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HONDURAS GREATER TRANSPARENCY AND ACCOUNTABILITY OF GOVERNMENT PROGRAM

FINAL PERFORMANCE REPORT
OCTOBER 2004 - MARCH 2009

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October 2004 – March 2009



A Subsidiary of Coffey International, Ltd.

Management Systems International

Corporate Offices

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USAID Governance and Transparency Program

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ABBREVIATIONS

AECID	Spanish Agency for International Cooperation and Development
AMHON	Association of Honduran Municipalities
AMUPROLAGO	Association of Municipalities for the Protection of Lake Yojoa
ASDI	Swedish Agency for International Development
CAFTA	Central American Free Trade Agreement
CAM	Central American Mission (Regional) of USAID
CCIT	Chamber of Commerce and Industry of Tela
CEDE	GOH Executive Committee on Decentralization of the State
CIES	Center for Enterprise Research, José Cecilio del Valle University
CNA	National Anti-Corruption Council
COHEP	Honduran Private Enterprise Council
COSUDE	Swiss Agency for Development Cooperation
CSO	Civil society organization(s)
DASM	Municipal Sector Audit Department, Superior Accounts Tribunal
EU – UE	European Union – Unión Europea
EPYPSA	Studies, Projects, and Planning, a Spanish contractor
ERP	GOH Poverty Reduction Strategy
FEDECAMARA	Federation of Chambers of Commerce of Honduras
FHIS	Honduran Fund for Social Infrastructure Investment
FLACSO	Latin American Faculty of Social Science, Santiago, Chile
FOIA	Freedom of Information Act (Ley de Transparencia y Acceso a la Información Pública)
FOPRIDEH	Federation of Organizations for the Development of Honduras
FY	United States Government Fiscal Year
GAAP	Generally accepted accounting principles
GOH	Government of Honduras
GTAG	Greater Transparency and Accountability in Government Program
GTZ	German Technical Cooperation Agency
HIGUITO	Inter-Municipal Council of the Río Higuito
IDB	Inter-American Development Bank
IEE	Initial Environmental Evaluation
IFC	International Finance Corporation, World Bank
IG	USAID Inspector General
IGTG	Index of Municipal Management, Transparency, and Governance Practices
IR	Intermediate Result
JICA	Japanese International Cooperation Agency
LCCE	State Purchases and Contracting Law
MAMUCA	Mancomunidad of Municipalities of Central Atlántida
MAVAQUI	Mancomunidad of Municipalities of the Quimistán Valley
MOU	Memorandum of Understanding
MUNSABAR	Mancomunidad of Municipalities of Southern Santa Barbara
NA	Not applicable
ND	No data available
NGO	Not-for-Profit or Non-Governmental Organization
NPT	Notice of Partial Termination
OCPRP	Office of the Commissioner of the Poverty Reduction Program
PATMUNI	IDB-funded Technical Assistance Plans for Municipalities

PEI	AMHON Strategic Institutional Plan
PEMD	Municipal Strategic Development Plan
PFM	Spanish Cooperation's Municipal Strengthening Program
PMP	Performance Milestone Plan
POA	Annual Operating Plan
PPP	Private-Public Partnership
PR	Performance Requirement
PROMYPE	GTZ Program to Promote Micro- and Small Enterprises
RCO	USAID Regional Contracting Officer
RFTOP	Request for Task Order Proposal
SAFT	System for Financial and Revenue Management (software)
SAR	Semi-Annual Report (to USAID)
SANAA	GOH Autonomous National Water and Sewerage Service
SERNA	GOH Secretariat of Natural Resources and Environment
SGJ	GOH Secretariat of Governance and Justice
SIAP	Service Improvement Action Plan (PAMS in Spanish translation)
SIDA	Swedish International Development Agency (ASDI in Spanish)
SO	Strategic Objective
SOW	Scope of Work or Statement of Work
STTA	Short-term technical assistance
TO	Task Order
TI	Transparency International
TSC	GOH Superior Accounts Court (Comptroller General)
UAPOI	Audit Unit for International Organization Projects, TSC
UNDP	United Nations Development Program
USG	United States Government
USAID	United States Agency for International Development
UTI	Inter-Municipal Technical Unit (of a mancomunidad)
YEGUARE	Mancomunidad of Municipalities of the Upper Río Choluteca or Yeguaré

EXECUTIVE SUMMARY

The Honduras Greater Transparency and Accountability of Government Program (GTAG) have provided assistance, training and support to small activities in 36 municipalities over the life of the program, of which 24 were still active at the conclusion. The assistance has covered a broad range of issues but these can be summarized in three categories – transparency, accountability and governance. As the following tables show, there is a record of measurable progress in a number of these areas. In addition, close, continuing collaboration with GoH institutions and other donor programs has helped disseminate and replicate in other municipalities the methodologies and lessons learned of GTAG.

Another way to look at the accomplishments of the program is by Performance Requirements (PR) listed in the Task Order (TO), as shown in the additional tables.

Highlights of the Impact of the Greater Transparency and Accountability Program – 2004 – 2009

Transparency	Accountability																																																								
<p>There is significant measurable progress in key areas of transparency in the municipalities that participated in GTAG</p> <p>More remains to be done to achieve full transparency, particularly in the area of citizen participation</p>	<p>The DASM greatly expanded its audits of municipalities to a rhythm that would audit every municipality roughly once every two years. A baseline evaluation prepared by GTAG in 2005 found that on average the audits had been conducted roughly once every 14 years, and never in the case of some municipalities.</p>																																																								
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1 Note: All but the quote from the USAID Evaluation Report by Wingerts Consulting were recorded initially in Spanish. GTAG translated them to English.

2 Testimonio de Patricia Méndez, Directora del DASM, Tribunal Superior de Cuentas (TSC) en una entrevista telefónica realizada por Pablo Bahr, Director del GTAG, Tegucigalpa, 25 de Marzo de 2009.

Transparency	Accountability												
<p>The percent of Council sessions open to the public increased steadily, although it dropped off in the second half of 2008</p> <table border="1" data-bbox="214 358 1012 500"> <thead> <tr> <th>Category / Year</th> <th>2006</th> <th>2007</th> <th>2008</th> </tr> </thead> <tbody> <tr> <td>A & B</td> <td>4.3</td> <td>56.8</td> <td>59.6</td> </tr> <tr> <td>C & D</td> <td>29.7</td> <td>90.9</td> <td>79.2</td> </tr> </tbody> </table> <p>“Citizen participation is a like a permanent town hall meeting.” (Women’s League representative in Potrerillos)³</p>	Category / Year	2006	2007	2008	A & B	4.3	56.8	59.6	C & D	29.7	90.9	79.2	<p>Effective implementation of Procurement Law</p> <ul style="list-style-type: none"> GTAG published a desktop reference that lays out the sequence of steps required by the <i>Ley de Contratación del Estado</i> and a toolkit that provides a template of the document required in each step All responsible officials in the participating municipalities and mancomunidades are proficient in their use, as are CSO representatives in these same localities that are now conducting social audits of the procurement process <p>“The Citizens’ Commission reviewed the entire pre-qualification file and checked all the documents presented by the firms that obtained the minimum score required to qualify to submit a bid.” (Social audit report on the bidding process for the construction of the sewer system in La Esperanza)⁴</p>
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A & B	4.3	56.8	59.6										
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<p>Right to access to information</p> <p>17 of 24 municipalities active in GTAG in 2008 adopted formal FOIA procedures and appointed the person responsible for handling FOIA requests</p>	<p>Periodic management reporting by the Mayor to the Council</p> <p>Sixteen (16) of 24 participating municipalities instituted a practice of preparing reports that summarize activities by department compared to targets established in the budget and annual operating plan. The Mayor in 15 municipalities presented this report semi-annually, and one quarterly, to the Council.</p> <p>The reports are freely available to the public in general. Some municipalities have disseminated them in the mass media.</p>												

3 Entrevistada por Manuel Torres consultor del GTAG el 24 de Marzo de 2008. Testimonio también publicado en el Diario El Heraldo el 23 de julio de 2008 (Campo pagado).

4 Tomado de Informe de Auditoria Social Proceso de Precalificación del Proyecto de Alcantarillado Sanitario presentado por la Comisión Ad-Hoc a la Corporación Municipal de La Esperanza según acta N. 1 del 10 de enero de 2008.

Transparency	Accountability
<p>Transparent transitions following local elections</p> <p>“Municipal officials and citizens who participated in transition activities reported that they were effective in smoothing transitions from one administration to the next (a major problem in Honduras.) They succeed in helping newly elected (Nov. 2005) officials and citizens become familiar with programs of the former administration and complete accurate inventories of MG assets in a transparent and participatory manner. In addition, participation in transition activities helped newly elected members of the [local councils] to form productive working relationships among themselves and get accustomed to working collegially with citizens.”⁵</p>	<p>Accountability in use of ERP funding</p> <p>GTAG published a toolkit that describes the process for reporting on the use of ERP funds and provides templates of the reports</p> <p>Accountability applied to GTAG consultants</p> <ul style="list-style-type: none"> • Standard format for the Statement of Work that includes indicators to measure and evaluate consultants • Concurrent, separate monitoring and evaluation of consultants by the municipalities and GTAG staff • Of 113 consultants contracted by GTAG 13 (11.6%) were excluded from further work for GTAG for various reasons

Governance	Dissemination / Replication
<p>Constructive CSO engagement with and effective oversight of municipalities</p> <ul style="list-style-type: none"> • Volunteerism <p>“None of us receives any form of payment for our work from the Municipal budget.” (Municipal Commissioner speaking of himself and all the members of the Transparency Commission – Las Vegas)⁶</p>	<p>Dissemination: GTAG Manuals and Best Practice Guides</p> <ul style="list-style-type: none"> • 20 manuals in areas of <ul style="list-style-type: none"> - Social audits and other transparency measures - Financial management, accounting and reporting - Administration of local taxes and fees - Procurement - Human resources - Mancomunidades

5 Evaluation Report USAID/Honduras Greater Transparency and Accountability of Governments Project (GTAG) Wingerts Consulting, March 2008, p. 10

6 Reunión realizada con Manuel Ramírez presidente de la Comisión de Transparencia y Berlin Handal Comisionado Municipal, facilitada por Wilfredo Rodezno consultor del GTAG en Abril de 2008. Las Vegas, Santa Bárbara.

