS OF CHILDREN COMPLETING PRIMARY EDUCATION					
Unit: Thousands of Children		Year	Planned	Actual	
Source: Ministry of Education statistics and Ministry of Planning's Household Survey	Baseline Total	1986	---	61.7	
	Female			32.6	
	Male			29.1	
<p>Comments: Increased primary school graduates are associated with expanded access and the improved efficiency of the primary education system. Access to primary education, as measured by total enrollments, has increased by about 25 percent since 1986 with USAID financing the construction and remodeling of over 2,500 primary school classrooms. Repetition and dropout rates were reduced by 26 percent and 32 percent respectively during this same period, and contributed to a 60 percent increase in primary school graduates from 1986 through 1994.</p> <p>Although the increase in primary school graduates for 1994 was less dramatic than 1993, 1994 graduates exceeded the planned outcome and the efficiency of the primary school system continues to improve. For example, there was a slight decline in first grade enrollments in 1989 (as compared to 1988) as a consequence of reduced numbers of repeaters in the first grade after the introduction of the project's textbooks on this grade level in 1988. This resulted in about 3,000 fewer sixth graders in 1994 (as compared to 1993), as the 1989 first grade cohort reached the sixth grade. Nevertheless, the primary school system produced more graduates in 1994 because more sixth graders successfully completed their primary education (91.6 percent in 1993 vs. 94.9 percent for 1994), resulting in a 60 percent increase in primary school graduates since 1986 when the Primary Education Efficiency Project began.</p> <p>Annual income increases are projected to be \$20 million annually, as the children complete primary school and enter the labor force.<sup>1</sup> Approximately 52 percent of these graduates have been females.</p>	Total	1991	---	83.0	
	Female			43.0	
	Male	40.0			
	Total	1992	84.4	86.5	
	Female				43.9
	Male	40.5	41.2		
	Total	1993	86.0	96.2	
	Female				44.7
	Male	41.3	45.9		
	Total	1994	98.0	98.5	
	Female				51.0
	Male	47.0	46.9		
Target	Total	1995	100.0	***	
	Female				52.0
	Male	48.0			

<sup>1</sup> See SECLAN Household Survey data on incomes and education levels.

Honduras				
STRATEGIC OBJECTIVE NO. 1 Enhanced Economic Participation and Increased Incomes of the Poor				
PROGRAM OUTCOME NO. 1.3 Expanded Access and Opportunity through Investment in People				
Indicator: 1.3.a.2 IMPROVED QUALITY OF EDUCATION MEASURED BY IMPROVEMENTS IN PRIMARY EDUCATION STANDARDIZED TEST SCORES FOR FOUR SUBJECTS (GRADES 1-6)				
Unit: Aggregate Improvements in Percentage Points		Year	Planned	Actual
Source: Ministry of Education (Standardized Test Scores)	Baseline Total Female Male	1990	--- --- ---	0 0 0
<p>Comments: Increased numbers of primary school enrollments and graduates (see Table 1.3.a.1) and improved efficiency do not necessarily mean that the quality of education is improving. Consequently, standardized tests are used since 1990 to track improvements in the quality of education after new textbooks, educational materials, and teacher training for the use of these materials have been introduced with USAID financing.</p> <p>With the distribution of educational materials for the fourth grade in 1993 there was a 30 percent increase in test scores for this grade level. During 1993 and 1994, similarly, with the distribution of textbooks for grades 5 and 6 during 1994 there was a combined improvement in 1994 test scores of 50 percentage points for grades 5 and 6. Standardized test scores for Spanish, mathematics, science, and social studies for grades 1-6 have increased by a total of 266.7 percentage points since 1990 when the primary Education Efficiency Project introduced standardized tests (the aggregate improvement in test scores is the unit of measure).<sup>2</sup> Improvements in test scores through 1993 represent an average increase of about 11 percent in standardized test scores for each of four subject areas for grades 1-6. As a consequence of these improvements, the 1995 projection for planned improvements was adjusted upward to 275.</p> <p>Gender differences in average test scores are not significant at less than 1 percentage point. The Education Efficiency Project ends in 1995.</p>	Total Female Male	1991	--- --- ---	127.9 126.2 129.7
	Total Female Male	1992	--- --- ---	137.3 136.9 137.7
	Total Female Male	1993	160 158 162	184.4 183.8 184.9
	Total Female Male	1994	190 188 192	266.7 265.9 267.4
	Target Total Female Male	1995	275 274 276	***

<sup>2</sup> Aggregate test scores are the sum of improvements in test scores, based on percentage points, for each grade level and subject area. Aggregate test scores are used rather than average test scores so that improvements on individual grade levels and subject areas can be tracked with the introductions of educational materials and teacher training for specific grade levels and subject areas.

Honduras				
STRATEGIC OBJECTIVE NO. 1 Enhanced Economic Participation and Increased Incomes of the Poor				
PROGRAM OUTCOME NO. 1.3 Expanded Access and Opportunity through Investment in People				
Indicator: 1.3.b.1 BASIC EDUCATION GRADUATES ON THE FIVE LEVELS OF THE ALTERNATIVE DELIVERY SYSTEM				
Unit: Thousands of Graduates		Year	Planned	Actual
Source: Ministry of Education statistics and Ministry of Planning's Household Survey.	Baseline Total	1993	---	0.9
	Female		---	
	Male		---	0.5
<p>Comments: With the finalization of the design of the Basic Education and Skills Training (BEST) Project during 1994-95, this program outcome was revised to coincide with the final design of this new project. Financial limitations for BEST will not permit the development of an alternative basic education delivery system through grade 12, as was anticipated in last year's Action Plan, but only through grade 9 on the five levels of the alternative system, which are the equivalent of grades 2, 4, 6, 7.5 and 9.</p> <p>This change affects the projected incomes of graduates and the total number of graduates the alternative delivery system will produce. Based on these revisions a total of 250,000 graduates are anticipated over the life of the project (50 percent female, 50 percent male) and projected income increases for graduates should exceed \$20 million during 1995-99.<sup>3</sup></p> <p>It is anticipated that curriculum development and experimental work with small numbers of participants will continue through 1995 to develop and validate the various components of the alternative system. The system will begin to expand nationally in 1996 with the completion of validated education materials and radio programs, and the introduction of a criterion referenced pre-enrollment testing system which will allow participants to enter different levels of the program based on their respective levels of competency.</p> <p>Data for 1994 will be available later in 1995.</p>	Total	1994	2	Not Available
	Female			
	Male	1		
	Total	1995	15	***
	Female			
	Male	7.5		
	Total	1996	30	***
	Female			
Male	15			
Total	1997	45	***	
Female				22.5
Male	22.5			
Total	1998	70	***	
Female				35
Male	35			
Target	1999	90	***	
Total				45
	Female	45		

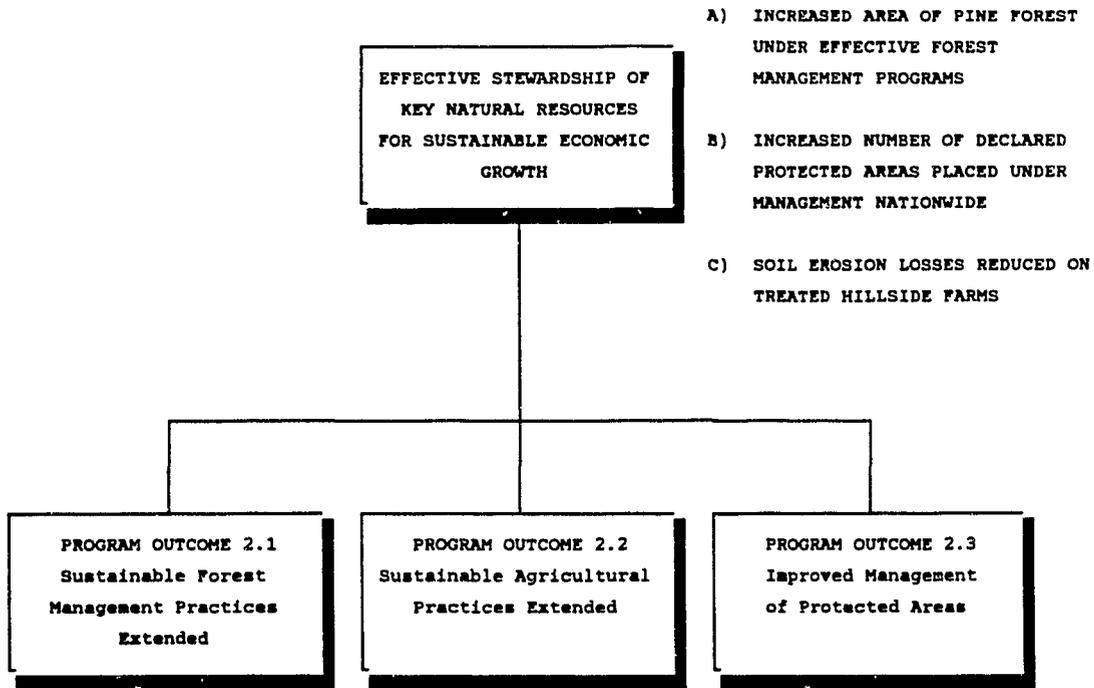
<sup>3</sup> Calculation based on data from the Ministry of Planning's Household survey with an average increase in earnings for completing grade equivalents of the project of approximately \$100 for each level, with 20% female participation in the salaried labor force. While the projections for the total annual increases in earnings for female graduates are significantly lower than for males, international research on the contributions of education to development shows that there are other development benefits: reduced birthrates, their children achieve higher levels of education, their families' health improves, and democratic institutions are strengthened as additional female participants obtain higher levels of basic education.

Honduras				
STRATEGIC OBJECTIVE NO. 1 Enhanced Economic Participation and Increased Incomes of the Poor				
PROGRAM OUTCOME NO. 1.3 Expanded Access and Opportunity through Investment in People				
Indicator: 1.3.b.2 INCREASED QUALITY OF THE ALTERNATIVE BASIC EDUCATION DELIVERY SYSTEM AS MEASURED BY AGGREGATE INCREASES IN STANDARDIZED TEST SCORES (GRADES 1-12)				
Unit: Increased Standardized Test Scores		Year	Planned	Actual
Source: Ministry of Education Statistics	Baseline Total Female Male	1994		0 0 0
<p>Comments: The increased quality of instruction in the alternative basic education system will be measured by aggregate increases in standardized test scores.<sup>4</sup></p> <p>Based on experiences with standardized tests in the formal system, significant improvements in test scores are anticipated as educational materials are distributed and teachers receive training to use these materials; it is anticipated that the aggregate improvement in test scores for the alternative system should total at least 150 percentage points by the end of the decade.</p>	Total Female Male	1995	30 30 30	***
	Total Female Male	1996	60 60 60	***
	Total Female Male	1997	90 90 90	***
	Total Female Male	1998	120 120 120	***
	Target Total Female Male	1999	150 150 150	***

<sup>4</sup>Aggregate improvements in standardized test scores are the sum of the improvements in the average score for each of the five levels of the alternative system. The alternative system will use the same minimum learning objectives and criterion referenced tests currently being used by the formal primary school system, which were developed by the Primary Education Efficiency Project (522-0273). Minimum learning objectives and criterion referenced testing instruments for grades 7-9 should be completed by 1996.