Governance	Dissemination / Replication
<ul style="list-style-type: none"> • Constructive engagement <p style="color: red; font-weight: normal;">“Our municipality had never worked like this before with civil society – they came, not to pressure us, but to propose valid, legal solutions.” (Municipal official in Yamaranguila) ⁷</p> • Focused on resources routinely available in the municipal budget <p style="color: red; font-weight: normal;">“We wanted to find a solution that did not require the support of an outside organization; that is, a solution that we could finance with the resources available in the local budget.” (Participant in joint Municipal/CSO commission in Catacamas) ⁸</p> • With emphasis on monitoring and evaluating results <p style="color: red; font-weight: normal;">“The Local Council simply assumed that our community schools program was working well. What I like about the methodology that we are using now is that we are aware of existing conditions in the schools where the volunteers work.” (Participant in joint Municipal/CSO commission in Catacamas) ⁹</p> <p style="color: red; font-weight: normal;">“We were in an election year and the information we presented both surprised the Local Council and generated some concern. In fact, the process effectively made the subject of garbage collection</p> 	<ul style="list-style-type: none"> - Regulation of diverse administrative procedures - Transparent political transition at the local level • 6 municipal best practice guides <ul style="list-style-type: none"> - Strategic municipal management - Administration of local taxes and fees - Transparency and participation - Decentralized management of services - One-stop window - Procurement • AMHON has committed to distribute 500 copies of each manual and best practice guide, including to every municipality, after the local elections scheduled for November 2009 <hr/> <p>Replication: Mancomunidades applied GTAG methods and approaches in 35 municipalities outside the program</p>

7 Reunión de evaluación del proceso de Gestión Estratégica con integrantes del equipo conjunto municipalidad/sociedad civil de Yamaranguila, facilitada por William Cartier y Diana Barahona del GTAG en Septiembre de 2006. La Esperanza, Intibucá.

8 Reunión de evaluación del proceso de Gestión Estratégica (PAMS) con integrantes del equipo conjunto municipalidad/sociedad civil de Catacamas, facilitada por Diana Barahona Coordinadora Regional del GTAG en 27 de Septiembre de 2006. Catacamas, Olancho.

9 Reunión de evaluación del proceso de Gestión Estratégica (PAMS) con integrantes del equipo conjunto municipalidad/sociedad civil de Catacamas, facilitada por Diana Barahona Coordinadora Regional del GTAG en 27 de Septiembre de 2006. Catacamas, Olancho.

10 Reunión de evaluación del proceso de Gestión Estratégica (PAMS) con integrantes del equipo conjunto municipalidad/sociedad civil de La Esperanza, facilitada por William Cartier y Diana Barahona del GTAG en Septiembre de 2006. La Esperanza, Intibucá.

11 Reunión de evaluación del proceso de Gestión Estratégica (PAMS) con integrantes del equipo conjunto municipalidad/sociedad civil de Guaimaca, facilitada por Diana Barahona Coordinadora Regional del GTAG en 28 de Septiembre de 2006. Guaimaca, Francisco Morazán.

Governance	Dissemination / Replication
<p>an obligatory topic that each candidate had to address.” (Civil society leader in La Esperanza) ¹⁰</p> <ul style="list-style-type: none"> To benefit the local community as a whole <p>“We were all engaged; all convinced and together we generated something that benefited the entire municipality.” (Participant in joint Municipal/CSO commission in Guaimaca) ¹¹</p>	
<p>Enhanced leadership by the AMHON Board of Directors</p> <p>“The assistance we received as members of the Board of Directors of AMHON was very valuable. It helped clarify our role of directors of an institution, which is not the same as our role as mayors. The assistance also helped develop cohesion among Board members and helped us improve our capacity to make critical decisions.” Carlos Miranda, Mayor of Comayagua, President of AMHON ¹²</p> <p>“GTAG support for our efforts to increase our impact on policy came at a good time as it coincided with the development of a new Institutional Strategic Plan (February - June 2008). It helped us orient the mission and vision of AMHON. The assistance has been excellent, timely and useful.</p> <p>“Currently, the major part of our activities is focused on achieving policy impact. As a result there is greater harmony among Board members, our technical team and our members in all Honduras. Our communication with other agents and institutions has improved as well.” (Allan Paredes, Executive Director of</p>	<p>Replication: AMHON / Government of Honduras</p> <ul style="list-style-type: none"> AMHON <p>“As an institution, we are well aware of the different municipal experiences with transparency. With the systematization and dissemination of best municipal practices by GTAG we went beyond theory to practical results. Similarly we went beyond AMHON’s national policy on municipal transparency to the reality of practical results. This will be an important reference point for our institution.” (Sandra Marybel Sánchez, Director of Communications) ¹⁴</p> Office of the Commissioner for the Poverty Reduction Program <p>Adopted the GTAG ERP accountability toolkit as the standard for training all municipalities of the country</p> <ul style="list-style-type: none"> Secretaría Gobernación y Justicia (SGJ) – the GOH entity responsible for legal oversight of municipalities) <p>Adopted the GTAG manual on transparent political transitions as the national standard. SGJ and AMHON, with financial support from</p>

12 Testimonio de Carlos Miranda, Alcalde de Comayagua, Presidente de AMHON, en una entrevista telefónica realizada por Pablo Bahr, Director del GTAG, Tegucigalpa, 26 de Marzo de 2009

Governance	Dissemination / Replication																																						
<p>AMHON, ex Mayor of Trinidad and ex President of the Board of AMHON) ¹³</p>	<p>UNDP, DFID and SNV, disseminated the manual to all municipalities in advance of the local elections in 2005. AMHON will repeat the process for the local elections in 2009.</p>																																						
<p>Progress in key governance areas covered by GTAG varied. There was progress across the board, especially in budget financial and tax management. Levels remain low in human resource management and revenue generation.</p> <p>Services remain as an area requiring extensive attention.</p> <table border="1" data-bbox="226 651 995 837"> <thead> <tr> <th rowspan="2">Key Areas</th> <th colspan="3">A and B Municipalities</th> </tr> <tr> <th>2006</th> <th>2007</th> <th>2008</th> </tr> </thead> <tbody> <tr> <td>Personnel</td> <td>-12.7%</td> <td>18.0%</td> <td>33.3%</td> </tr> </tbody> </table> <table border="1" data-bbox="226 865 995 1256"> <thead> <tr> <th rowspan="2">Key Areas</th> <th colspan="3">C and D Municipalities</th> </tr> <tr> <th>2006</th> <th>2007</th> <th>2008</th> </tr> </thead> <tbody> <tr> <td>Personnel</td> <td>-6.9%</td> <td>3.6%</td> <td>56.6%</td> </tr> <tr> <td>Budget Management</td> <td>58.4%</td> <td>63.8%</td> <td>82.9%</td> </tr> <tr> <td>Financial Mgt / Treasury</td> <td>48.1%</td> <td>59.2%</td> <td>67.6%</td> </tr> <tr> <td>Tax Management / Fines</td> <td>33.6%</td> <td>62.5%</td> <td>73.7%</td> </tr> <tr> <td>Revenue Generation</td> <td>23.1%</td> <td>28.1%</td> <td>33.9%</td> </tr> </tbody> </table>	Key Areas	A and B Municipalities			2006	2007	2008	Personnel	-12.7%	18.0%	33.3%	Key Areas	C and D Municipalities			2006	2007	2008	Personnel	-6.9%	3.6%	56.6%	Budget Management	58.4%	63.8%	82.9%	Financial Mgt / Treasury	48.1%	59.2%	67.6%	Tax Management / Fines	33.6%	62.5%	73.7%	Revenue Generation	23.1%	28.1%	33.9%	<p>Replication: Other Donors</p> <ul style="list-style-type: none"> <p>Cooperación Española (AECID) – Programa de Fortalecimiento Municipal (PFM)</p> <p>“[GTAG] has developed and tested methodologies that we are now employing, including the transparency index and the procurement manual. Without your initial intervention to address transparency issues perhaps we would not have worked with certain municipalities.” (Maribel Suazo, Director AECID / PFM) ¹⁹</p> <p>European Union – Programa Binacional Honduras – El Salvador</p> <p>“We applied the tool kit for reporting on the use of ERP funds developed by GTAG to provide training in seven mancomunidades that cover 45 municipalities in the border area with El Salvador. This was not a central theme of our program so we found your tool kit useful in the context of our support to the municipalities participating in our program. Without your program it is likely that we would not have addressed this issue.” (Inés del Real, Program Coordinator) ²⁰</p> <p>SNV / COSUDE – PrideMun II</p> <p>“The transparency index methodology has been a great</p>
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13 Testimonio de Allan Paredes, Director Ejecutivo de AMHON, ex Alcalde de Trinidad y ex Presidente de la Junta Directiva de AMHON, en una entrevista telefónica realizada por Pablo Bahr, Director del GTAG, Tegucigalpa, 26 de Marzo de 2009

14 Testimonio de Sandra Marybel Sánchez. Gerente de Comunicación, en una entrevista telefónica realizada por Pablo Bahr, Director del GTAG, Tegucigalpa, 26 de Marzo de 2009

Governance				Dissemination / Replication
Municipal Services	0.0%	0.0%	6.3%	<p>contribution to the sector. Even if in our view you applied it timidly in the GTAG municipalities, it is perfectly applicable to all municipalities in the country and by its design can be adapted easily to reflect new circumstances in the future. The index should be incorporated in a national municipal anti-corruption training policy.</p> <p>“The GTAG component that worked with national institutions such as AMHON, the Superior Audit Court (TSC) and the Office of the Commissioner for the Poverty Reduction Program has been of great interest to other donors and their programs, as they do not usually work at that level. For example, your capacity development assistance to the Board of Directors of AMHON has been an important contribution to municipal development in Honduras.” (Mayra Espinoza, Program Coordinator)²¹</p>
<p>The experience demonstrated that greater transparency contributes to improved governance and management.</p>				
<p>There is now a joint commission that includes civil society representatives, that is dedicated to finding ways to increase the volume of revenues from local taxes to invest in public works to benefit the local community. The lesson is very clear: Greater transparency means increased revenues from local taxes.” (Article on San Agustín – El Heraldo, July 21, 2008)¹⁵</p> <p>“We had the opportunity to participate as representatives of civil society in the transfer of the water system to the municipality. As a citizen, I can tell you that the experience has been very important because I have learned about the operation of our water system. Before we would comment on the lack of that vital liquid (water). We criticized the service without knowing anything about it. Now we know in depth the causes for the problems with the distribution of water. “We will bring the new water board to life, mobilize and provide a higher quality of service.” (Water Board Member Nueva Arcadia)¹⁶</p>				
<p>Local Council sessions are now better organized and run.</p>				
<p>“We all are more punctual in the public sessions of the Council. In the past anyone would speak. It was a free for all. Things have improved. We respect the opinion of all Council members. They are more conscious of the need to be on time and know how to proceed during the sessions. Of course, there are still problems, but mutual respect among Council members and with persons present for the session is now the norm. (Member of the Local Council of Guaimaca)¹⁷</p>				
<p>Personnel records are more complete and formal rules in place</p> <p>“In the past, the personnel folders of our employees were not complete.</p>				

Governance	Dissemination / Replication
<p>We now have a current register for all personnel working for the Municipality. The Council approved the Classification and Salary manual in 2008, which we have applied faithfully. We analyze our staffing levels based on the budget and have had to reduce personnel. This has not affected our operations. We are now carrying out the same level of activities, but with fewer personnel.” (Personnel Officer, Las Vegas) ¹⁸</p>	

GTAG: Accomplishments by Task Order Result And Performance Requirement

Performance Requirement	Activities undertaken
Selection process for municipalities and mancomunidades.	Initially completed in reporting period 2, modified following the NPT and continued in accordance with TO modification 5 and the revised PMP.
Registry of local service providers	The database of 298 consultants is complete and available to USAID. Of these 113 were actually employed as STTA in the Program.
Quality control program installed	The Contractor developed performance-based formats for all Program contracts, and staff monitored and evaluated performance of all service providers, in accordance with the approved methodology.
Build capacity of targeted A and B municipalities	The Contractor provided TA and training initially to 16 And B municipalities, and following the resolution of the NPT renewed this process. 13 A and B municipalities continued to receive TA and training in specified key areas including water source surveys, financial and management software (SAFT), administrative simplification (one stop shop customer service center in one municipality, Villanueva), implementation of administrative and internal controls manuals, parliamentary procedures, and social audits.
Build capacity of targeted C and D municipalities	The Contractor provided TA and training in the key areas identified in the IGTG and agreed upon in the agreements with 13 C and D municipalities, and met or surpassed all benchmarks in this component. The model employed involved joint commissions, including civil society representatives and municipal authorities to identify and reach consensus on areas for improvement and GTAG intervention.
Build capacities of targeted Mancomunidades	The Contractor provided TA and training to the UTIs of each of the 5 mancomunidades as well as to 10 pilot municipalities within the 5 GTAG mancomunidades, and there was significant replication of TA and training to other member municipalities by the UTIs. All benchmarks were met, except for the number of municipalities achieving goals for management of municipal programs, in which 9 of the 10 municipalities met 1 of the 2 criteria, but only 6 met both: municipal finance procedures and compliance with ERP accounting requirements; 1 municipality fell short on both.
Municipalities with skills to acquire goods and services in accordance with the Honduran Procurement Law	The Contractor complied with this performance requirement, as informed in successive SARs; this experience has been useful for GTAG municipalities; for example, in December 2008, Las Vegas conducted a public tender for electrification and a contract was awarded in December 2008 for approximately US\$20,000 less than the base price.
DASM has a plan to fulfill its mandate to plan the audit activities of local governments	The contractor provided TA and to DASM to help them plan their audit activities of municipal governments, 2005-2007, including recommendations for improving their capabilities; final report in 2007.
Develop and implement a sustainable program of self-directed education for UAPOI audit staff	The contractor provided TA and training to UAPOI to develop a self-education program, and also assisted UAPOI in the organization of 2 public tenders for equipment, procured with UE funding, all in 2005-2006.
Capacity training for the new AMHON Board and support for policy advocacy.	The new AMHON board of directors received extensive training to develop and manage a strategic plan, an advocacy and communications to its membership plan, and more operative board meetings, plus follow-up on decisions; PR met in P5.
CNA capacity to monitor watchdog	The contractor provided TA and training to the CNA board and staff in key areas to satisfy benchmark

Performance Requirement	Activities undertaken
activities within the parameters of the National Anti-Corruption Strategy.	2.2.1. Then USAID suspended support to that entity and the remaining benchmarks were deleted from the TO and PMP.
Increased private sector awareness of benefits of good governance and ethical business practices	The contractor assisted the Municipality of Villanueva in the implementation of a one stop shop (<i>ventanilla única</i>). This successful experience inspired the interest of other municipalities, chambers of commerce, and AMHON for replication. This was attempted in Tela with strong support from the Chamber of Commerce there, but municipal and other counterpart contributions did not materialize in time to complete this work prior to GTAG termination.
Coalitions with the capacity to set local government priorities and decision making	Joint commissions were formed in 27 GTAG municipalities; they are functioning effectively with annual monitoring of municipal activities in 12 A and B and 13 C and D municipalities, engaging municipal authorities in dialogue on transparency and governance with documented impact on local government decisions.
Coalitions with the capacity to monitor performance of local governments	Monitoring activities were carried out successfully in 12 A and B and 13 C and D municipalities. The principal areas of activity were opening council sessions, social audits, training in implementation of the FOIA, and participatory planning, implementation, and monitoring of small projects and activities by the CSOs.
Transparent transitions between local administrations.	The Contractor completed all of the performance requirements in 2006. Transition plans were agreed to by mayoral candidates, a study tour to Chile involving outgoing and incoming mayors was successful, and citizen groups monitored the transition process in 7 A and B and 7 C and D municipalities.
Develop and administer a program to fund small projects with civil society organizations (CSOs) at the local level.	55 small projects and activity requests from CSOs were approved, funded, monitored and completed. These included 27 with components supporting local service improvements with infrastructure, 30 that involved equipment and furnishings, 20 having training and/or TA components, and one to design service infrastructure projects for funding by FHIS with USAID support, following GTAG termination.
Rapporteur and dissemination of lessons learned	Monthly meetings have been held as agreed with the USAID Mission, except when postponements were mutually agreed upon... Coordination efforts with AMHON and other donors have continued and have been highly productive. Manuals, guides, and regulations were prepared for publication by AMHON, in coordination with the USAID Mission. The Contractor published manuals and delivered to AMHON for publication.

CLOSEOUT PROCEDURES

Closeout plan was in execution since September 2008 and its processes completed, except for the settlement of obligations that are not billed by March 31, 2009. Field operations concluded in December 2008, except for the implementation of the final small projects. Formal notification and reports of progress have been presented to all of them. Staff members were given timely termination notices, and their salaries and severance benefits paid. The San Pedro Sula office was closed in January 2009, and the Tegucigalpa one will be vacated on March 31, 2009. All Program activities and expenditure commitments will have concluded on March 31, 2009.

Nature and Objective of this Document

This is the final performance report submitted to USAID Honduras in compliance with Task Order 802, Greater Transparency and Accountability in Government Program (GTAG), in support of the Mission's Strategic Objective 1, "Ruling Justly, More Responsive, Transparent Government", and Intermediate Result 1.2, "Greater Transparency and Accountability of Government". The TO called for a draft final report for Mission Archives and a draft final report for public distribution to be submitted 30 calendar days before the end of the contract term. On February 16, 2009, the Contractor requested an extension of the delivery time of this draft report until the contract termination date, March 31, 2009, in order to include all activities related to Result N° 5 that are still underway. This report describes the final state of the Program relative to its goals and objectives; achievement of results and specific performance requirements; progress on individual results indicators and benchmarks; and, finally, lessons learned over the life of the GTAG Program and recommendations to USAID for actions in support of similar future Program activities.

Most of the results reported here have been covered in greater detail in the eight semi-annual reports (SAR) for their corresponding periods, including projections, most of which were already definitive, for period 9. The exception is Result 5, for which the targets were changed with TO Modification 10, and implementation activities continued through March 2009. Accordingly, the targets and final state for each of the results reflect the starting point and the status upon Program termination for each of the results and benchmarks.

A final chapter, Lessons Learned and Recommendations for the Future provides a summary assessment of what the Contractor considers best practices and appropriate approaches, based largely on the GTAG experience, but also including criteria developed elsewhere, as well as suggestions for any future interventions to further transparency and governance in Honduran local governments.

Program Background

In USAID Honduras' strategic objectives framework, Strategic Objective Number 1 (SO1) and Intermediate Result Number 1 (IR1) emphasize local-level governance improvements. Municipal governments were seen by USAID as propitious sites for strategies to reduce corruption, improve responsiveness and increase accountability. This is because municipal decision-making processes are closer to citizens and voters and because improved governance practices are more visible there and more likely to be sustained over time.

The Greater Transparency and Accountability in Government Program, hereinafter called "the Program" or GTAG, sought to promote and establish practices of transparent, responsive and accountable local government by municipalities and municipal associations or *mancomunidades*; disseminate best practices

to other municipalities and mancomunidades; support civil society initiatives and proposals for improvements in municipal government management and service provision; promote continuity and transparency through political transitions in local governments; improve the capacity of national government entities to support and regulate local government, and engage private sector organizations in promoting good governance and ethical business practices, as well as participate actively in local government planning and administrative policies.

The TO was signed on September 30, 2004, and the Contractor was in Honduras a few days later. A work plan submitted on November 1 set forth the activities undertaken during the initial period. Those activities addressed the selection of municipalities, followed by the implementation of the Service Improvement Action Plan (SIAP) in them and preparations for the transitions between municipal governments prior to and following the November 2005 elections.

This report covers all Program activities carried out from Program initiation through March 31, 2009, in the context of the original TO and its ten modifications, the last of which was approved on January 9, 2009. These modifications eliminated several performance requirements and substantially modified others, redefining performance standards and adjusting targets and benchmarks, as reflected in the current Performance Milestone Plan (PMP). For this report the narrative and tabular presentation of results and progress towards meeting targets and benchmarks reflects performance targets and results in accordance with the TO and PMP for each result and performance requirement (PR) from the beginning of the implementation period. When these were modified or eliminated, reference is made in the discussion of the way each of the results is reported.