<b>Honduras</b>				
<b>STRATEGIC OBJECTIVE NO. 1 Enhanced Economic Participation and Increased Incomes of the Poor</b>				
<b>PROGRAM OUTCOME NO. 1.3 Expanded Access and Opportunity through Investment in People</b>				
<b>Indicator: 1.3.c GRADUATES FROM PVO AND MUNICIPAL TRAINING CENTERS EMPLOYED</b>				
<b>Unit: Number of Graduates Employed</b>		<b>Year</b>	<b>Planned</b>	<b>Actual</b>
<b>Source: Basic Education and Skills Training Project (BEST/522-0388)</b>	Baseline	1994	---	1,202
	Total Female Male		---	366 836
<p>Comments: With the finalization of the design of the Basic Education and Skills Training Project during 1994-95, this program outcome was revised to coincide with the LOP and the final design of this new project. Based on the final design of the project, it is anticipated that USAID assisted PVO and municipal training centers will increase from 16 to approximately 28 by 1999 and provide approximately 12,000 graduates, that will obtain gainful employment. Those graduates securing employment should receive income increases of approximately \$1,000 annually as a consequence of this training.</p> <p>Beneficiaries will be low income, out-of school, unemployed and underemployed youth and adults who are not able to continue their studies in basic (academic) education. While female graduates accounted for 30 percent of the 1994 graduates, which is significantly above the female participation in the labor force of only 20 percent, female participation in training programs should increase to 35 percent. The new project will introduce less traditional training areas which have the potential of enrolling higher percentages of females.</p> <p>The most significant increases in graduates should be recorded during 1998-99, after completing the building and equipping of the additional centers, as these new centers begin producing their first graduates.</p>	Total	1995	1,600	***
	Female Male		400 1,200	
	Total	1996	1,900	***
	Female Male		600 1,300	
	Total	1997	2,000	***
	Female Male		600 1,400	
	Total	1998	2,500	***
	Female Male		750 1,750	
Total	1999	3,000	***	
Female Male		900 2,100		
Target	2000	3,400	***	
Total Female Male		1,020 2,380		

PERFORMANCE INDICATORS:



PROGRAM INDICATORS

- |  |   |   |
|--|---|---|
| a) Increased Area of Public Forest with Approved Forest Management Plans Applied.  | a) Increased Number of Households Practicing Environmentally Sound Cultivation Practices. | a) Increased Total Number of USAID Assisted Parks, Reserves, or Watersheds Under Effective Protection Programs. |
| b) Volume of Standing Pine in Forestry Development Project Pilot Areas Maintained. | b) Increased Grain Yields on Treated Hillside Farms.                                      | b) Increased Effective Environmental Activities.  |

**TABLE 2: STRATEGIC OBJECTIVE PERFORMANCE**

<b>Honduras</b>				
<b>STRATEGIC OBJECTIVE NO. 2 Effective Stewardship of Key Natural Resources for Sustainable Economic Growth</b>				
<b>Indicator: 2.A INCREASED AREA OF PINE FOREST UNDER EFFECTIVE FOREST MANAGEMENT PROGRAMS</b>				
<b>Unit: Total Hectares</b>		<b>Year</b>	<b>Planned</b>	<b>Actual</b>
<b>Source: Forestry Development Project (FDP/522-0246)</b>	<b>Baseline</b>	1992	24,000	24,000
<p><b>Comments:</b> Pines make up 97 percent of commercial lumber harvest and exports. A critical step in placing this resource on a sustainable yield basis is to expand the forest management practices developed in the FDP pilot areas to cover all commercially viable pine forests. Since the passage of the Agriculture Modernization Law in 1992, approved forest management plans are required prior to all commercial forest harvest operations, on public or private lands. The target for the year 1997 represents about 25 percent of the currently existing pine forest area.</p> <p>Based on 1994 experience and the anticipated extension of the FDP, targets for the period 1995-1997 have been raised.</p>		1993	56,000	56,000
		1994	110,000	127,000
		1995	220,000	***
		1996	350,000	***
	<b>Target</b>	1997	500,000	***

<b>Indicator: 2.B INCREASED NUMBER OF DECLARED PROTECTED AREAS PLACED UNDER MANAGEMENT NATIONWIDE</b>				
<b>Unit: Number of Parks and Reserves</b>		<b>Year</b>	<b>Planned</b>	<b>Actual</b>
<b>Source: Forestry Development Project (FDP/522-0246); Honduran Environmental Protection Fund (HEPF/"IDA"/522-0385); and National System of Protected Areas of Honduras (SINAPH)</b>	<b>Baseline</b>	1995	12	***
<p><b>Comments:</b> This is a new indicator. The current "universe" of officially identified Protected Areas (including parks, forest and biosphere reserves, natural monuments, marine and anthropological reserves, and wildlife refuges) is 104 units nationwide. Almost none of these was under adequate management in 1994. Two Mission projects will make major contributions to Honduran efforts under this indicator.</p>		1996	20	***
		1997	32	***
		1998	40	***
		1999	50	***
	<b>Target</b>	2000	60	***

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Honduras				
STRATEGIC OBJECTIVE NO. 2 Effective Stewardship of Key Natural Resources for Sustainable Economic Growth				
Indicator: <b>2.C SOIL EROSION LOSSES REDUCED ON TREATED HILLSIDE FARMS</b>				
Unit: Tons of Soil Saved Annually Through Conservation Practices		Year	Planned	Actual
Source: Land Use and Productivity Enhancement Project (LUPE/522-0292); (Natural Resources Management Project/522-0168)	Baseline	1989	880,000	880,000
		1992	1,545,000	1,716,000
Comments: This is a relatively new indicator. An ongoing research study conducted by LUPE staff and farmers/cooperators, with the assistance of soil scientists from Texas A&M University, shows that intensive soil management practices on an "average" hillside farm reduce estimated annual soil loss from 100 tons per hectare to 5 tons per hectare. This represents an upward adjustment for both actual and planned figures through LOP.  (The baseline figures are attributable to the conservation initiatives funded by the Mission under the Natural Resources Management Project which treated some 11,000 hectares of Choluteca watershed hillsides).		1993	1,735,000	1,849,000
		1994	1,925,000	2,057,000
		1995	2,352,500	***
		1996	2,780,000	***
	Target	1997	3,255,000	***

PROGRAM OUTCOME NO. 2.1 Sustainable Forest Management Practices Extended				
Indicator: <b>2.1.a INCREASED AREA OF PUBLIC FOREST WITH APPROVED FOREST MANAGEMENT PLANS APPLIED</b>				
Unit: Hectares of Public Pine Forest		Year	Planned	Actual
Source: Forestry Development Project (FDP/522-0246)	Baseline	1994	64,000	64,000
		1995	100,000	***
Comments: This new indicator measures actual area of economically viable pine forest belonging to the Government of Honduras that is subjected to sustainable resource management consistent with forest management plans developed and implemented with FDP assistance.		1996	200,000	***
	Target	1997	300,000	***

Honduras				
STRATEGIC OBJECTIVE NO. 2 Effective Stewardship of Key Natural Resources for Sustainable Economic Growth				
PROGRAM OUTCOME NO. 2.1 Sustainable Forest Management Practices Extended				
Indicator: 2.1.b VOLUME OF STANDING PINE IN FORESTRY DEVELOPMENT PROJECT (FDP) PILOT AREAS MAINTAINED				
Unit: Ratio in Cubic Meters Harvested/Growth $\leq$ 1 Annually		Year	Planned	Actual
Source: Forestry Development Project (FDP/522-0246)	Baseline	1990	1.1	1.119
Comments: For this indicator, the running average over several years should be less than or equal to unity. This shows that volume of standing timber is being maintained indicating sustainable yield management.		1991	1.1	1.115
		1992	$\leq$ 1	0.554
		1993	$\leq$ 1	0.492
		1994	$\leq$ 1	0.546
		1995	$\leq$ 1	***
		1996	$\leq$ 1	***
	Target	1997	$\leq$ 1	***

Honduras				
STRATEGIC OBJECTIVE NO. 2 Effective Stewardship of Key Natural Resources for Sustainable Economic Growth				
PROGRAM OUTCOME NO. 2.2 Sustainable Agricultural Practices Extended				
Indicator: 2.2.a INCREASED NUMBER OF HOUSEHOLDS PRACTICING ENVIRONMENTALLY SOUND CULTIVATION PRACTICES				
Unit: Cumulative Number of Families, Disaggregated by Gender of Head of Household		Year	Planned	Actual
Source: Land Use and Productivity Enhancement Project (LUPE/522-0292); Natural Resources Management Project (522-0168); Small Farmer Export Development Project (SFED/522-0399)	Baseline Total	1989	---	11,000
	Female			
<p>Comments: This indicator is carried over from prior Action Plans. However, targets for 1994 through 1997 have been revised due to reduced LOP funding for LUPE and inclusion of farm families participating in sustainable agriculture and environmental practices under the Small Farmer Export Development Project.</p> <p>The 1994 target for female headed households was not attained due to fewer than expected women within the target population of participating communities last year. However, women are fully involved in project activities whether or not they are heads of the household.</p>	Male			10,120
	Total	1992	20,155	19,876
	Female			
	Male		18,614	18,242
	Total	1993	22,876	16,055
	Female			
	Male		21,046	14,843
	Total	1994	20,000	19,834
	Female			
	Male		18,400	18,450
	Total	1995	27,000	***
	Female			
	Male		24,800	
	Total	1996	33,000	***
Female	2,600			
Male		30,400		
Target Total	1997	37,000	***	
Female				3,000
Male		34,000		

Honduras				
STRATEGIC OBJECTIVE NO. 2 Effective Stewardship of Key Natural Resources for Sustainable Economic Growth				
PROGRAM OUTCOME NO. 2.2 Sustainable Agricultural Practices Extended				
Indicator: 2.2.b INCREASED GRAIN YIELDS ON TREATED HILLSIDE FARMS				
Unit: Cumulative Number of Farm Families, Disaggregated by Gender of Head of Household, Achieving at Least 30 Percent Increase in Average Basic Grains Yield		Year	Planned	Actual
Source: Land Use and Productivity Enhancement Project (LUPE/522-0292)	Baseline Total	1993	5,000	5,055
	Female			
	Male		4,600	4,723
<p>Comments: LUPE instituted an impact monitoring sample survey in 1993, which will track yields for participating farm families as well as for a control group, for comparative analysis. This resulted in revised figures from 1993 through 1995.</p> <p>The gender disaggregation of the planned targets reflects the best available data on the proportion of female headed rural households. Clearly, such a percentage would vary from community to community which accounts for the variation between planned and actual data. LUPE continues to make strong efforts to involve all male and female members of participating families.</p>	Total	1994	9,000	8,834
	Female		720	504
	Male		8,280	8,330
	Total	1995	14,000	***
	Female		1,120	
Male		12,880		
Total	1996	20,000	***	
Female		1,600		
Male		18,400		
Target Total	1997	25,000	***	
Female		2,000		
Male		23,000		

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TABLE 2: STRATEGIC OBJECTIVE PERFORMANCE — S.O.2

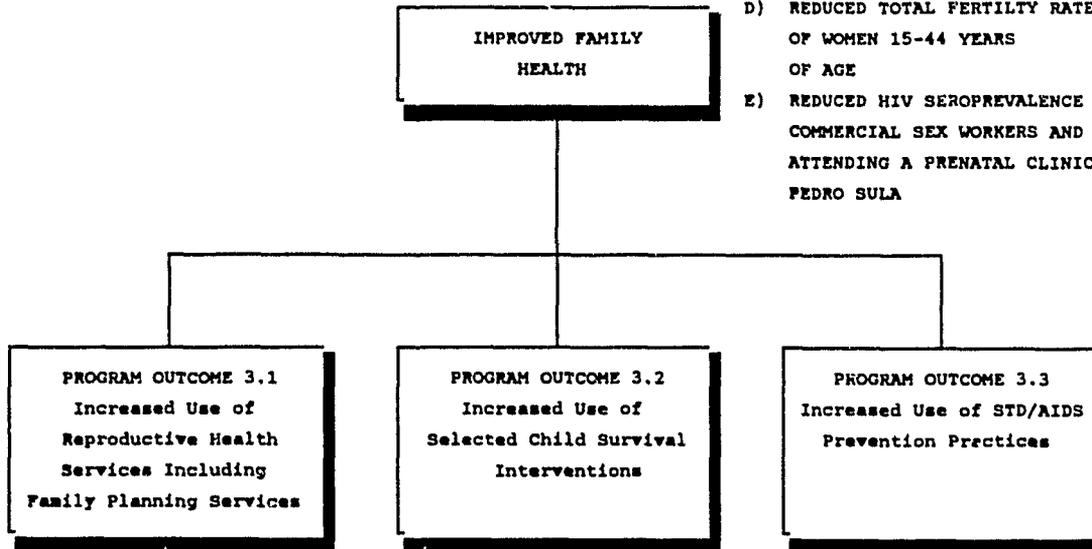
Honduras				
STRATEGIC OBJECTIVE NO. 2 Effective Stewardship of Key Natural Resources for Sustainable Economic Growth				
PROGRAM OUTCOME NO. 2.3 Improved Management of Protected Areas				
Indicator: 2.3.a INCREASED TOTAL NUMBER OF USAID-ASSISTED PARKS, RESERVES, OR WATERSHEDS UNDER EFFECTIVE PROTECTION PROGRAMS				
Unit: Number of Identifiable Units Placed Under Management Under Indicated Projects		Year	Planned	Actual
Source: Honduras Environmental Protection Fund Project (HEPF/"VIDA"/522-0385); Ministries of the Environment and of Natural Resources; Land Use and Productivity Enhancement (LUPE/522-0292); Forestry Development Project (FDP/522-0246); Health Sector II Project (522-0216)	Baseline	1994	385	385
<p>Comments: This is a revised indicator. We had originally intended to track the hectares of these areas, but this proved to be an impossible approach, especially with respect to setting meaningful future targets. Tracking the NUMBER of parks, reserves, and watersheds (including localized micro watersheds protecting community water sources) placed under management presents a more manageable and informative measurement. A number of projects contribute to this indicator.</p> <p>In addition, area in hectares will be tracked for certain categories where quantification is feasible, such as protected areas placed under management plans under the FDP.</p>		1995	425	***
		1996	475	***
		1997	525	***
		1998	575	***
		1999	625	***
	Target	2000	680	***

Honduras				
STRATEGIC OBJECTIVE NO. 2 Effective Stewardship of Key Natural Resources for Sustainable Economic Growth				
PROGRAM OUTCOME NO. 2.3 Improved Management of Protected Areas				
Indicator: 2.3.b INCREASED EFFECTIVE ENVIRONMENTAL ACTIVITIES				
Unit: Number of Effective Activities Carried Out by Discrete NGOs		Year	Planned	Actual
Source: Land Use and Productive Enhancement Project (LUPE/522-0292), Honduran Environmental Protection Fund Project (HEPF/"VIDA"/522-0385)  Comments: We are interested not only in number of activities, but activities carried out by <u>different</u> NGOs. Many environmental NGOs are based in local communities or related to regional issues, and one objective here is to encourage geographic dispersion. Hence, the dual interest in measuring both activities and number of organizations.	Baseline	1992	---	1
		1993	4	7
		1994	6	8
		1995	7	***
		1996	9	***
		1997	10	***
		1998	15	***
		1999	20	***
	Target	2000	25	***

TABLE 2: STRATEGIC OBJECTIVE PERFORMANCE -- S.O.2

PERFORMANCE INDICATORS:

- A) REDUCED INFANT MORTALITY RATE
- B) REDUCED LEVEL OF MALNUTRITION AMONG CHILDREN 12-23 MONTHS OF AGE
- C) REDUCED MATERNAL MORTALITY RATIO
- D) REDUCED TOTAL FERTILITY RATES OF WOMEN 15-44 YEARS OF AGE
- E) REDUCED HIV SEROPREVALENCE RATE IN COMMERCIAL SEX WORKERS AND WOMEN ATTENDING A PRENATAL CLINIC IN SAN PEDRO SULA



PROGRAM INDICATORS

- a) Increased Contraceptive Prevalence in Women 15-44 Years of Age, in Union.
- b) Increased Percentage of Rural Women who Gave Birth Within the Last Five Years who had a Prenatal Visit at a Health Facility During her Last Pregnancy.
- a) Increased Percentage of Children 2 - 3.99 Months who were Exclusively Breastfed During the Previous 24 Hours.
- b) Increased Percentage of Children Under One Vaccinated for Selected Diseases (DPT, Measles, Polio, and Tuberculosis).
- c) Increased Percentage of Women Aged 12-49 Vaccinated with a Second Dose of Tetanus Toxoid within the Last 3 Years.
- d) Cholera Fatality Rate (Reduced to Less than One Percent of Reported Cholera Cases).
- e) Reduced Percentage of Outpatient Visits of Children Under Five to Health Centers Due to Diarrhea.
- f) Improved Treatment for Diarrhea.
- g) Increased Number of Rural Residents Benefitting from USAID-Supported Water and Sanitation Systems.
- a) Increased Total Number of Condoms Distributed (Sold and Handed Out).

TABLE 2: STRATEGIC OBJECTIVE PERFORMANCE

Honduras				
STRATEGIC OBJECTIVE NO. 3 Improved Family Health				
Indicator: 3.A REDUCED INFANT MORTALITY RATE				
Unit: Infant Deaths per Thousand Live Births		Year	Planned	Actual
<p>Source: Epidemiology and Family Health Survey (EFHS) 1991/1992; EFHS 1995; EFHS 1999</p> <p>Comments: The infant mortality information comes from the national surveys carried out every 4 years. Because the infant mortality figure is the result of an "indirect" calculation (Brass method), the surveys provide an estimate based on retrospective data provided by the mothers when interviewed. The 1987 survey provided an estimate for the year 1985 (61/1000) and the 1991/92 survey provided an estimate for the year 1989 (50/1000). There are no significant differences by gender.</p> <p>Data for 1993 will be collected in the 1995 EFHS. Actual data for 1991, 1992, 1994, 1995 and 1996 will not be obtained.</p>	Baseline	1989	---	50
		1991	48	---
		1992	45	---
		1993	44	***
		1994	43	---
		1995	42	---
		1996	41	---
	Target	1997	40	***

Indicator: 3.B REDUCED LEVEL OF MALNUTRITION AMONG CHILDREN 12 - 23 MONTHS OF AGE				
Unit: Percent of Children 12 - 23 Months of Age at Level 2 or Worse Malnutrition (Weight/Age)		Year	Planned	Actual
<p>Source: National Nutrition Survey, 1987; Epidemiology and Family Health Survey (EFHS) 1991/1992; PL 480 Title III Socioeconomic Indicators Survey (SIS) 1994; SIS 1997</p> <p>Comments: Actual figures for 1987 and 1991 have been corrected therefore new targets have been developed. There are no significant differences by gender.</p> <p>The data is only available from periodic national surveys.</p>	Baseline	1987	---	30.2
		1991	---	25.1
		1992	---	---
		1993	---	---
		1994	24.0	24.1
		1995	23.5	---
		1996	23.0	---
	Target	1997	22.5	***

TABLE 2: STRATEGIC OBJECTIVE PERFORMANCE - S.O. 3

Honduras				
STRATEGIC OBJECTIVE NO. 3 Improved Family Health				
Indicator: 3.C REDUCED MATERNAL MORTALITY RATIO				
Unit: Number of Maternal Deaths per 100,000 Live Births		Year	Planned	Actual
<p>Source: Epidemiology and Family Health Survey (1995 EFHS); EFHS 1999; Studies on Maternal Mortality</p> <p>Comments: The "sisterhood" method will be tried in the next Epidemiology and Family Health Survey (1995 EFHS), this will provide an estimate for 1990 to be compared against the previous study. If validated, the method will be used to monitor progress in this area.</p> <p>Data for 1995 will be collected in the 1999 EFHS.</p>	Baseline	1989	---	221
		1990	---	***
		1991	207	---
		1992	193	---
		1993	179	---
		1994	165	---
		1995	150	***
	Target	1996	145	---

Indicator: 3.D REDUCED TOTAL FERTILITY RATES OF WOMEN 15 - 44 YEARS OF AGE				
Unit: Average Number of Children Born Alive to a Woman During her Lifetime		Year	Planned	Actual
<p>Source: Epidemiology and Family Health Survey (EFHS) 1991/1992; EFHS 1995</p> <p>Comments: Data for 1995 will be collected in the 1995 EFHS.</p>	Baseline	1987	---	5.6
		1991	5.1	5.1
		1992	5.0	---
		1993	4.9	---
		1994	4.8	---
		1995	4.7	***
	Target	1996	4.6	---

Honduras				
STRATEGIC OBJECTIVE NO. 3 Improved Family Health				
Indicator: 3.E REDUCED HIV SEROPREVALENCE RATE IN COMMERCIAL SEX WORKERS AND WOMEN ATTENDING A PRENATAL CLINIC IN SAN PEDRO SULA				
Unit: Seroprevalence Rate		Year	Planned	Actual
Source: Epidemiological Division, Ministry of Health (MOH)	Baseline Prenatal CSW	1991	---	3.6 14.0
<p>Comments: We are using seroprevalence rates at a prenatal clinic and in prostitutes in San Pedro Sula, Comayagua and Tegucigalpa. This gives us information on transmission in a high risk group and in the general population in the geographic epicenter of the epidemic (San Pedro Sula), as well as two cities with increasingly high rates of HIV transmission (Tegucigalpa and Comayagua).</p> <p>Actual data for 1994 will be available in May 1995. These data are needed to develop targets for 1995 and 1996.</p>	Prenatal CSW	1992	---	2.8 16.3
	Prenatal CSW	1993	---	2.5 13.0
	Prenatal CSW	1994	---	Not Available
	Prenatal CSW	1995	Not Available	***
	Target Prenatal CSW	1996	Not Available	***

TABLE 2: STRATEGIC OBJECTIVE PERFORMANCE -- S.O. 3

Honduras				
STRATEGIC OBJECTIVE NO. 3 Improved Family Health				
PROGRAM OUTCOME NO. 3.1 Increased Use of Reproductive Health Services Including Family Planning Services				
Indicator: 3.1.a INCREASED CONTRACEPTIVE PREVALENCE IN WOMEN 15 - 44 YEARS OF AGE, IN UNION				
Unit: Percent Sexually Active Women of Reproductive Age, in Union Using Family Planning Methods (Total, Modern Methods, Traditional Methods)		Year	Planned	Actual
Source: Epidemiology and Family Health Survey (EFHS) 1991/1992; EFHS 1995	Baseline Total Modern Meth. Traditional Meth.	1987	--- ---	41 33 8
Comments: Data for 1995 will be collected in the 1995 EFHS.	Total Modern Meth. Traditional Meth.	1991	47 35 12	47 35 12
	Total Modern Meth. Traditional Meth.	1992	47 35 12	---
	Total Modern Meth. Traditional Meth.	1993	48 36 12	---
	Total Modern Meth. Traditional Meth.	1994	49 37 12	---
	Total Modern Meth. Traditional Meth.	1995	50 38 12	***
	Target Total Modern Meth. Traditional Meth.	1996	51 39 12	---

TABLE 2: STRATEGIC OBJECTIVE PERFORMANCE -- S.O. 3

Honduras				
STRATEGIC OBJECTIVE NO. 3 Improved Family Health				
PROGRAM OUTCOME NO. 3.1 Increased Use of Reproductive Health Services Including Family Planning Services				
Indicator: 3.1.b INCREASED PERCENTAGE OF RURAL WOMEN WHO GAVE BIRTH WITHIN THE LAST 5 YEARS WHO HAD A PRENATAL VISIT AT A HEALTH FACILITY DURING HER LAST PREGNANCY				
Unit: Percent Women Who Made a Prenatal Visit to a Health Center		Year	Planned	Actual
Source: Epidemiology and Family Health Survey (EFHS) 1987, EFHS 1991/1992; EFHS 1995; Ministry of Health (MOH) Records	Baseline	1991	---	67.1
		1992	70.6	---
		1993	74.1	---
		1994	77.6	---
	Target	1995	80.1	***
Comments: To obtain more frequent data than that collected through the EFHS, the Mission is working with the Ministry of Health to determine the availability of valid data on prenatal visits from its ongoing information system. As first steps, the Policy Dialogue Paper and a PIL recognize the need for defining indicators in this area. An upcoming workshop on Integrated Maternal and Neonatal Health will address this concern.				
Data for 1995 will be collected in the 1995 EFHS.				