The following graphic presents the changes from the original TO from Modification 5 and subsequently:

STATEMENT OF WORK CHANGES TO TASK ORDER REFLECTED IN MODIFICATION 5 OF JUNE 29, 2006, AND SUBSEQUENT TO MODIFICATIONS

Original Task Order	Modification 5
<p>Result 1 Indicator: Number of specialized short-term assistance in A and B municipalities meeting their established performance measures (of which at least 65% must be implemented in different municipalities and 35% may represent more than one activity per municipality as per PR 1.4 Target 45.</p> <p>Number of C and D municipalities able to demonstrate annual increases of 10% in municipal 5qs revenue and increase in coverage of municipal services in urban areas (water, sanitation, and solid waste management) over a period of two consecutive years. Target 30.</p> <p>Number of mancomunidades achieving operational and sustainable financial administration systems. Target 20</p> <p>Number of municipalities and mancomunidades meeting their performance goals in the procurement of works, goods, services. Targets A and B 10, C and D 10, mancomunidades 10.</p> <p>Number of municipal service authorities with the capacity to receive the transfer of water systems from</p>	<p>Result 1 Indicators: Number of municipalities able to demonstrate annual achievement of performance targets to administer/manage municipal programs. Targets: A and B 5; C and D 15, Mancomunidades 5. Number of C and D municipalities able to demonstrate annual achievement of performance targets to increase municipal tax revenue and coverage of municipal services. Targets: A and B 5; C and D 15. With Modification 8 of February 18, 2008, these became:</p> <p>Targets: A and B 10; C and D 10.</p> <p>Number of C and D municipalities able to demonstrate annual achievement of performance targets to increase municipal tax revenue and coverage of municipal services. Target 10.</p> <p>Number of member C and D municipalities in targeted mancomunidades meeting performance targets in public administration practices. Target 10.</p> <p>Number of municipalities and mancomunidades meeting their performance goals in the procurement of works, goods, and services. Targets: A and B 5, C and</p>

Original Task Order	Modification 5
<p>SANAA. Target 10.</p> <p>% of new denuncias received annually by DASM that are processed in accordance with Chapter 5 of the TSC Organic Law. Target 80.</p> <p>% of backlogged denuncias resolved each year. Target 60.</p> <p>% of targets of DASM’s annual audit management plan that are met. Target 100.</p> <p>% of audits requested for USAID programs completed by UAPOI. Target 100.</p>	<p>D 15, mancomunidades 5. With Modification 8 these became: A and B municipalities 5, C and D municipalities 5, and mancomunidades 5.</p>
<p>PR 1.4. Short-term specialized assistance ... needs of A and B municipalities...with consolidated financial systems...are met to achieve their strategic development plans. (ceiling of \$50,000 per assistance activity; more than one short-term assistance activity may be authorized by CTO for municipalities that successfully fulfill performance targets and counterpart contributions). Includes a 4-point performance standard.</p>	<p>PR1.4. Build capacity of A and B municipalities to manage/administer municipal programs and achieve implementation of their strategic development plans. Performance standard item 1.4.1 “Establish and disseminate criteria among prospective municipalities for selecting short-term specialized assistance” deleted. The other 3 referring to a written agreement and environmental requirements were retained.</p>
<p>PR 1.5. Build capacity of municipal employees in core assistance areas ... in targeted C and D municipalities...to administer/manage municipal programs. Included a 5-point performance standard.</p>	<p>PR 1.5. Build capacity of targeted C and D municipalities to manage/administer municipal programs. Performance standard unchanged.</p>
<p>PR 1.6. Based on the mancomunidad selection system conduct an assessment of the governance structures of each mancomunidad that is a promising candidate to be targeted for assistance under PR 1.7. Includes a 4-point performance standard.</p>	<p>Deleted.</p>
<p>PR 1.7. Build capacity of technical unit employees in targeted mancomunidades ... in order to operationalize public administration practices. Included a 7 point performance standard.</p>	<p>PR 1.7. Build capacity of technical unit employees in targeted mancomunidades ... in order to provide services to member C and D municipalities in public administration practices. To performance standard, “1.7.8 Produce and provide to AMHON in Spanish and as inputs for broader dissemination two reports of best practices of mancomunidad governance systems” added.</p>
<p>PR 1.9. Capacity strengthened among selected local institutions in order to be in a position to receive, manage, and maintain the transfer of their water supply system from SANAA. A 4-point performance standard</p>	<p>PR 1.9. Deleted.</p>

Original Task Order	Modification 5
was included.	
PR 1.10. Build capacity of DASM staff to fulfill their auditing roles and responsibilities. A 6-point performance standard was included.	PR 1.10. PR language retained, but 5 points of the performance standard were deleted. “1.10.5 Recommend ways to effectively utilize DASM resources in the preparation and implementation of its annual audit management plan” was retained.
PR 1.11. Build capacity of UAPOI staff to conduct audits according to USAID/IG standards....	PR 1.11. Build the capacity of UAPOI to fulfill its auditing roles and responsibilities.... Performance standard “1.11.3 Collaborate with UAPOI staff in at least five financial audits in accordance with USAID/IG standards” was deleted.
<p>Result 2 Indicators: Annual number of AMHON board’s decisions implemented by the technical team and documented back to the board. Target 20;</p> <p>Number of activities completed by the CNA in accordance with its national anti-corruption strategy. Target 10.</p> <p>Amount of resources (cash and in-kind) leveraged from private sector for increasing good governance and ethical business practices. Target \$75,000.</p>	<p>Result 2 Indicators: % of AMHON board policy decisions implemented by the technical team and documented back to the board. Target 75. The CNA indicator was deleted. The private sector resources indicator was retained intact.</p>
PR 2.1. AMHON’s in-house capacity to implement an orientation training program for newly elected AMHON board of directors enhanced (after 2006 and 2008 elections) in order to improve the efficiency and effectiveness of the board to advance its decentralization agenda. A 12-point performance standard was included.	No change in PR text. An additional performance standard added: “2.1.2. Produce and provide to AMHON in Spanish and as inputs for broader dissemination: a) a report of best practices and obstacles of the 2006 board changes program and recommendations to AMHON for future training; and b) training materials.
PR 2.2. Build the capacity of the CNA to update, implement, and monitor its strategic plan to fulfill its “watchdog” function ... within the parameters of the national anti-corruption strategy. A 4-point performance standard was included.	PR 2.2. No change in the PR text. Performance standard 2.2.2 through 2.2.4 deleted. Retained was :2.2.1 Based on the national anti-corruption strategy, CNA staff equipped with the skills to prioritize watchdog interventions, including scope of activities and targeted areas of expertise.”
PR 2.3 Increase private sector awareness of the benefits of embracing good governance and ethical business practices in promoting global competitiveness in the northern and southern regions of Honduras	<p>PR 2.3 The amount of leveraging of resources from private sector activities was modified from \$ 75,000 to \$25,000.</p> <p>On Deliverables The PR 2.3.a. Establish a Report of best practices/lessons learned in increasing awareness of good governance and ethical business practices, and</p>

Original Task Order	Modification 5
	how private sector resources can be leveraged for this purpose. The “Manual para Crear la Ventanilla Única” was printed and delivered for Amhon membership and Fedecamara Distribution
Result 3 Indicators: Number of local government decisions with impact on local development where participation of broad-based coalitions can be documented. Targets: A and B municipalities 90; C and D municipalities 90. Number of public-private partnerships promoting activities in local and regional economic development. Targets: A and B 10, C and D 5. Dollar amount leveraged of private funds through public-private partnerships. Target \$100,000. Number of municipalities where broad-based coalitions are annually monitoring performance of their local governments. Targets: A and B 15; C and D 15.	Result 3 Indicators: Number of local government decisions with impact on local development where participation of broad-based coalitions can be documented. Targets: A and B municipalities 50; C and D municipalities 90. Public-private partnerships indicators deleted. With TO modification 8, Targets: A and B municipalities 70, C and D municipalities 70. Number of municipalities where broad-based coalitions are annually monitoring performance of their local governments. Targets: A and B 5, C and D 15. With TO modification 8. A and B 10, C and D 10.
PR 3.2. Build capacity of broad-based coalitions of locally organized civil society to engage in local governments’ priority-setting and decision-making processes in order to impact local development. A 5-point performance standard was included.	PR 3.2 The PR text remained unchanged. The performance standard added: “3.2.6 Produce and submit to USAID in Spanish a report of best practices of broad-based coalitions in local priority setting and decision making.”
PR 3.3. Build capacity of local government and other stakeholders to promote public private partnerships ... that contribute to local and/or regional economic development. Includes a 6-point performance standard.	PR 3.3. Deleted.
PR 3.4. Build capacity of broad-based coalitions for monitoring the performance of their local governments. Includes a 6-point performance standard.	PR 3.4. The PR text remained unchanged. The performance standard added: “3.4.7 Produce and submit to USAID in Spanish a report of best practices of transparency and good governance mechanisms.” In TO modification 8, performance standard 3.4.1, which had already been completed, was deleted.
PR 3.5. road-based coalitions staff members equipped with analytical skill that will allow them to carry out and disseminate an analysis of citizen perceptions of local government performance....	PR 3.5. Deleted.
Result 5. Develop, administer, and evaluate a small grants program. Summary of Result	Result 5. Administer, fund, and evaluate activities with partner organizations.
Result 5 Indicator. Number of small grants. Target range (50-80).	Result 5 Indicator. Number for funded activities with: BBCs range (30-40); mancomunidades range (10-15).

Original Task Order	Modification 5
	See discussion below for further modifications. With TO modification 9, the range for BBCs was changed to (25-29) and for mancomunidades to (5-6). With TO modification 10 of January 2009, they were revised again for BBCs (40-44) and for mancomunidades (8-9)
PR 5.1. Develop, administer, and evaluate a competitive small grants program to support PRs 1.7, 3.2, 3.4, and 3.5. (A plug amount of \$2,000,000 is available for this performance requirement, excluding administrative costs associated with the grant program. Includes a 3-point performance standard.	PR 5.1. Administer, fund, and evaluate an activity program with partner organizations to support PRs 1.7, 3.2, and 3.4. (A plug amount of \$300,000 is available for this performance requirement.) The performance standard eliminates the term “develop” and replaces the term “small grants” with “activities” in 5.1.1. Adds “5.1.2. Activities to fund may include small (under \$5,000 purchases of equipment and goods to support the BBCs and mancomunidades’ capacity building and the achievement of performance targets as per agreements with partners. Equipment and goods shall be granted to partner organizations.”
Result 7. PR71. Contractor has the capacity to respond to unanticipated events in the GTAG sector, upon written request from the CTO. (A plug amount of \$525,000 will be reserved for this purpose.)	The plug amount was reduced to \$100,000. In TO Modification 9 of September 2008 this Result was deleted entirely.

The activities supported under this TO have served as catalysts for change in a critical mass of local areas around the country and have helped citizens, elected officials, and municipal managers establish new models of democratic governance, accountability and transparency. They have also supported and sustained improvements in municipal management and service provision.