PROGRAM OUTCOME NO. 3.2 Increased Use of Selected Child Survival Interventions				
Indicator: 3.2.a INCREASED PERCENTAGE OF CHILDREN 2 - 3.99 MONTHS WHO WERE EXCLUSIVELY BREASTFED DURING THE PREVIOUS 24 HOURS				
Unit: Percent of Children		Year	Planned	Actual
Source: Epidemiology and Family Health Survey (EFHS) 1987, EFHS 1991/1992, EFHS 1995	Baseline	1987	---	19.8
		1991	25.0	23.2
		1992	28.0	---
		1993	32.0	---
		1994	36.0	---
		1995	38.0	***
	Target	1996	40.0	---
Comments: Data for 1995 will be collected in the 1995 EFHS.				

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Honduras				
STRATEGIC OBJECTIVE NO. 3 Improved Family Health				
PROGRAM OUTCOME NO. 3.2 Increased Use of Selected Child Survival Interventions				
Indicator: 3.2.b INCREASED PERCENTAGE OF CHILDREN UNDER ONE VACCINATED FOR SELECTED DISEASES (DPT, MEASLES, POLIO, AND TUBERCULOSIS)				
Unit: Percent Coverage		Year	Planned	Actual
Source: Ministry of Health Annual Reports D= DPT M= Measles P= Polio T= Tuberculosis	Baseline DPT Measles Polio Tuberculosis (BCG)	1990	-----	D= 84 M= 90 P= 87 T= 71
Comments: This indicator reflects children under one only. The under ones are the target group for the Health Sector II Project's immunization program. Changes on an annual basis in this group's coverage represent changes in the functioning of the program.		1991	D= 90 M= 88 P= 90 T= 90	D= 94 M= 86 P= 93 T= 100
		1992	D= 91 M= 90 P= 91 T= 91	D= 93 M= 89 P= 94 T= 91
		1993	D= 92 M= 95 P= 92 T= 92	D= 94 M= 94 P= 95 T= 95
		1994	D= 93 M= 95 P= 93 T= 93	D= 94 M= 95 P= 96 T= 95
		1995	D= 95 M= 95 P= 95 T= 95	***
	Target	1996	D= 95 M= 95 P= 95 T= 95	***

TABLE 2: STRATEGIC OBJECTIVE PERFORMANCE - S.O. 3

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Honduras				
STRATEGIC OBJECTIVE NO. 3 Improved Family Health				
PROGRAM OUTCOME NO. 3.2 Increased Use of Selected Child Survival Interventions				
Indicator: 3.2.c INCREASED PERCENTAGE OF WOMEN AGED 12 - 49 VACCINATED WITH A SECOND DOSE OF TETANUS TOXOID WITHIN THE LAST 3 YEARS				
Unit: Percent Vaccinated		Year	Planned	Actual
Source: Ministry of Health (MOH) Annual Reports	Baseline	1990	---	25
<p>Comments: The plan to eliminate neonatal tetanus began in 1990. Prior to that year, only pregnant women were vaccinated; but this activity was not properly documented. In November 1993, a data collection system was established which covered vaccinations since 1990. The coverage rates are based on the accumulative number of second doses of Tetanus Toxoid.</p> <p>Last year's Action Plan targets for 1994, 1995 and 1996 were provided by the MOH and were overly-ambitious, therefore those targets have been modified.</p>		1991	72	38
		1992	75	62
		1993	80	85
		1994	85	87
		1995	90	***
	Target	1996	92	***

PROGRAM OUTCOME NO. 3.2 Increased Use of Selected Child Survival Interventions				
Indicator: 3.2.d CHOLERA FATALITY RATE (REDUCED TO LESS THAN ONE PERCENT OF REPORTED CHOLERA CASES)				
Unit: Percent of Reported Cholera Cases that Are Fatal		Year	Planned	Actual
Source: Ministry of Health (MOH) Annual Reports	Baseline	1992	Less than 1	4.2
<p>Comments: The high Cholera Case Fatality Rate (CFR) is starting to come down due to a more relaxed case definition and increased familiarity with case management in the communities and in hospitals.</p>		1993	Less than 1	2.6
		1994	Less than 1	2.0
		1995	Less than 1	***
	Target	1996	Less than 1	***

Honduras				
STRATEGIC OBJECTIVE NO. 3 Improved Family Health				
PROGRAM OUTCOME NO. 3.2 Increased Use of Selected Child Survival Interventions				
Indicator: 3.2.e REDUCED PERCENTAGE OF OUTPATIENT VISITS OF CHILDREN UNDER FIVE TO HEALTH CENTERS DUE TO DIARRHEA				
Unit: Percent of Total Outpatient Visits of Children Under Five to Health Centers Due to Diarrhea		Year	Planned	Actual
Source: Ministry of Health (MOH) Annual Reports	Baseline	1990	---	17.5
Comments: The goal was reached sooner than expected, probably due to: 1) health education campaign related to cholera; and 2) more home treatment of diarrhea with ORS. However, we will continue monitoring activities to ensure that the targeted percentage is maintained.  Data for 1994 will be available in 2Q/95.		1991	15.7	15.7
		1992	14.5	12.4
		1993	14.0	12.7
		1994	13.5	Not Available
		1995	13.0	***
	Target	1996	13.0	***

PROGRAM OUTCOME NO. 3.2 Increased Use of Selected Child Survival Interventions				
Indicator: 3.2.f IMPROVED TREATMENT FOR DIARRHEA				
Unit: Percent Children Under Five With Diarrhea in Last 3 Days Who Were Treated With ORS		Year	Planned	Actual
Source: Epidemiology and Family Health Survey (EFHS) 1987, EFHS 1991/1992 and EFHS 1995	Baseline	1987	---	17.4
Comments: Data for 1995 will be collected in the 1995 EFHS.		1991	29.5	29.5
		1992	32.0	---
		1993	35.0	---
		1994	37.0	---
		1995	40.0	***
	Target	1996	40.0	---

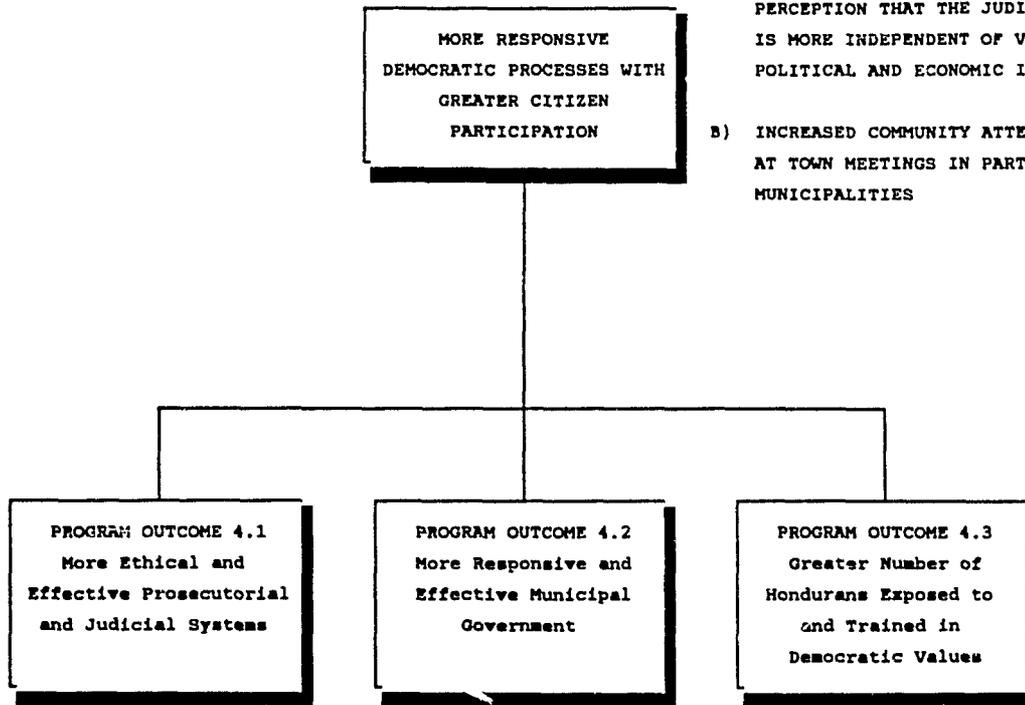
TABLE 2: STRATEGIC OBJECTIVE PERFORMANCE -- S.O. 3

Honduras				
STRATEGIC OBJECTIVE NO. 3 Improved Family Health				
PROGRAM OUTCOME NO. 3.2 Increased Use of Selected Child Survival Interventions				
Indicator: 3.2.g INCREASED NUMBER OF RURAL RESIDENTS BENEFITTING FROM USAID-SUPPORTED WATER AND SANITATION SYSTEMS				
Unit: Rural Population Served With Water and Sanitation (Cumulative)		Year	Planned	Actual
Source: Health Sector II Project (HSII/522-0216)	Baseline	1988	---	335,000
Comments:		1990	395,800	370,940
		1991	431,000	406,806
		1992	466,200	471,828
		1993	501,400	516,535
		1994	536,600	588,654
		1995	547,000	***
	Target	1996	554,000	***

PROGRAM OUTCOME NO. 3.3 Increased Use of STD/AIDS Prevention Practices				
Indicator: 3.3.a INCREASED TOTAL NUMBER OF CONDOMS DISTRIBUTED (SOLD AND HANDED OUT)				
Unit: Thousands of Condoms		Year	Planned	Actual
Source: Ministry of Health, Private Sector Population Program II (522-0369), and Mission Procurement/Distribution Records	Baseline	1990	---	2,600
Comments:		1991	3,982	3,176
		1992	3,524	5,150
		1993	5,500	5,400
		1994	5,700	5,700
		1995	6,000	***
	Target	1996	6,200	***

PERFORMANCE INDICATORS:

- A) INCREASED PERCENTAGE IN PUBLIC PERCEPTION THAT THE JUDICIAL SYSTEM IS MORE INDEPENDENT OF VESTED POLITICAL AND ECONOMIC INTEREST
- B) INCREASED COMMUNITY ATTENDANCE AT TOWN MEETINGS IN PARTICIPATING MUNICIPALITIES



PROGRAM INDICATORS

- |  |  |   |
|--|--|---|
| <ul style="list-style-type: none"><li>a) Increased Number of Cases Prosecuted by the Public Ministry on:<ul style="list-style-type: none"><li>1. Corruption;</li><li>2. Crimes against women and ethnic minorities;</li><li>3. Environmental Liability; and</li><li>4. Others</li></ul></li><li>b) Increased Number of the Above Mentioned Public Ministry Cases Adjudicated by the Courts.</li><li>c) Increased Number of Court Officers Investigated by the Court's Inspector General of Tribunals' Office and Sanctioned by the Court.</li><li>d) Increased Number of Court Officers Prosecuted by the Public Ministry.</li></ul> | <ul style="list-style-type: none"><li>a) Increased Proportion of Municipal Budgets Going to Capital Projects.</li><li>b) Increased Coverage/Provision of Public Services (Water, Sewerage, Refuse Collection) by Municipalities.</li></ul> | <ul style="list-style-type: none"><li>a) Increased Number of People Having Completed "Experience America" Program.</li><li>b) Increased Number of Textbooks Sold.</li></ul> |
|--|--|---|

**TABLE 2: STRATEGIC OBJECTIVE PERFORMANCE**

<b>Honduras</b>				
<b>STRATEGIC OBJECTIVE NO. 4 More Responsive Democratic Processes With Greater Citizen Participation</b>				
<b>Indicator: 4.A INCREASED PERCENTAGE IN PUBLIC PERCEPTION THAT THE JUDICIAL SYSTEM IS MORE INDEPENDENT OF VESTED POLITICAL AND ECONOMIC INTERESTS</b>				
<b>Unit: Percent Favorable Respondents: Total, Female, Male</b>		<b>Year</b>	<b>Planned</b>	<b>Actual</b>
<b>Source: CID/Gallup Polls</b>	Baseline Total Female Male	1994	15	16
<p>Comments: As Honduras' general election process ended in late 1993, the Mission's "Democracy Building" strategy is now focusing on promoting strengthening the judicial sector. Key to this process is promoting an independent Judiciary. A first major step toward accomplishing this goal is the enactment of an amendment to the Honduran Constitution that will ensure the indefinite appointment of Supreme Court justices free of political and financial influences. The success of an independent Judiciary is largely measured by the public's perception of whether the administration of justice in the country is effective, efficient and impartial. Through 1994, baseline public opinion polls on issues relating to the Judicial System's independence of vested interests were not gender disaggregated. However, polls for 1995 through 1997 will be gender disaggregated.</p>	Total Female Male	1995	25 25 25	***
	Total Female Male	1996	40 40 40	***
	Target Total Female Male	1997	50 50 50	***

Honduras				
STRATEGIC OBJECTIVE NO. 4 More Responsive Democratic Processes With Greater Citizen Participation				
Indicator: 4.B INCREASED COMMUNITY ATTENDANCE AT TOWN MEETINGS IN PARTICIPATING MUNICIPALITIES				
Unit: Average Number of Attendants per Town Meeting in Participating Municipalities: Total, Female, Male		Year	Planned	Actual
Source: Municipal Development Project (MDP/522-0340), Municipal Data, Official Minutes of Town Meetings	Baseline Total Female Male	1990	---	0
Comments: More women than men currently participate in town meetings, due to women's manifest greater interest in public services. It is expected that once community training activities increase, there will be more male participation. In fact, by 1993 and 1994 male attendance had grown steadily, reaching of late a level similar to that of the female participation.	Total Female Male	1991	---	20 15 5
	Total Female Male	1992	50 40 10	110 75 35
	Total Female Male	1993	120 75 45	116 74 42
	Total Female Male	1994	140 85 55	180 96 84
	Total Female Male	1995	185 100 85	***
	Total Female Male	1996	195 105 90	***
	Target Total Female Male	1997	200 105 95	***

<b>Honduras</b>				
<b>STRATEGIC OBJECTIVE NO. 4 More Responsive Democratic Processes with Greater Citizen Participation</b>				
<b>PROGRAM OUTCOME 4.1: More Ethical and Effective Prosecutorial and Judicial Systems</b>				
<b>Indicator: 4.1.a. INCREASED NUMBER OF CASES PROSECUTED BY THE PUBLIC MINISTRY ON CORRUPTION, CRIMES AGAINST WOMEN AND ETHNIC MINORITIES, ENVIRONMENTAL LIABILITY AND OTHERS</b>				
<b>Unit: Number of Cases Successfully Prosecuted by the Public Ministry</b>		<b>Year</b>	<b>Planned</b>	<b>Actual</b>
<b>Source: Strengthening Democratic Institutions Project (SDI/522-0296), Strengthening Accountability Systems Project (SAS/522-0381) and Court, Comptroller General, Public Integrity and Attorney General Offices Records</b>	<b>Baseline</b>	<b>1994</b>		
	Cases On:		---	
	Corrupt.		---	26
	Women/Min.		---	23
Environ.		---		19
Others				207
<b>Legend: Types of cases nationally:</b>  Corrupt. = Corruption Women/Min. = Crimes against women and ethnic minorities Environ. = Environmental liability Others = All other types of cases, as handled by special prosecutors, including those relating to constitutional rights and guarantees as well as the protection of children and the handicapped, human rights, consumers and historical/archaeological sites  <b>Comments: Assumptions: It is expected that the Honduran Congress will adequately fund the Public Ministry in 1995.</b>  <b>Principal investigative and prosecutorial responsibilities were transferred from the Court to the newly-created Public Ministry in 1994. The type of cases specifically described herein have a major effect on the quality of life in Honduras and thus the Public Ministry's role in successfully prosecuting these cases is key to advancing the cause of justice in the country. Projections were based on actual number of prosecutions for 1994 and the expected growth of the Ministry in 1995 and beyond.</b>	Cases on:	<b>1995</b>		
	Corrupt.		35	
	Women/Min.		80	***
	Environ.		20	
	Others		300	
	Cases on:	<b>1996</b>		
	Corrupt.		40	
	Women/Min.		160	***
	Environ.		30	
	Others		400	
	Cases on:	<b>1997</b>		
	Corrupt.		50	
Women/Min.		240	***	
Environ.		40		
Others		500		

Honduras				
STRATEGIC OBJECTIVE NO. 4 More Responsive Democratic Processes with Greater Citizen Participation				
PROGRAM OUTCOME 4.1: More Ethical and Effective Prosecutorial and Judicial Systems				
Indicator: 4.1.b. INCREASED NUMBER OF PUBLIC MINISTRY CASES AS DESCRIBED IN 4.1.a. ABOVE ADJUDICATED BY THE COURT				
Unit: Increased Number of Cases Successfully Adjudicated		Year	Planned	Actual
Source: Strengthening Democratic Institutions Project (SDI/522-0296), Public Ministry and Court Records	Baseline Cases on: Corrupt. Women/Min. Environ. Others	1995	12 25 8 101	***
Legend:           Types of cases nationally:  Corrupt.       = Corruption Women/Min.   = Crimes against women and ethnic minorities Environ.       = Environmental liability Others         = All other types of cases as handled by special prosecutors including those relating to constitutional rights and guarantees as well as the protection of children and the handicapped, human rights, consumers and historical/archaeological sites	Cases on: Corrupt. Women/Min. Environ. Others	1996	39 93 25 334	***
Comments: This indicator has been established to assess the Court's effectiveness in handling the Public Ministry's prosecution of particularly-significant type cases.  We expect that all Public Ministry prosecutions begun in a particular year will be adjudicated by the Courts over a three-year period--at an arithmetic progression, 20 percent the first year, 50 percent the second year and the remaining 30 percent the third year. (For a detailed explanation of this methodology please see Annex A.)	Cases on: Corrupt. Women/Min. Environ. Others	1997	48 165 35 452	***

TABLE 2: STRATEGIC OBJECTIVE PERFORMANCE — S.O. 4

Honduras				
STRATEGIC OBJECTIVE NO. 4 More Responsive Democratic Processes with Greater Citizen Participation				
PROGRAM OUTCOME 4.1: More Ethical and Effective Prosecutorial and Judicial Systems				
Indicator: 4.1.c INCREASED NUMBER OF COURT OFFICERS INVESTIGATED BY THE COURT'S INSPECTOR GENERAL OF TRIBUNAL'S OFFICE AND SANCTIONED BY THE COURT				
Unit: Number of Court Officers Investigated and Sanctioned		Year	Planned	Actual
Source: Strengthening Democratic Institutions Project (SDI/522-0296) and Court Records	Baseline	1994		
	Complaints		200	319
	Comp. Inv. Comp. Sanct.		150 12	258 46
<p>Legend:  Complaints = Official corruption complaints received by the Court  Comp. Inv. = Complaints investigated by the Court Inspector General  Comp. Sanct.= Complaints sanctioned</p> <p>Comments: The indicator has been adjusted to reflect actual number of cases investigated and sanctioned by the Court. Projections were based on actual data for 1994 and the expected strengthening of the Court's IG in 1995, both legally and financially.</p>	Complaints	1995	250	***
	Comp. Inv. Comp. Sanct.		188 25	
	Complaints	1996	275	***
	Comp. Inv. Comp. Sanct.		206 32	
	Target	1997		***
	Complaints Comp. Inv. Comp. Sanct.		300 235 45	

<b>Honduras</b>				
<b>STRATEGIC OBJECTIVE NO. 4 More Responsive Democratic Processes with Greater Citizen Participation</b>				
<b>PROGRAM OUTCOME 4.1: More Ethical and Effective Prosecutorial and Judicial Systems</b>				
<b>Indicator: 4.1.d INCREASED NUMBER OF COURT OFFICERS PROSECUTED BY THE PUBLIC MINISTRY</b>				
<b>Unit: Increased Number of Cases Successfully Prosecuted</b>		<b>Year</b>	<b>Planned</b>	<b>Actual</b>
<b>Source: Strengthening Democratic Institutions Project (SDI/522-0296) and Public Ministry and Court Records</b>	<b>Baseline</b>	<b>1994</b>		
	<b>Referred by IG</b>		<b>10</b>	<b>31</b>
<b>Comments: This indicator assesses the effectiveness of the Public Ministry in prosecuting corruption in the Courts. Projections were based on actual data for 1994.</b>	<b>Referred by others</b>		<b>0</b>	<b>6</b>
	<b>Referred by IG</b>	<b>1995</b>	<b>35</b>	<b>***</b>
	<b>Referred by others</b>		<b>15</b>	
	<b>Referred by IG</b>	<b>1996</b>	<b>40</b>	<b>***</b>
<b>Referred by others</b>	<b>20</b>			
	<b>Target</b>	<b>1997</b>	<b>40</b>	<b>***</b>
	<b>Referred by IG</b>		<b>25</b>	
	<b>Referred by others</b>			

<b>Honduras</b>				
<b>STRATEGIC OBJECTIVE NO. 4 More Responsive Democratic Processes With Greater Citizen Participation</b>				
<b>PROGRAM OUTCOME 4.2: More Responsive and Effective Municipal Government</b>				
<b>Indicator: 4.2.a INCREASED PROPORTION OF MUNICIPAL BUDGETS GOING TO CAPITAL PROJECTS</b>				
<b>Unit: Average Percent of Municipal Budget for Capital Projects in Participating Municipalities</b>		<b>Year</b>	<b>Planned</b>	<b>Actual</b>
<b>Source: Municipal Development Project (MDP/522-0340), Municipal Records</b>	<b>Baseline</b>	1991	---	14.5
<p><b>Comments:</b> In 1991 and 1992 technical assistance efforts were concentrated on organizing the planning and investment process in the participating municipalities. As a result, these municipalities substantially increased investment in municipal services in 1993 and 1994.</p> <p>After 1994, the progress in this indicator should slow down unless other investment sources/revenues are identified.</p>		1992	16.0	13.7
		1993	30.0	31.3
		1994	40.0	32.4
		1995	45.0	***
		1996	50.0	***
	<b>Target</b>	1997	60.0	***

<b>Indicator: 4.2.b INCREASED COVERAGE/PROVISION OF PUBLIC SERVICES (WATER, SEWERAGE, REFUSE COLLECTION) BY MUNICIPALITIES</b>				
<b>Unit: Percent Increase in Urban Inhabitants Receiving all Three Services in Participating Municipalities</b>		<b>Year</b>	<b>Planned</b>	<b>Actual</b>
<b>Source: Municipal Development Project (MDP/522-0340), Municipal Data</b>	<b>Baseline</b>	1991	---	17.0
<p><b>Comments:</b> In 1991 and 1992 the organization and planning process led to a lower percentage increase in investments. The results of these actions were clearly presented in 1993 and 1994, when investments were substantially higher than expected.</p> <p>After 1994, the progress in this indicator should slow down unless other investment sources/revenues for this purpose are identified.</p>		1992	20.0	18.5
		1993	22.0	26.7
		1994	24.0	28.8
		1995	29.0	***
		1996	29.5	***
	<b>Target</b>	1997	30.0	***