The Contractor applied concepts and tools of results-based management, working with local elected officials, managers, and local civil society organization representatives to define and create mechanisms to strengthen dialogue and participatory decision-making in key municipal policy and management areas.

The Contractor signed agreements and worked with all 32 of the initial municipalities (16 A and B and 16 C and D) in the application of the Service Improvement Action Plan (SIAP), which promoted open, focused dialogue on the future needs and priorities of the municipalities between municipal authorities and local community representatives. The Contractor documented civil society presences in each of the municipalities and worked with them to ensure their involvement in Program activities.

Civil society groups participated actively in the SIAP process, which involved a series of workshops to equip their representatives with information and an understanding of the problems involved in service improvement. These groups were trained as observers to evaluate service quality that the Contractor planned to undertake in order to attain the outcomes called for under Result 5. The intention was for these civil society groups to emerge as the broad-based coalitions to be supported under Result 3. They were trained to pin down issues and pursue solutions through the participatory processes of local government and to engage local authorities with substantially greater effectiveness and results.

Additionally, during that period the Contractor provided TA to the Honduran Association of Municipalities (AMHON), The Superior Accounts Court (TSC) Municipal Sector Audit Department

(DASM) and its Audit Unit for International Organizations (UAPOI), and to the National Anti-Corruption Council (CNA) in support of Result 2, as described below, and prepared for the transition process around the November 2005 municipal elections, in support of Result 4.

In 2005 concerns about budget levels for the USAID Honduras Mission became evident, and discussions between the Mission and the Contractor led to planning for some curtailment of Program activities. On February 7, 2006, the USAID Regional Contracting Officer (RCO) sent the Contractor a Stop Work Order (SWO) letter in accordance with the provisions of Federal Acquisitions Regulation (FAR) Section 52.242-15, because of a substantial reduction in the USAID/Honduras Mission's budget and the need to modify the original TO. It requested a 90-day plan and budget, which the Contractor submitted on February 17, 2006, and following clarifications and revisions, re-submitted on March 3, 2006. In a subsequent communication the RCO issued a Notice of Partial Termination (NPT), on March 28, 2006, pursuant to FAR Sections 49.603-5 and 52.249-6, which requested the Contractor submit a new technical proposal reflecting performance to that date and a description of key strategies, activities, and approaches to achieve the reduced Statement of Work (SOW), along with a cost proposal. During that period the Contractor reduced staff by half and limited field implementation to minimal activities in 8 A and B municipalities and 8 C and D municipalities, until the revised program could be approved.

Although the NPT was initially for a 90 day period and with TO Modification 5 of June 26, 2006, the task order terms were clarified with a ceiling price reduction of \$4,616,373, and a revised SOW, this state of partial termination continued in fact until the new work plan with the revised PMP could be approved on November 18, 2006. During that period field implementation was limited to 8 of the 16 A and B municipalities, while plans were made to eventually expand the universe of C and D municipalities to 20. Thus, full-scale implementation of the revised Program only began in late 2006.

Since that time, progress in GTAG implementation has been continuous in compliance with the TO terms and following regular guidance from the Mission. The biggest challenge was in getting the mayors and council member to put into practice the transparency policies and practices agreed upon. The principal constraint for these was the reluctance of some mayors, council members, managers, and municipal staff to support the proposed policy reform and involve local civil society organizations in dialogue, decision-making, and oversight of municipal activities. These officials feared confrontation and conflict and resisted compliance with recently approved legal norms regarding transparency and accountability, such as open council meetings, dissemination of council agendas and session minutes, reports by the mayor to the council, among others. Some preferred more controlled processes, such as *cabildos abiertos*, or brief periods of time open to civil society representatives prior to council meeting but not for the duration of the meeting, nor to contribute to agenda items under discussion. Others used open council meetings as a stage for previously agreed upon decisions that were only formalized by the councils, often with the presence of the press. Still others avoided both open council meetings and the *cabildos abiertos* to assume their vertical authority and attract political clients via social infrastructure investment that often was not consulted previously with the presumed beneficiaries.

However, in the last months of the Program, anticipation of the municipal elections processes scheduled for November 2009 took its toll as a few key mayors sought to obtain advantage from the implementation of infrastructure works with funding from the Congress and other politically oriented sources that made no demands for transparency or accountability and encouraged clientelistic responses.

The Contractor, reflecting consultations with the USAID/Honduras Mission, was careful to prioritize working with sectors of civil society that were less likely to be confrontational or provoke conflict. This approach could be expanded progressively in the future to include greater sectors of civil society and avoid biases in favor of the current municipal administrations and local elites and the exclusion of key local civil society actors.

The Program approach of creating joint commissions of municipal officials and managers, together with local civil society leaders, sought to attain formal, public decisions that commit the municipal authorities to specific, measurable results. This approach was successful, particularly in municipalities where political will for reform was more evident. To the extent that civil society actively participated in these joint commissions and other consultation mechanisms that provided spaces for dialogue with their municipal governments that actually function and lead to implementation of the recommendations that result from them, the Program has been able to document the impact of such alliances on municipal decision-making.

In satisfaction of Result 2 the Contractor provided the TA and training to AMHON called for in the TO. AMHON is now operating effectively, has co-sponsored number of training events with the Program, and plans to publish and disseminate GTAG guides and manuals delivered to them for distribution among all 298 municipalities in Honduras. The TA and training to CNA to strengthen its board was provided before USAID recommended termination of support to them. With private sector entities, other municipalities, chambers of commerce, and other donors have expressed interest in replicating the one stop service center implemented by the Villanueva municipality with GTAG support.

Activities in support of Result 4 were completed successfully during the period beginning with the municipal elections campaign in 2005 until several months following the installation of the newly elected authorities.

During the most recent periods, greater emphasis was placed upon the implementation of the small-scale projects and activities called for under Result 5 with the purpose of empowering civil society organization in collaboration with their municipalities, the private sector, and the beneficiary communities. Interventions in support of this Result had been delayed in accordance with guidance from the Mission.

Result 5 activities began in late 2007 with the development of the Funding Manual for Small Projects and Activities, completed in January 2008. This program has been successful, and with additional resources added in January 2009, it was completed in March 2009 with all targets exceeded.

In Result 6 all targets have been met successfully, and the presence and impact of the Program well received by USAID, AMHON, GOH entities, the private sector, and other donors.

Since late November 2008, the main focus of Program activity has been the closeout process. Closeout reports were presented to the mayors, councils, and civil society in most of the Program municipalities in December 2008; for the remaining six municipalities and two mancomunidades, this task was completed in early January 2009. A closeout plan was submitted to the Mission for approval. Arrangements were made with staff to progressively terminate their contracts. Program assets were inventoried, and recommendations for their donation to municipalities proposed to USAID and approved in March 2009.

FINAL STATE OF PROGRAM GOALS AND OBJECTIVES

The GTAG Program began with a PMP dated August 24, 2004, developed by the Contractor as a part of its proposal in response to the Mission's RFTOP. This PMP was incorporated into the TO and became effective at Program initiation upon the signing of the TO agreement on October 1, 2004. Where indicators, performance standards, or benchmarks were eliminated or modified, the nature of the changes is presented in the chart at the beginning of this report. Unless otherwise noted, the performance results and performance requirements discussed in detail below reflect the final version of the TO and PMP. For the remainder of this section, we report on the activities and progress made towards meeting the targets as set out in the TO and PMP, for each indicator and benchmark, reflecting the modifications of June 2006, February 2008, September 2008, and January 2009.

In the discussion we present the data for both the benchmarks established in the PMP for each Result indicator and the individual Performance Requirements (PR) for each Result. All PRs and the corresponding numerical targets and benchmarks are reported here with modified targets, final results, and a discussion of the processes involved. A complete rendition of progress as reported for each of the nine reporting periods is presented in Annex A. For Result 5 there is discussion of Program implementation activity during the period from January 1 through March 31, 2009; all other Program activities were reported on in the eighth Semi-Annual Report (SAR) presented to the Mission on January 30, 2009.

The PMP reporting periods corresponded to semesters within the United States Government fiscal year (FY) structure, but each SAR reflected activities and progress for calendar year semesters. Thus there was overlap between reporting periods for indicators presented in each SAR. For example, PMP reporting period eight ran from April 1, 2007 through September 30, 2008, and PMP reporting period nine began on October 1, 2008 and ended on March 31, 2009. Thus, the final results data presented here include the actual results for reporting period 9 and no projections for future results.

RESULT 1: Increased Capacity by Government Entities to Fulfill their Roles Effectively and Transparently and to Engage Organized Civil Society in Advancing Common Development Goals.

Result Summary: The focus of this result is to enhance governmental capacity to fulfill its mandates in a transparent and effective manner. This capacity building targets local governments, the Superior Audit Agency of the central government, and mancomunidades. The approach to capacity building is oriented by a selection process that will help identify those local governments that will make the best use of this investment, and it will provide continued support only to those local governments that are meeting their performance targets.

The initial and final indicator targets are as follows:

Indicators	Final Targets
Number of municipalities able to demonstrate annual achievement of performance targets to administer/manage municipal programs:	
A&B	10
C&D	10
Number of C&D municipalities able to demonstrate annual achievement of performance targets to increase municipal tax revenue and coverage of municipal services	10
Number of C&D municipalities in targeted mancomunidades meeting performance targets in public administration practices	10
Number of municipalities and mancomunidades meeting their performance goals in the procurement of works, goods, and services:	
A&B	5
C&D	5
Mancomunidades	5

The results are as follow:

Indicator	October 2004–March 2009	
	Planned	Actual
Number of A and B municipalities able to demonstrate annual achievement of performance targets to administer/manage municipal programs	10	12
Number of C and D municipalities able to demonstrate annual achievement of performance targets to administer/manage municipal programs	10	13
Number of C and D municipalities able to demonstrate annual achievement of performance targets to increase tax revenues and service coverage.	10	5
Number of member C and D municipalities in targeted mancomunidades meeting performance targets.	10	6
Number of A and B municipalities meeting performance goals for procurement of goods and services.	10	15
Number of C and D municipalities meeting performance goals for procurement of goods and services	10	13
Number of mancomunidades meeting performance goals for procurement of goods and services	5	5

As is evident from this table, most of the indicator targets for Result 1 have been met successfully. The exceptions are a) number of C and D municipalities able to demonstrate annual achievement of performance targets to increase tax revenues and service coverage, for which the indicator reflects results over two consecutive years (dropped from 9 in 2007 to 5 in 2008). For that period, the reportable number is five out of a target of ten, and b) number of member C and D municipalities in targeted Mancomunidades meeting performance targets, for which the reportable number is six out of a target of ten. These tasks have been constrained by factors such as the municipalities assisted failed to achieve their own source revenues goals. However, municipalities assisted through Mancomunidad technical units have reached their poverty reduction strategy and purchasing and contracting goals.