TABLE 2: STRATEGIC OBJECTIVE PERFORMANCE -- S.O. 4

Honduras				
STRATEGIC OBJECTIVE NO. 4 More Responsive Democratic Processes With Greater Citizen Participation				
PROGRAM OUTCOME 4.3: Greater Number of Honduran Exposed to and Trained in Democratic Values				
Indicator: 4.3.a INCREASED NUMBER OF PEOPLE HAVING COMPLETED "EXPERIENCE AMERICA" PROGRAM				
Unit: Cumulative Number		Year	Planned	Actual
Source: Honduras Peace Scholarships I and II/CLASP Information System and the Participant Training Management System (PTMS)	Baseline	1986	263	234
	Total Female Male		105 158	79 155
<p>Comments: The number of Hondurans completing "Experience America" Programs from 1986-94 and projections through 1997 were adjusted to include CAPS/CASS scholarship recipients, who were not previously included in this Program Outcome.</p> <p>The number of Hondurans "Experiencing America" during 1994 was substantially above the planned number. This was associated with a final push under the Central American and Honduras Peace Scholarship Project (CAPS/HOPS I) to complete project activities prior to the September 31, 1994 PACD, with a total of 379 Peace Scholars for 1994.<sup>1</sup></p> <p>Female participation was 49.7 percent for 1994. This was associated with a significant number of Peace Scholarships being awarded in areas of study which have higher levels of female participation (health and education) and brought the cumulative participation of women "Experiencing America" up to 48 percent. Based on the achievement of higher levels of participation by women, projections for future scholarships were revised with the goal of maintaining a 48 percent level of participation for women "Experiencing America."</p>	Total	1992	1,850	1,883
	Female		740	708
	Male		1,110	1,175
	Total	1993	2,150	2,174
	Female		860	836
	Male		1,290	1,338
	Total	1994	2,300	2,560
	Female		920	1,025
	Male		1,380	1,435
	Total	1995	2,625	***
Female		1,055		
Male		1,535		
Total	1996	2,700	***	
Female		1,089		
Male		1,611		
Total	1997	2,775	***	
Female		1,123		
Male		1,652		

<sup>1/</sup> In Addition, there were 35 CAPS/CASS scholarship recipients, 5 from AIFLD and 2 Regional Journalism Project Scholarship recipients who participated in "Experience America" activities.

Honduras				
STRATEGIC OBJECTIVE NO. 4 More Responsive Democratic Processes With Greater Citizen Participation				
PROGRAM OUTCOME 4.3: Greater Number of Hondurans Exposed to and Trained in Democratic Values				
Indicator: 4.3.b INCREASED NUMBER OF TEXTBOOKS SOLD				
Unit: Cumulative Number of Textbooks Sold to Participating Bookstores (Thousands)		Year	Planned	Actual
Source: Regional Technical Aid Center (RTAC/522-0384)	Baseline	1986	0	0
Comments: With the increase in the number of RTAC II distributors from 4 to 12 distributors during 1994 the number of U.S. university textbooks sold in Honduras increased by a 30 percent over the planned quantities of textbooks sold during previous years. Projections for 1995-96, consequently, were revised upwards.		1991	314.0	314.4
		1992	345.0	345.0
		1993	366.0	366.2
		1994	390.0	398.4
		1995	405.0	***
	Target	1996	420.0	***

**CENTRALLY AND REGIONALLY FUNDED PROJECTS IN HONDURAS BY STRATEGIC OBJECTIVE**

**STRATEGIC OBJECTIVE NO. 1**

PROJECT NUMBER	PROJECT NAME	CATE-GORY*	MISSION CONTACT	WASHINGTON CONTACT NAME/OFFICE/ PHONE #	1995 FUNDING		PART OF MISSION PROJECT	COMMENTS/STATUS
					MISSION MECHANISMS*	SOURCE***		
596-0178	Regional Trade Policy	A	Don Harrison X 2510	Ana Vilma Pocasangre (502) 232-0202	None	596-0178	---	Will help to increase regional preparedness for participation in free trade agreements.
598-0654	Rural Development Technology Services (LACTECH)	A	Mike Wise X 2686	Sher Plunkett LAC/DR/RD (202) 647-5685	None	598-0654 FY96 and FY97 funding	---	Will carry out various assessment in food security, research and rural finance.
936-4195	Postharvest Collaborative Agribusiness Support Project	B	Al Merkel X 2680	RicK Rennet G/EG/AFS/AEMD (202) 663-3229	None	EX-G FY96 funding	---	Will complement SFED Project and be implemented through Zamorano and FHIA which will receive support.
936-5063	University Development Linkages Project	B	Mike Wise X 2676	Ruth Frischer G/R&D/UC (703) 816-0252	None	EX-G	---	Supports collaboration of developing country education institutions to U.S. colleges and universities. In Honduras, Cornell University is working with Zamorano to establish long-term collaboration in the areas of sustainable agriculture, natural resources management, and human resources development. Includes a pilot Masters Degree Program.
936-5451	Implementing Policy Change	A	Don Harrison X 2511 Vicente Diaz X 2575	Pat Isman G/R&D/EID /RAD (703) 875-4625	Buy-in	522-0325	522-0325 Policy Analysis & Implementation Project (PAIP)	Assists in the establishment of a GOH Policy Analysis and Implementation Unit to improve policy decision-making and implementation of reform programs in conjunction with our PAIP (522-0325) This activity ends in 1995.
938-0158	Freedom from Hunger (Matching Grant)	B	Liza Valenzuela X 2525	Devorah Miller BHR/PVC/MGD (703) 351-0219	None	938-0158	---	Provides TA and training to its local affiliate in the area of financial management and poverty lending.
938-0158	World Relief Corporation (Matching Grant)	B	Liza Valenzuela X 2515	Sallie Jones BHR/PVC/MGD (703) 351-0235	None	938-0158	---	Provides credit programs for micro-enterprises.  Project ends in September, 1998.

- \* A. Supports Mission Strategic Objective and is within Mission capacity to manage.
- B. Supports Mission Strategic Objective but is beyond Mission capacity to manage.
- C. Does not support Mission Strategic Objective.

- \*\* Buy-in, OYB Transfer, None, Other.
- \*\*\* Project Number, EX-G, G Research, Other. This column identifies source for 1995. Annotations for 1996-97 indicate that FY96-97 funding is planned to come either from Honduras EX-G allocation or from USAID/H OYB allocation.

**CENTRALLY AND REGIONALLY FUNDED PROJECTS IN HONDURAS BY STRATEGIC OBJECTIVE**

**STRATEGIC OBJECTIVE NO. 1 (Continued)**

PROJECT NUMBER	PROJECT NAME	CATEGORY*	MISSION CONTACT	WASHINGTON CONTACT NAME/OFFICE/PHONE #	1995 FUNDING		PART OF MISSION PROJECT	COMMENTS/STATUS
					MISSION MECHANISMS*	SOURCE***		
938-0705	Farmer to Farmer (NAPA)	B	Mike Wise X 2676	John Fasullo BHR/PVC/MGD (703) 351-0227	None	EX-G	---	Supports sustainable development efforts by promoting cooperation, democratic principles, and practices that demonstrate self-reliance. Includes activities, that target women involved in nontraditional and sustainable agricultural activities.
940-0404	Institute for Contemporary Studies	A	Don Harrison X 2510 Vicente Diaz X 2575	Orcet Koropacke G/EG/EIR (202) 663-2358	Buy-in	522-0325	---	Provides technical assistance to the Government Economic Policy Analysis and Implementation Unit (UDAPE).
940-0406	Microenterprise Innovation Impact Component	A	Bernai Velarde X 2613	Elizabeth Rhyne G/EG/MD (202) 663-2360	None	940-0406 FY96 and FY97 funding	522-0241 Small Business Development II	Will carry out a study to examine various issues that affect the village bank methodology, and a survey to measure the dynamics of the informal sector.

- \* A. Supports Mission Strategic Objective and is within Mission capacity to manage.
- B. Supports Mission Strategic Objective but is beyond Mission capacity to manage.
- C. Does not support Mission Strategic Objective.

- \*\* Buy-in, OYB Transfer, None, Other.
- \*\*\* Project Number, EX-G, G Research, Other. This column identifies source for 1995.
- Annotations for 1996-97 indicate that FY96-97 funding is planned to come either from Honduras EX-G allocation or from USAID/H OYB allocation.

**CENTRALLY AND REGIONALLY FUNDED PROJECTS IN HONDURAS BY STRATEGIC OBJECTIVE**

STRATEGIC OBJECTIVE NO. 2								
PROJECT NUMBER	PROJECT NAME	CATEGORY*	MISSION CONTACT	WASHINGTON CONTACT NAME/OFFICE/PHONE #	1995 FUNDING		PART OF MISSION PROJECT	COMMENTS/STATUS
					MISSION MECHANISMS*	SOURCE***		
596-0150	Regional Environmental Natural Resources Management (RENARM)	B	Margaret Harritt X 2657	Toby Pierce ROCAP/RD	Buy-in	522-0246 522-0385	522-0246 Forestry Development (FDP) 522-0385 Honduran Environmental Protection Fund (HEPF)	Works in protected areas, IPM, and watershed management. The new Project design (for phase II) has opened communication with bilateral missions.
598-0780	Environmental Support Project (LAC) - (LIGHTHAWK)	A	Margaret Harritt X 2657	Jeff Brokaw LAC/DR/E (202) 847-8070	OYB Transfer to Mission from LAC	522-0246	522-0246 FDP	Brought in Lighthawk Environmental Air Force which is mapping/planning in the Mosquitia. Funds were added to our OYB for this purpose.
931-1254	Sorghum/Millet CRSP (Intsormil)	B	Peter Hearne X 2667	Phillip Warren G/R&D/AGR (703) 875-4324	Other (Local Currency transfer)	Other (PL 480 Title III Local Currency) and FY96 G-Research	PL 480 Title III 522-0292 Land Use Productivity Enhancement (LUPE)	Has done work in Honduran grain policy. Works in dryland areas such as Choluteca developing climate-tolerant disease-resistant varieties. PACD 09/30/96.
931-1311	Tropsoils CRSP	A	Peter Hearne X 2667	John Malcolm G/R&D/AGR /RNR (703) 875-4328	Other (Project contribution)	522-0292 (PL 480 Title III Local Currency)	522-0292 LUPE	Researches topsoil loss to measure LUPE (522-0292) impact. Good results.
936-4023	Pond Dynamics CRSP	A	Margaret Harritt X 2657	Lamar Trout G/R&D/AGR /RNR (703) 875-4300	Other (Local Currency transfer)	Other (PL 480 Title III Local Currency) and FY96 G-Research	522-0385 HEPF	Is actively measuring water quality in the Choluteca Watershed and Golf of Fonseca areas, where many USAID projects have been/are active.

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**CENTRALLY AND REGIONALLY FUNDED PROJECTS IN HONDURAS BY STRATEGIC OBJECTIVE**

**STRATEGIC OBJECTIVE NO. 2 (Continued)**

PROJECT NUMBER	PROJECT NAME	CATE-GORY*	MISSION CONTACT	WASHINGTON CONTACT NAME/OFFICE/PHONE #	1995 FUNDING		PART OF MISSION PROJECT	COMMENTS/STATUS
					MISSION	SOURCE***		
936-4198	Sustainable Agriculture and Natural Resources Management CRSP (SANREM)	B	Albert Merkel X 2680	Jim Bonner G/R&D/AGR /APP (703) 351-4006	None	G-Research	522-0399 Small Farmer Export Development	Is developing indicators for sustainability of environmental activities (with Zamorano). It is also developing an environmental monitoring system.
936-5554	Conservation of Biological Diversity	A	Armando Buamail X 2685	Marie Beebe G/R&D/E&I (703) 875-4255	Buy-in	522-0385 and FY96 funding	522-0385 HEPF	Provides interim technical assistance to Foundation VIDA. World Wildlife Fund is a participant. Good quality support.
936-5839	Environmental Education and Communication (GreenCom)	A	Margaret Harrit X 2657	Kate Balbo OIT (703) 875-5656	FY96 funding	FY96 funding	522-0246 FDP	Will assist in the implementation of a nationwide public awareness campaign for protected areas.
938-0158	Katalysis North/South Development Partnership (Matching Grant)	B	Liza Valenzuela X 2515	Mary Herbert BHR/PVC/MGD (703) 351-0192	None	938-0158	522-0385 HEPF	Strengthens local institutions to provide self-help services to the poor. This projects terminates in 09/98.
938-0705	Farmer to Farmer (VOCA)	B	Mike Wise X 2676	John Fasullo BHR/PVC/MGD (703) 351-0227	None	938-0705	522-0385 HEPF	Volunteers in Cooperative Assistance (VOCA), in coordination with VIDA, is supporting activities in the area of natural resources management for a number of local NGOs.
TBD	Central American Regional Environmental Project (PROARCA)	A	Margaret Harrit X 2657	Alex Dickie G-CAP (502) 232-0202	None	Same Project	522-0246 FDP 522-0385 HEPF	This is a new project. First obligation is scheduled for last quarter of FY95.