To achieve these results, the Contractor provided extensive technical assistance (TA) and training as detailed under the performance requirements discussions below.

Some improvements could be made over time by creating better policy incentives to improve cadastres and tax collection mechanisms such as the one stop shop approach. Additionally, the political will of the mayors and councils to collect taxes and otherwise improve revenues could be more closely tied to service improvements and educational campaigns to gain public support for tax and fee collection.

Successful implementation of transparency policies, particularly in the C and D municipalities is relatively well consolidated where the political will has been clear from the start. These could improve in the future as a result of Program training in the application of Honduras' Freedom of Information Act. Moreover, the Management, Transparency, and Governance Index (IGTG) implemented by GTAG inspired interest within the municipalities in improving their standing and compliance with the laws.

In the future, most of these results should be sustained, but there is a need for follow-on support to many of these municipalities, particularly the smaller and least advanced ones (C and D).

Performance Requirement # 1.1 Using the previously reported rating systems as a guide, develop selection systems for identifying municipalities and mancomunidades that will receive assistance under Performance Requirement 1.4, 1.5, and 1.7.

Performance Standard:

1.1.1 At a minimum, the selection systems shall be based on the Mission’s preliminary municipal rating system and mancomunidades rating system, and shall prioritize (1) opportunities for synergy with activities from other SOs, and (2) opportunities to complement FHIS’s decentralized project cycle.

Benchmarks

A selection system based upon the Mission’s preliminary and subsequently modified municipal and mancomunidad criteria and priorities. **Targets** Completed in P1; **Actual** Completed in P1.

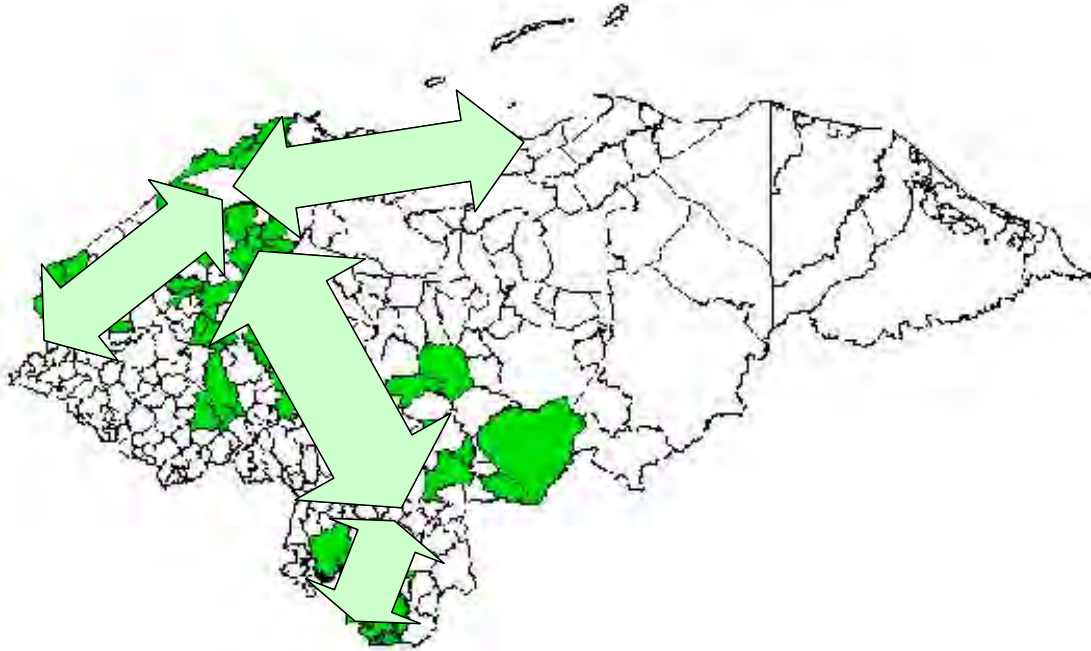
Discussion – Municipalities

The selection system developed for USAID/Honduras and used initially by the Mission was modified in coordination with the Mission. These modifications eliminated the transfer of water systems from the central government’s Autonomous National Water and Sewerage Service (SANAA), successful implementation of other donor assistance, and geographical considerations as selection criteria, and adjusted the minimum thresholds concept. .

The selection process consisted of four consecutive steps, as follows:

Step	Activity	Score
One	Determine how many municipalities to select in this phase	NA
Two	Apply the USAID selection criteria and methodology to those municipalities	PF
Three	Apply the USAID selection criteria and methodology to all those municipalities that meet or exceed a minimum threshold score for Step Two	50
Four	Apply to all those municipalities that meet or exceed a minimum threshold score for the two criteria a task to test their interest in the participating in GTAG	10

The geographical criteria adopted in Step 2 reflected axes of clusters to facilitate Program logistics. The map below show these axes indicated by arrows. One is the axis running east to west from Santa Rosa de Copán to La Ceiba (each within 2 ½ hours by car from San Pedro Sula). The other is the axis running north to south along CA-5 from Puerto Cortés to Choluteca (passing through Tegucigalpa), including all municipalities along the axis that are within one hour of CA-5. The following map shows the two axes and the municipalities located within them that have passed the initial threshold (see Step Two, below).



This generated a universe of 104 municipalities eligible for consideration in the initial selection process. We then applied to this group of municipalities the following criteria taken from the general selection methodology:

1. Synergy with other USAID projects A municipality receives three points if it is involved in one other USAID project, six if it is involved in two or more other USAID projects. (Maximum points – six)
2. Synergy with other GTAG activities A municipality receives four points if it has a water system subject to transfer from SANAA. It receives two points if it is a member of a mancomunidad in which one or more other eligible municipalities also are members and four points if it belongs to two or more mancomunidades where other eligible municipalities also are members. (Maximum points – 8)
3. Successful implementation of prior donor assistance A municipality that received assistance a second time from USAID receives three points and five if a third or additional times. The same applies to assistance from other donors, including AECI, IDB, GTZ, SNV, UNDP and CARE. (Maximum points – 10)

For reporting period 1, the target was for the selection of 30 municipalities—15 A and B and 15 C and D. The Contractor applied the selection system and qualified 33 municipalities (11 A, 6 B, 13 C and 3 D), as meeting the selection standards. Of these 32 were approved by USAID and agreements were signed with them. La Lima, Cortés, an A classification municipality, met the selection criteria, but no agreement was signed, and it was not included in Program activities at the request of USAID because of its failure to comply with certain USAID requirements from previous programs.

INITIAL GTAG BENEFICIARY MUNICIPALITIES

The initial 32 municipalities were as follows:

Nº	Class.	Municipality	Department	Region	Mayor	Party
1	A	Catacamas	Olancho	East	Ramón Cáliz Urtecho	Liberal
2	A	Choloma	Cortés	North	Sandra Deras Rivera	National
3	A	Choluteca	Choluteca	South	Ricardo Trinidad Andino	National
4	A	Comayagua	Comayagua	Central	Carlos Miranda Canales	Liberal
5	A	Nacaome	Valle	South	Jorge Sebastián Álvarez Méndez	Liberal
6	A	Puerto Cortés	Cortés	North	Marlon Lara Orellana	Liberal
7	A	San Lorenzo	Valle	South	Gonzalo Mauricio Alvarado	Liberal
8	A	Santa Rosa de Copán	Copán	West	Juan Carlos Elvir Martel	Liberal
9	A	Tela	Atlántida	North	Daniel Flores	National
10	A	Villanueva	Cortés	North	José Felipe Borjas	Liberal
11	B	Guaimaca	Francisco Morazán	Central	María Elisa Vargas	Liberal
12	B	La Esperanza	Intibucá	Central	José Santos Aguilar	National
13	B	Las Vegas	Santa Bárbara	West	Ramón Antonio Lara Bueso	National
14	B	Nueva Arcadia	Copán	West	Marcio Junior Vega Pinto	Liberal
15	B	Potrерillos	Copán	West	Lisandro Valentín Ramírez Guerrero	Liberal
16	B	Talanga	Francisco Morazán	Central	Wilfredo Oswaldo Silva	National
17	C	Ceguaca	Santa Bárbara	West	José Bernardo Cruz	National
18	C	La Masica	Atlántida	North	Rogelio Ortega Gámez	Liberal
19	C	Pimienta	Cortés	North	Raúl Alfredo Ugarte Florentino	National
20	C	Sabanagrande	Francisco Morazán	Central	Guillermo Díaz Núñez	Liberal
21	C	San Francisco de Yojoa	Cortés	North	Diego Alfonso Madrid	Liberal
22	C	San Nicolás	Copán	West	Angel Antonio Contreras Caballero	Liberal
23	C	San Pedro Zacapa	Santa Bárbara	West	Jorge Alberto Tinoco Moreno	National
24	C	Santa Ana	Francisco Morazán	Central	Rosa Regina Ávilez	Liberal
25	C	Santa Rita	Copán	West	Gustavo Emilio Villela Rosa	Liberal
26	C	Taulabé	Comayagua	Central	Dagoberto Cortés Padilla	National
27	C	Trinidad	Santa Bárbara	West	Francisco Alfonso Mancía Herrera	Liberal
28	C	Villa de San Francisco	Francisco Morazán	Central	Eric Leonardo Mejía Torres	Liberal
29	C	Yuscarán	El Paraíso	East	Róger Horacio Ochoa Cáceres	Liberal
30	D	Nueva Frontera	Santa Bárbara	West	Herminio Saavedra	National
31	D	Reitoca	Francisco Morazán	Central	Elvin de Jesús Vásquez Chávez	Nacional

N°	Class.	Municipality	Department	Region	Mayor	Party
32	D	Yamaranguila	Intibucá	Central	Héctor Jacobo Manuélez	National

As a result of the NPT, the Contractor eliminated eight of the original 16 A and B municipalities, based on their performance in carrying out the transition process up until that time and their likelihood of achieving performance targets, following an objective ranking method. The Contractor's proposal, approved by the Mission, was to work with eight A and B municipalities during that period. Those selected for limited interventions during that period were Catacamas, Choluteca, Guaimaca, La Esperanza, Nacaome, Potrerillos, Puerto Cortés, and Santa Rosa de Copán. All work was suspended in Choloma, Comayagua, San Lorenzo, Tela, Villanueva, Las Vegas, Nueva Arcadia, and Talanga. But for the second round, following the approval of the GTAG work plan in November 2006, the agreements with these eight suspended A and B municipalities were renewed. Based on performance issues, interventions in Coloma were discontinued in January 2008.