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**CENTRALLY AND REGIONALLY FUNDED PROJECTS IN HONDURAS BY STRATEGIC OBJECTIVE**

**STRATEGIC OBJECTIVE NO. 3**

PROJECT NUMBER	PROJECT NAME	CATEGORY*	MISSION CONTACT	WASHINGTON CONTACT NAME/OFFICE/PHONE #	1995 FUNDING		PART OF MISSION PROJECT	COMMENTS/STATUS
					MISSION MECHANISMS*	SOURCE***		
936-3030	Strategies for Improving Service Delivery (The Population Council) (INOPAL)	A	Maria del Carmen Miranda X 2329	Barbara Feringa G/PHN/POP/R (703) 875-4676	None	EX-G and FY96 and FY97 funding	522-0369 Private Sector Population Program (PSPP) II 522-0389 Private Sector Population Program (PSPP) III	Approves and manages small grants to local PVOs for family planning activities.
936-3038	Family Planning Logistics Management (CDC)	A	Maria del Carmen Miranda X 2329	John Crowley G/PHN/POP (703) 875-4650	None	EX-G	522-0369 PSPP II, 522-0389 PSPP III	Assists with the 1995 Epidemiology and Family Health Survey (EFHS).
936-3051	Contraceptive Social Marketing III (SOMARC III)	A	Maria del Carmen Miranda X 2329	Ellen Starbird G/PHN/POP (703) 875-4773	None	EX-G and FY96 and FY97 funding	522-0369 PSPP II, 522-0389 PSPP III	Provides technical assistance to the Honduras Family Planning Association (ASHONPLAFA) in contraceptive social marketing.
936-3054	International Population Fellows Program	A	David Losk X 2488	Joanna Grossi G/PHN/POP (703) 875-4621	Buy-in	522-0369 and FY97 funding	522-0369 PSPP II, 522-0389 PSPP III	Provides support to the Mission's Population Fellow.
936-3055	Family Planning Management Development	A	Maria del Carmen Miranda X 2329	Maria Busquets-Moura G/PHN/POP (703) 875-4768	None	EX-G	522-0369 PSPP II, 522-0389 PSPP III	Provides assistance to ASHONPLAFA in the areas of administrative efficiency and self-sufficiency.
936-3057	Central Contraceptive Procurement	A	Angel Coca X 2491	Mark Rilling G/PHN/POP (703) 875-4492	OYB Transfer	522-0369 and/or 522-0216 EX-G and FY96 and FY97 funding	522-0369 PSPP II, 522-0389 PSPP III	Supplies contraceptives to our family planning and AIDS control and prevention programs.
936-3068	Association for Voluntary Surgical Contraception	A	Maria del Carmen Miranda X 2329	John Rose G/PHN/POP (703) 875-4533	None	936-3068	522-0369 PSPP II, 522-0389 PSPP III	Provides training, technical assistance and equipment for surgical contraception.
936-5110	Food, Nutrition Monitoring and Support (IMPACT) - (ISTI)	A	David Losk X 2488	Eunyong Chung G/PHN/PHN (703) 875-7618	OYB Transfer Micronutrient funds from LAC	Micronutrient funds	Complements but is not part of Health Sector (HS) .II Project (522-0216)	Carried out food security studies and will be supporting micronutrient activities including fortification of sugar with vitamin A, adding iodine to salt, and adding iron to women's and children's diets.

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**CENTRALLY AND REGIONALLY FUNDED PROJECTS IN HONDURAS BY STRATEGIC OBJECTIVE**

**STRATEGIC OBJECTIVE NO. 3 (Continued)**

PROJECT NUMBER	PROJECT NAME	CATEGORY*	MISSION CONTACT	WASHINGTON CONTACT NAME/OFFICE/PHONE #	1995 FUNDING		PART OF MISSION PROJECT	COMMENTS/STATUS
					MISSION MECHANISMS*	SOURCE***		
936-5122	Opportunities for Micronutrient Interventions (JSI) (Field Support/TA)	A	David Lusk X 2488	Frances Davidson G/PHN/HN (703) 875-4118	OYB Transfer Micronutrient funds from LAC	Micronutrient funds	Complements but is not part of 522-0216, HS II	Provides assistance with micronutrient interventions.
936-5922	Applied Research in Child Survival Services (Quality Assistance)	B	Stan Terrell X 2488	James Helby G/PHN/HN (703) 875-4566	None	936-5922	Complements but is not part of 522-0216, HS II	Provides technical assistance and support to the International Eye Foundation on Vitamin A intake and distribution.
936-5966	Breastfeeding and Maternal & Neonatal Health (Expanded Program in Breastfeeding)	A	David Lusk X 2488	Cate Johnson G/PHN/HN (703) 875-4521	None	EX-G and FY96 and FY97 funding	522-0216 HS II	Contributes to the Wellstart Program and emphasizes breastfeeding. As part of the multi-donor effort, we are supporting a program to train breastfeeding counselors.
936-5966	Breastfeeding and Maternal and Neonatal Health Mother Care II	A	David Lusk X 2488	Mary Ellen Stanton G/PHN/HN (703) 875-4529	OYB Transfer Micronutrient funds from LAC	Micronutrient funds and FY 96 and FY97 funding	522-0216 HS II	Assists with design and implementation of maternal and neonatal health and nutrition initiatives.
936-5970	Technical Advisors in AIDS and Child Survival	A	David Lusk X 2488	Dale Gibb G/PHN/HN (703) 875-4556	OYB Transfer Micronutrient funds from LAC	Micronutrient funds and FY96 funding	522-0216 HS II	Provides one full time AIDS/child survival advisor.
936-5972	AIDS Technical Support -- AIDS Control and Prevention (AIDSCAP)	A	David Lusk X 2488	Denise Rouse G/PHN/HN/AID S (703) 875-4826	OYB Transfer	522-0216 EX-G and FY96 and FY97 funding	522-0216 HS II	Provides technical assistance to the National AIDS Control Program. Performed a socioeconomic impact study of HIV/AIDS with LAC regional funds.
936-6006	Basic Support for Institutionalizing Child Survival (BASICS)	A	David Lusk X 2488	Melody Trott G/PHN/HN (703) 875-4525	None	EX-G and FY96 and FY97 funding	522-0216 HS II	Provides technical assistance to help plan and implement child survival interventions for the next 3 years.

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**CENTRALLY AND REGIONALLY FUNDED PROJECTS IN HONDURAS BY STRATEGIC OBJECTIVE**

**STRATEGIC OBJECTIVE NO. 3 (Continued)**

PROJECT NUMBER	PROJECT NAME	CATEGORY*	MISSION CONTACT	WASHINGTON CONTACT NAME/OFFICE/PHONE #	1995 FUNDING		PART OF MISSION PROJECT	COMMENTS/STATUS
					MISSION MECHANISMS*	SOURCE***		
938-0158	Freedom from Hunger (Matching Grant)	B	Herbert Caudill X 2489	Regina Coleman BHR/PVC/MGD (703) 351-0213	None	938-0158	---	Uses poverty lending and adult education to promote health and nutrition of the poor. This activity terminates in September, 1998.
938-0158	The People to People Health Foundation (Project Hope) (Matching Grant-CS)	B	Herbert Caudill X 2489	Regina Coleman BHR/PVC/MGD (703) 351-0213	None	938-0158	---	Supports income generating activities for women, so they can afford more food and health services; formation of community participation and banks; and health education. This activity terminates in September, 1997.
938-0284	Adventist Development and Relief Agency International (Child Survival Grant)	B	Herbert Caudill X 2489	Jaime Henriquez BHR/PVC/MGD (703)351-0213	None	938-0284	---	Increases child survival interventions in Tegucigalpa by providing services, skills transfer, and income generation activities. This activity terminates in September, 1995.
938-0284 938-0500	International Eye Foundation (Child Survival Grant)	B	Herbert Caudill X 2489	Jaime Henriquez BHR/PVC/MGD (703) 351-0213	None	938-0500 938-0284	---	Improves child health in Honduras by increasing intake of vitamin A through distribution of capsules, community gardens, nutrition education and treatment of disease. This activity terminates in September, 1996.
938-0284 938-0500	World Vision Relief and Development (Child Survival Grant)	B	Herbert Caudill X 2489	Rose Robinson BHR/PVC (703) 351-0228	None	938-0500 938-0284	---	Helps to improve health services in 10 periurban communities in Tegucigalpa. This activity terminates in September, 1998.
938-0500	Save the Children Federation (Child Survival Grant)	B	Herbert Caudill X 2489	Jaime Henriquez BHR/PVC/MGD (703) 351-0213	None	938-0500	---	Strengthens community groups and public health services (MOH) in child survival interventions. This activity ends in September, 1996.

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**CENTRALLY AND REGIONALLY FUNDED PROJECTS IN HONDURAS BY STRATEGIC OBJECTIVE**

**STRATEGIC OBJECTIVE NO. 4**

PROJECT NUMBER	PROJECT NAME	CATEGORY*	MISSION CONTACT	WASHINGTON CONTACT NAME/OFFICE/PHONE #	1995 FUNDING		PART OF MISSION PROJECT	COMMENTS/STATUS
					MISSION MECHANISMS*	SOURCE***		
596-0167	Local Government Regional Outreach Program (LOGROS)	A	Mario Pita X 2750	Ronald Carlson ROCAP (502) 232-0202	None	596-0167 (RHUDO)	522-0340 Municipal Development Project (MDP)	Provides assistance to the Municipal Development Project.
596-HG-006	Shelter Sector and Urban Development (CABEL)	A	Mario Pita X 2750	Ronald Carlson ROCAP (502) 232-0202	None	596-HG-006	522-0340 MDP	Project supports the Housing Guarantee program and finances infrastructure in the municipalities.
598-5848	Girls Education Project	A	Ned Van Steenwyk X 2481	Jim Hoxemg G/R&D/ED (703) 875-4490	None	598-5848 EX-G	522-0388 Basic Education and Skills Training (BEST)	Provides funding for research to improve female participation and achievement levels in the project.
598-0661	Evaluation of Caribbean and LA Scholarship Programs (CLASP)	A	Ned Van Steenwyk X 2481	John Jessup LAC/DR/EHR (202) 647-8044	None	598-0661 EX-G and FY96-FY97 funding	522-0364 Honduras Peace Scholarship II (HOPS II)	Carries out periodic evaluations of CLASP Programs held Mission compare HOPS II with similar program in other countries.
598-0661	Cooperative Association of States for Scholarships (CASS)	A	Ned Van Steenwyk X 2481	John Jessup LAC/DR/EHR (202) 647-8044	None	598-0661	522-0340 HOPS II	Has provided 470 Strategic Objective number 4 scholarships for Hondurans to study in the U.S.
598-0791	Regional Technical Aid Center II	A	Ned Van Steenwyk X 2481	John Jessup LAC/DR/EHR (202) 647-8044	None	598-0791	522-0384 RTAC II	Has expanded the number of participating book outlets in Honduras from 3 to 12.
598-0813	Partners of the Americas/Civic Education	B	Ron Glass X 2751	John Swallow LAC/DI (202) 647-4385	None	598-0831	522-0296 Strengthening Democratic Institutions (SDI)	Builds upon a 1993 civic education project to train selected leaders in democracy and Rule of Law objectives.
936-5470	Rule of Law Capacity Building	A	Ron Glass X 2751	Chuck Costello G/DG (202) 663-2696	None	EX-G FY96 and FY97	522-0296 SDI	Provides assistance to the SDI Rule of Law activity

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**CENTRALLY AND REGIONALLY FUNDED PROJECTS IN HONDURAS BY STRATEGIC OBJECTIVE**

**OTHER**

PROJECT NUMBER	PROJECT NAME	CATEGORY*	MISSION CONTACT	WASHINGTON CONTACT NAME/OFFICE/PHONE #	1995 FUNDING		PART OF MISSION PROJECT	COMMENTS/STATUS
					MISSION MECHANISMS*	SOURCE***		
596-0146	Regional Central American Rural Electrification Support (CARES)	C	Don Harrison X 2510 M. Isabel Martel X 2666	Silvia de Cordoba ROCAP (502) 232-0202	None	596-0146	---	Provides training and technical assistance in the area of electrical power generation to local Honduran power companies (ENEE, Roatán, etc.) Local-hire American oversees activities.  PACD March 31, 1995
596-0147	Economic Policy Research	C	Don Harrison X 2510	Ana Vilma Pocasangre (502) 232-0202	None	596-0147	---	Will help to increase the quantity and quality of economic research and analysis by economic research centers on critical economic policy issues and to raise the level of public understanding and dialogue on these issues.  PACD August 31, 1995.
596-0177	Support for Partnership for Democracy and Development	C	Don Harrison X 2510	Ana Vilma Pocasangre (502) 232-0202	None	596-0177	---	Assist Central America to promote economic development.
596-0179	Establishment of the Central American Development Coordination Commission	C	Don Harrison X 2510	Ana Vilma Pocasangre (502) 232-0202	None	596-0179	---	Supports the creation of the Commission as a forum for dialogue and consensus building on regional issues and objectives among the public private, labor academic, cooperative non-governmental, and other sectors in Central America.  PACD September 30, 1995.

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**CENTRALLY AND REGIONALLY FUNDED PROJECTS IN HONDURAS BY STRATEGIC OBJECTIVE**

OTHER (Continued)

PROJECT NUMBER	PROJECT NAME	CATEGORY*	MISSION CONTACT	WASHINGTON CONTACT NAME/OFFICE/PHONE #	1995 FUNDING		PART OF MISSION PROJECT	COMMENTS/STATUS
					MISSION MECHANISMS*	SOURCE***		
930-0185	USAID/Israel Cooperative Development Program	C	Albert Merkel X 2680	Ed Lijewski R&D/AGR (703) 875-4300	None	930-0185	---	Will Provide training in Israel, in country training, and short-term consultancies in Honduras.
931-1310	Bean/Cowpea CRSP	C	Peter Hearne X 2667	Joyce Turk G/R&D/AGR (703) 875-4049	None	G-Research	---	Provided assistance on bean/cowpea varieties to the LUPE Project (522-0292) in the past, but is no longer active in this regard. We were not able to determine if this project is still active in Honduras.
936-5743	Energy Efficiency Project	C	Don Harrison X 2510 M. Isabel Martel X 2666	David Thirad G/ENV/EET (703) 875-4047	None	EX-G	---	Provides services in four areas including global climate change, energy efficiency and environmental improvement, technology cooperation and capacity building and information.
936-5750	Renewable Energy Application/Training	C	Don Harrison X 2510 M. Isabel Martel X 2666	Ross Pumfrey G/E/E&I (203) 875-4694	None	EX-G	---	Identifies promising renewable energy projects. In Honduras the focus is on photovoltaic systems in rural homes.
936-5838	United States Telecommunications Training Institute (USTTI)	C	Ned Van Steenwyk X 2481	Carol Pierstorff C/R&D/EI (703) 235-4960	None	EX-G	---	Provides tuition-free training in privatization, telephone network management, broadcast studio design, and satellite communications. Currently is giving technical training to HONDUTEL, the Honduran Telephone Company.

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## ANNEX H

### GLOSSARY OF ACRONYMS

ABS	Annual Budget Submission
ADAI	Ateneo de la Agro Industria
AIDS	Acquired Immune Deficiency Syndrome
AIDSCAP	AIDS Control and Prevention Project
AMHON	Asociación de Municipios de Honduras (Honduran Association of Municipalities)
AML	Agricultural Modernization Law
ARI	Acute Respiratory Infections
ASHONPLAFA	Asociación Hondureña de Planificación Familiar (Honduran Family Planning Association)
BASICS	Basic Support for Institutionalizing Child Survival
BEST	Basic Education and Skills Training Project
BF	Breast Feeding
BID	Banco Interamericano de Desarrollo (Interamerican Development Bank)
CABEI	Central American Bank for Economic Integration
CADERH	Centro Asesor para el Desarrollo de los Recursos Humanos de Honduras (Advisory Council for Human Resources Development)
CFR	Cholera Fatality Rate
CARE	Cooperative for American Relief Everywhere
CARES	Central American Rural Electrification Support
CASP	Collaborative Agribusiness Support Program
CASS	Cooperative Association of States

CHF	Cooperative Housing Foundation
CID/GALLUP	Consultoría Inter-Disciplinaria en Desarrollo (Interdisciplinary Development Consultancy--Subsidiary of GALLUP in Costa Rica)
CIEL	Centro de Investigación de Estudios Legislativos (Center for Information and Legislative Studies)
CODIMA	Coodinadora de Desarrollo Integral de Medio Ambiente de la Mosquitia
COHDEFOR	Corporación Hondureña de Desarrollo Forestal (Honduran Forestry Development Cooperation)
COHEP	Consejo Hondureño de la Empresa Privada (Honduran Council for Private Enterprise)
CRSP	Collaborative Research Support Program
CSW	Commercial Sex Workers
DA	Development Assistance
DPT	Diphtheria, Polio and Tetanus Vaccine
EEC	European Economic Community
EFHS	Epidemiology and Family Health Surveys
ENEE	Empresa Nacional de Energía Eléctrica
ENESF	Encuesta Nacional de Epidemiología y Salud Familiar Epidemiology and Family Health Survey
ESAF	Enhanced Structural Adjustment Facility
ESF	Economic Support Fund
EXITOS	Export Industry Technology Support
FACACH	Federación de Cooperativas de Ahorro y Crédito de Honduras Savings and Credit Cooperative Federation
FDP	Forestry Development Project
FDDH	Foundation for Democracy and Development of Honduras

FHIA	Fundación Hondureña de Investigación Agrícola (Honduran Agricultural Research Foundation)
FHIS	Fondo Hondureño de Inversión Social (Honduran Social Investment Fund)
FINACOOOP	Finance Corporation for Agricultural Cooperatives
FPX	Federación de Agroexportadores de Honduras
FSN/DH	Foreign Service National/Direct Hire
FSN/PSC	Foreign Service National/Personal Services Contractor
FSRA	Food Security Rapid Appraisal
FSU	Financial Services Unit
FTE	Full Time Equivalents
FUNDEMUN	Fundación para el Desarrollo Municipal Foundation for Municipal Development
FY	Fiscal Year
GCAP	Guatemalan Central American Program
GDP	Gross Domestic Product
GOH	Government of Honduras
GTZ	German Development Agency
HCC	Host Country Contribution
HEPF	Honduran Environmental Protection Fund
HG	Housing Guarantee
HIV	Human Infectious Virus
HONDUTEL	Empresa Hondureña de Telecomunicaciones (Honduran Telephone Company)
HSII	Health Sector II
ICEL	Central American Institute for Legislative Studies

IBRD	International Bank for Reconstruction and Development
IDB	Inter-American Development Bank
IEC	Information Education and Communications
IFI	International Financial Institution
IG	Inspector General
IMF	International Monetary Fund
IMPACT	Health and Nutrition Security Project
IPM	Integrated Pest Management
IMR	Infant Mortality Rate
INA	Instituto Nacional Agrario (National Agrarian Institute)
INCAP	Instituto de Nutrición de Centroamérica y Panamá (Nutrition Institute for Central America and Panama)
INOPAL	Strategies for Improving Service Delivery
IQC	Indefinite Quantity Contract
JICA	Japanese International Cooperation Agency
LAC	Latin America and the Caribbean Bureau
LAC/DPP	Bureau for Latin American and the Caribbean (AID)/ Office of Development Planning and Programs
LACTECH	Rural Development Technical Services project
LOA	Life of Activity
LOGROS	Local Government Regional Outreach Program
LOP	Life of Project
LPS	Lempiras (local currency)
LUPE	Land Use and Productivity Enhancement Project
MCH	Maternal Child Health

MDP	Municipal Development Project
MHCP	Ministerio de Hacienda y Crédito Público (Ministry of Finance and Public Credit)
MITA	Municipal Infrastructure and Technical Assistance (PL480 Title II)
MOH	Ministry of Health
NAC	National Agricultural Census
NAD	New Activity Description
NAFTA	North American Free Trade Agreement
NAPA	National Association for Partners of the Americas
NGO	Nongovernmental Organization
NPC	Nominal Protection Coefficient
NXP	Nonexpendable Property
OE	Operating Expense
ORS	Oral Rehydration Salts
OYB	Operating Year Budget
PACD	Project Assistance Completion Date
PAHO	Pan American Health Organization
PHN	Population Health and Nutrition
PAIP	Policy Analysis and Implementation Project
PASA	Participating Agency Services Agreement
PD&S	Program Development and Support
PEEP	Primary Education Efficiency Project
PIL	Project Implementation Letter
PL480	Public Law 480
PRAF	Programa de Asignación Familiar

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PROARCA	Proyecto Ambiental Regional para Centro America (Central American Regional Environmental Project)
PROAGRO	Plan Agrícola para el Desarrollo del Campo
PROPEP	Economic Policy and Enhanced Productivity Program
PSPP	Private Sector Population Program
PTMS	Participant Training Management System
PVO	Private Voluntary Organization
RENARM	Regional Environmental Natural Resources Management
ROCAP	Regional Office for Central American Programs
RTAC	Regional Technical Aid Center
SANAA	Servicio Autónomo Nacional de Acueductos y Alcantarillados (National Water and Sanitation Authority)
SANREM	Sustainable Agriculture and Natural Resources Management project
SAS	Strengthening Accountability Systems
SBII	Small Business II
SDI	Strengthening Democratic Institutions
SECPLAN	Secretaría de Planificación Ministry of Planning
SEDA	Secretaría del Ambiente (Ministry of the Environment)
SFAD	Small Farmer Agribusiness Development project
SFED	Small Farmer Export Development project
SFOS	Small Farmer Organization Strengthening
SHM	Self-Help Measure
SINAPH	National system of Protected Areas of Honduras
STD	Sexually Transmitted Disease

SO	Strategic Objective
SOES	State-Owned Enterprises
SOMARC	Contraceptive Social Marketing
TFR	Total Fertility Rate
TAACS	Technical Assistance in Aids and Child Survival
TCNPSC	Third Country National Personal Services Contractor
TOMs	Technicians in Operations
UDAPE	Unidad de Análisis de Políticas Economicas
UNDP	United Nations Development Program
UNFPA	United Nations Food and Population Agency
UNICEF	United Nations International Children's Emergency Fund
UNITEC	Central American Technological University
UPSA	Agricultural Sector Policy Unit
USAID	United States Agency for International Development
USDH	United States Direct Hire
USPSC	United States Personal Service Contractor
USTTI	United States Telecommunications Training Institute
VIDA (FUNDACION)	Honduran Environmental Protection Foundation
VOCA	Volunteers in Overseas Cooperative Assistance

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