In the selection of C and D municipalities, the focus was on performance in the transition process in response to GTAG assistance and their scores in the initial selection process. The NPT had called for work with 20 municipalities in these categories. Of the original 17 C and D municipalities 15 were selected for continuation in the Program; Ceguaca and Yuscarán were eliminated on the basis of their performance, and four new ones were added from an increased universe which included mancomunidad members. Of these one, Naranjito in Santa Bárbara, was a C class municipality, and the other three, Concepción de María (Choluteca), Meámbar (Comayagua), and San Agustín (Copán) were D class municipalities.

Thus, new agreements were reached for GTAG interventions in a total of 31 municipalities for the second stage of Program implementation. Of these, during subsequent periods, seven were progressively eliminated for poor performance.

With Mission approval, in late 2007 the Program withdrew from two of the Class C municipalities, Ceguaca and Yuscarán. In January 2008, it withdrew from two Class A municipalities, Choloma and Nacaome, from Concepción de María, Class D, and in April 2008, it withdrew from Trinidad, Class C. For the final months of the Program, 24 of the better performing municipalities remained, of which 13 are class A or B and 11 C or D, using the 1999 classification, defined by the Department of Governance and Justice (SGJ).

Thus, the Program concluded with work with 24 municipalities directly (13 A or B and 11 C or D, according to the 1999 SGJ classification).

In the following chart we present the basic information on the 24 municipalities with which the Program concluded its work, including location, classification, mayor's name and mayor's party affiliation. This chart also includes the 2007 SGJ classification revisions.

FINAL GTAG BENEFICIARY MUNICIPALITIES

No	Municipality	Department	Region	1999 Cat	2007 Cat	Mayor	Party
1	Catacamas	Olancho	East	A	B	Gustavo Adolfo Rosa Barahona	Liberal
2	Comayagua	Comayagua	Central	A	A	Carlos Miranda Canales	Liberal
3	Choluteca	Choluteca	South	A	A	Quintín Javier Soriano Pérez	Liberal

No	Municipality	Department	Region	1999 Cat	2007 Cat	Mayor	Party
4	Guaimaca	Francisco Morazán	Central	B	B	Nelson René Chávez Hernández	Nacional
5	La Esperanza	Intibucá	Central	B	B	Miguel Antonio Fajardo Mejía	Nacional
6	La Masica	Atlántida	North	C	C	Mario Roberto Ayala Trejo	Liberal
7	Las Vegas	Santa Bárbara	West	B	B	Carlos Gustavo Fuentes Paz	Liberal
8	Meámbar	Comayagua	Central	D	D	Rodolfo Rivera Flores	Liberal
9	Naranjito	Santa Bárbara	West	C	C	Santos Flores Toro	Nacional
10	Nueva Arcadia	Copán	West	B	A	Marco Junior Vega Pinto	Liberal
11	Pimienta	Cortés	North	C	C	Raúl Alfredo Ugarte Florentino	Nacional
12	Potrerrillos	Cortés	North	B	B	Lisandro Valentín Ramírez Guerrero	Liberal
13	Puerto Cortés	Cortés	North	A	A	Allan David Ramos Molina	Liberal
14	Sabanagrande	Francisco Morazán	Central	C	C	Guillermo Díaz Núñez	Liberal
15	San Agustín	Copán	West	D	D	Melvin Roberto Paredes Milla	Nacional
16	San Francisco de Yojoa	Cortés	North	C	B	Gaspar Pineda Ríos	Liberal
17	San Lorenzo	Valle	South	A	B	Manuel de Jesús Álvarez Baquedano	Nacional
18	San Nicolás	Copán	West	C	C	Angel Antonio Contreras Caballero	Liberal
19	Santa Rosa de Copán	Copán	West	A	A	Juan Manuel Bueso Fiallos	Liberal
20	Taulabé	Comayagua	Central	C	D	Lectonio Maldonado	Liberal
21	Tela	Atlántida	North	A	A	David Joseph Letterel Zaccaro M.	Nacional
22	Villa de San Francisco	Francisco Morazán	South-Central	C	C	Marco Antonio Salgado Henríquez	Nacional
23	Villanueva	Cortés	North	A	A	María Antonieta Botto Handal	Nacional
24	Yamaranguila	Intibucá	Central	D	D	José Luis Hernández	Nacional

The Government of Honduras (GOH) through the SGJ classifies municipalities according to a matrix, developed in 1998 by USAID, which combines its Index of Municipal Development--human development index (20%) + degree of urbanization (10%) + energy index (5%) + availability of telephone service (5%) + availability of quality potable water service (5%)—with its Municipality Index that combines data for the degree of financial autonomy (15%) + per capita income (10%) + savings effort (15%) + investment achievements (15%), to determine letter classifications for each of the 298 municipalities in Honduras. In accordance with this classification, A municipalities are the most advanced, B show intermediate progress, C little progress, and D no significant progress.²² Obviously some of these factors are beyond the control of both the municipal authorities and the Program, but others

may or may not reflect improvements resulting from GTAG interventions, particularly in the area of financial autonomy.

The re-classification in 2007 modified the ratings of four current GTAG municipalities and also four municipalities previously assisted by the Program. Among current Program municipalities, Nueva Arcadia (Copán) advanced from Category B to Category A; and San Francisco de Yojoa (Cortés) advanced from Category C to Category B. These are also among the more successful municipalities in terms of program results. But Catacamas (Olancho) and San Lorenzo (Valle) moved back from Category A to Category B. While GTAG provided no TA to increase revenues to A and B municipalities, it may be significant that these are also among the poorest performers of current GTAG A and B municipalities.

Distribution of GTAG Municipalities by DGJ Classification

Municipal Classification	A	B	C	D	Total
1999	8	5	8	3	24
2007	7	7	7	3	24

For the total of 298 municipalities throughout Honduras, the distribution is 23 A municipalities (7.7%), 32 B municipalities (10.8%), 107 C municipalities (35.9%), and 136 D municipalities (45.6%). Thus, the universe of GTAG municipalities includes proportionately more A and B municipalities than C and D municipalities than the national distribution. This reflects basically two of the factors in the selection process, the inclusion of some municipalities where USAID had previously worked in order to provide continuity, and logistical access or proximity to the main roads.

The former GTAG municipalities for which Program support was discontinued include Talanga (Francisco Morazán), which advanced from Category B to Category A and Trinidad (Santa Barbara), which advanced from Category C to Category B, possibly reflecting GTAG assistance. However, Ceguaca (Santa Barbara) regressed from Category C to Category D, and Nacaome (Valle) retreated from Category A to Category B.

For Performance Milestone Plan (PMP) purposes we continue to report results according to the 1999 classification in order not to distort results from a consistent baseline. However, it is important to understand these changes, which reflect population and revenue changes, improvement or lack of improvement in the satisfaction of basic needs, among other considerations, some possibly influenced by Program activities, others resulting from conditions unrelated to Program activities or beyond the control of both the Municipality and the Program.

Discussion - Mancomunidades:

The selection process for mancomunidades began with the identification of 16 mancomunidades for consideration, of which 9 were ranked as eligible and the corresponding report submitted to USAID in July 2005. This review, in conjunction with the criteria applied in support of PR 1.7, was not complete at the time of the SWO, for which reason no agreements were signed with the mancomunidades until after the NPT was settled. Following the new work plan and PMP, and using the same evaluation instrument, in reporting period 5 the Contractor re-evaluated 9 mancomunidades and then proposed 8 to USAID: the Association of Municipalities for the Protection of Lake Yojoa (AMUPROLAGO), the Mancomunidad of Municipalities of the North of Copán (CHORTI), the Inter-Municipal Council of the Higuito River (HIGUITO), the La Botija and Guanacaure Mancomunidad of Municipalities (MAMBOCAURE), the Mancomunidad of Municipalities of Central Atlántida (MAMUCA), the Mancomunidad of Municipalities of the Quimistán Valley (MAVAQUI), the Mancomunidad of

Municipalities of the South of Sana Barbara (MUSASBAR), and the Mancomunidad of Municipalities of the Upper Choluteca or Yeguaré Region (YEGUARE). Although it ranked high in the evaluation, because CHORTI was already receiving substantial international cooperation from the European Union's Northern Copán program, as well as from Finnish Government and the United Nations Development Program (UNDP), it was not selected.

Based on this ranking, the Mission and the Contractor agreed to limit the selection to five mancomunidades: AMJUPROLAGO, HIGUITO, MAMUCA, MAVAQUI, and YEGUARE. Then, because of its poor response to GTAG planning, in the fourth quarter of FY 2007 YEGUARE was replaced with the Mancomunidad of Municipalities of Southern Santa Barbara (MUNASBAR). These five mancomunidades, which continued to receive GTAG support until Program termination, each selected two C and D member municipalities not otherwise participating in the Program for TA provided by the Program and the Inter-Municipal Technical Units (UTI) in order to strengthen their capacity to replicate these capabilities to other member municipalities. This report includes the information derived from these efforts in the ten mancomunidad member municipalities. The member municipalities of the mancomunidades for which GTAG support was active until termination are:

GTAG MANCOMUNIDAD MEMBER MUNICIPALITIES

AMUPROLAGO	HIGUITO	MAMUCA	MAVAQUI	MUNSABAR
Gualala	Belén	Arizona	Azacualpa	Arada
Ilama	Concepción	El Porvenir	Protección	Atima
Las Lajas	Corquín	Esparta	Nueva Frontera	El Níspero
Macuelizo	Cucuyagua	*La Masica	Macuelizo	Petoa
* Meámbar	Dolores	San Francisco		San Nicolás
*Potrerillos	Dulce Nombre			Santa Rita
*San Fco. De Yojoa	La Jigua			
San Manuel	Lucerna			
San Pedro de Zacapa	*Nueva Arcadia			
San Sebastián	San Jerónimo			
Santa Barbara	San José			
Santa Cruz de Yojoa	*San Nicloás			
Siguatpeque	Santa Rita			
*Villanueva	*Santa Rosa de Copán			
	Talgua			
	Veracruz			
14	16	5	4	6

*Municipalities assisted by the Program

These mancomunidades had a total membership of 45, of which ten were already GTAG-selected municipalities, and the potential for replication of GTAG processes was for 35 additional municipalities through their inter-municipal technical units (UTI). The 10 mancomunidad member municipalities with which the Program, in coordination with the UTIs, worked were:

AMUPROLAGO	HIGUITO	MAMUCA	MAVAQUI	MUNSABAR
Ilama	Cucuyagua	Arizona	Azacualpa	Atima
San José	Dulce Nombre	San Francisco	Protección	El Níspero

Performance Requirement # 1.2 Local TA providers are continuously identified/pre-qualified (both for profit and not-for-profit) to deliver the TA to municipalities, mancomunidades, and broad-based coalitions required under Performance Requirements # 1.5, 1.7, 3.2, and 4.3.

Performance Standards: At a minimum, an identification/pre-qualification system should include technical areas of expertise and geographic coverage for easy identification.

Benchmarks: Identifying Local TA Providers – **Planned** 150, **Actual** 298.

Discussion:

This process began early in the second reporting period, when the initial group of TA providers was identified. Since that time, TA providers have been added progressively, according to Program needs, except for the period following the SWO, when new contracting was suspended. By reporting period 8, this number had reached 298, where it stood at Program termination, far exceeding the target of 150. Of this total, 47 are NGOs and firms and 251 are individuals. Of the 251 individuals, 99 were women and 152 men. Of these TA providers a total of 113 were actually used for GTAG short-term technical assistance (STTA). These totals do not include personnel involved in the implementation of the small projects and activities, contracted separately and reported on under Result 5.

The cumulative total level of effort contracted by the Program since its initiation is 7,347 person days of work, of which 3,505 were completed by female consultants and 3,932 were completed by male consultants.

Performance Requirement # 1.3: Quality control program developed and implemented to monitor the services provided by local TA providers under Performance Requirements # 1.5, 1.7, 3.2, 3.4, and 4.3.

Performance Standards: At a minimum, the quality control program should include:

- 1.3.1. Appropriate performance indicators and a detailed definition of each one.
- 1.3.2. The source, method, frequency, and schedule of data collection.
- 1.3.3. Responsible parties for ensuring data are available on schedule.
- 1.3.4. How performance data will be analyzed.
- 1.3.5. How performance data will be reported, reviewed, and used to inform decisions.

Discussion:

Appropriate performance indicators were established during the initial period of Program implementation identifying source, method, frequency and schedule for data collection, as well as responsible parties for ensuring data are available, analyzed, reported, and reviewed to inform decisions. The Contractor developed a model scope of work (SOW) for TA and training sub-contracts that set out these indicators for the sub-contractor. These SOWs included sections for general and specific background information, the purpose of the consultants' work, activities and tasks to be performed, results to be obtained, deliverables, supervision, and evaluation criteria. They were incorporated as addenda to the memoranda of understanding (MOU) with the municipalities, which set the indicators and targets for implementation of the measures supported by the Program. The Contractor monitored the performance indicators of the consultants (local service providers) and the performance targets agreed upon with the municipality or mancomunidad for each TA or training activity.

The Contractor provided orientation and backstopping support to the local service providers to reinforce results-based management concepts and carried out evaluations of service providers' performance, using a standard form that is completed by the recipients of the TA or training. Overall the evaluation results were very positive. In cases where service was rated mediocre or poor, these results are discussed with the consultant to agree on remedial actions. Where performance was not been up to Program standards these consultants, totaling 13 for various reasons, were excluded from further work with the Program.

The database on service providers will be a useful tool for future USAID/Honduras programs. It clearly identifies potential local partners for program implementation and excludes those who did not perform well, forged receipts, etc.

Performance Requirement # 1.4: Build capacity of A & B municipalities to manage/ administer municipal programs and achieve implementation of their strategic development plans. The original wording of the PR was "Short-term specialized assistance...needs of A & B municipalities (see Performance Requirement 1.1) with consolidated financial systems...are met to achieve their strategic development plans."... The short-term specialized assistance had a cost ceiling of US\$50,000.

Targets Planned 10, Actual 12

Performance Standards

1.4.1. Establish and disseminate criteria among prospective municipalities for selecting short-term assistance [to A and B municipalities].

Target Completed in P2, **Actual** Completed in P2

Discussion

This performance standard was deleted from the TO in Modification 5 of June 2006, not included in the revised PMP, and not reported subsequently.

1.4.2. A written agreement reached with the municipality that describes as appropriate: a) scope of the assistance including performance measures; b) duration of the assistance; c) municipal government counterpart contribution or other leveraged funding; d) beneficiary community contribution/participation; e) responsibility for community auditing of the assistance; f) how the intended impact of the assistance fits with the larger strategic goals of the municipality; g) final dissemination of the product; and h) responsibilities and coordination mechanisms. This performance standard is cumulative.

Targets Planned 10, Actual 16

1.4.3. Number of A and B municipalities where transparency policies were approved by municipal councils (cumulative).

Targets Planned 10, Actual 12

Discussion

This benchmark was not included in the TO nor in the initial PMP. Thus, no GTAG interventions addressed this new benchmark prior to P5, when under the revised PMP the target value was 5 and 7 was the value attained. With progressive subsequent targets and Program interventions to address them, the final target of 10 was reached in P6, and the final value of 12 was attained in P8.

1.4.4. Number of A and B municipalities that implement projects based on their strategic plans for municipal development (PEMD), cumulative.

Targets Planned 10, Actual 10

Discussion

This benchmark was discontinued from the PMP in December 2007; however, it was met, and the values are presented here. The discontinuation of the benchmark is also related to the discontinuation of funding for social infrastructure investment.

However, in the initial period of Program implementation, the Contractor provided TA to all 16 A and B municipalities in response to this PR within the framework of the SIAP. The chart below reflects the TA provided to initiate this process with the original 16 A and B municipalities with the expectation of subsequent social infrastructure investment planned jointly with and with oversight by the broad-based coalitions of civil society organizations.

SPECIALIZED SHORT-TERM TA PROVIDED IN INITIAL PERIOD TO A AND B MUNICIPALITIES

No.	Municipality	Specialized Short-term TA Provided
1	Catacamas	Urban Development Plan (update)
2	Choloma	Territorial Land Use Plan
3	Choluteca	Financial Information Systems Analysis
4	Comayagua	Financial Systems Analysis
5	Gaimaca	Financial Systems Study
6	La Esperanza	Urban Development Plan
7	Las Vegas	Design for Urban Recreation Area
8	Nacaome	Solid Waste Management Plan
9	Nueva Arcadia	Sewerage System Study (update)
10	Potrerrillos	Urban Development Plan
11	Puerto Cortés	Water System Improvement Plan
12	San Lorenzo	Solid Waste Management Plan
13	Santa Rosa de Copán	Urban Development Plan
14	Talanga	Financial Systems Study
15	Tela	Urban Area Water Run Off Master Plan
16	Villanueva	New Streets Corridor Design

Following the revised TO and PMP, in late 2006 the Contractor renegotiated the memoranda of understanding with all 16 A and B municipalities, emphasizing policy reforms that would allow the municipalities to comply with minimum standards in transparency and democratic governance, based on existing or planned and later adopted legislation and best practices embodied in the Municipalities Law, the Law for Purchases and State Contracts, and, beginning in 2008, the new Freedom of Information Act (FOIA, in Spanish *Ley de Transparencia y Acceso a la Información Pública*).

This approach employed a quantitative evaluation methodology, similar to the indices developed by Transparency International (TI) and the UNDP in other developing countries, to measure the municipality's compliance with national legal norms and standards across different functional areas: planning and budgeting; financial management and internal controls; municipal service provision and financing; contracting and human resources; council rules and procedures, including reporting and public access to information on council decisions; and citizen participation.

The resulting Index of Municipal Management, Transparency, and Governance (IGTG) were then applied to all 16 of the GTAG A and B municipalities to establish a baseline in late 2006. It was used to orient TA provision and training in specific areas and reapplied in nearly all of the GTAG municipalities in 2007 and 2008 to evaluate progress. The exceptions were the Municipalities of Comayagua, which declined to participate in the process in 2007 and 2008, and San Lorenzo, which did not allow it to be applied in 2008, apparently for political reasons. The following chart shows the results over the three years of its application.

IGTG AVERAGES FOR A and B MUNICIPALITIES

No.	A and B Municipalities	Results		
		2006	2007	2008
1	La Esperanza	35.3%	83.1%	83.1%
2	Santa Rosa de Copán	44.5%	69.7%	81.3%
3	Las Vegas	27.3%	66.3%	80.8%
4	Puerto Cortés	46.4%	66.7%	75.7%
5	Villanueva	35.6%	64.5%	73.9%
6	Potrerrillos	40.7%	55.2%	69.7%
7	Guaimaca	39.5%	56.0%	67.5%
8	Tela	41.0%	40.0%	64.5%
9	Nueva Arcadia	37.9%	65.8%	60.8%
10	Choluteca	36.6%	62.9%	46.9%
11	Catacamas	34.3%	62.9%	42.9%
	Averages	38.1%	55.0%	62.3%
12	Comayagua	45.9%	<i>Index not applied</i>	<i>Index not applied</i>
13	San Lorenzo	30.8%	39.2%	<i>Index not applied</i>

Color Coding Explanation

Areas	%
Very high	80%-100%
High	61%-80%
Medium	41%-60%
Low	21%-40%
Very Low	Negative or 0%-20%

Below, the same IGTG application scores are presented in consolidated form by area of municipal activity evaluated. Complete graphics by municipality are found in Appendix B.

IGTG AVERAGES FOR A and B MUNICIPALITIES BY AREAS EVALUATED

Areas Evaluated	A and B Municipalities		
	2006	2007	2008
Financial Administration/Treasury	81.4%	82.8%	84.5%
Tax Management / Fines	52.3%	71.2%	75.6%
Credit Management	77.1%	-16.7%	75.0%
Budget Management	68.3%	65.5%	72.8%
Municipal Council functions	2.7%	65.2%	68.6%
Purchases and Contracting	26.1%	46.2%	61.4%
Planning and Municipal Development	37.8%	51.6%	59.7%
Citizen Participation	28.5%	42.1%	46.7%
Personnel	-12.7%	18.0%	33.3%
Revenues Generation	30.6%	30.3%	31.1%
Municipal Services	23.9%	10.0%	26.7%
Averages	38.1%	55.0%	62.3%

The 2006 baseline and the 2007 re-application of the IGTG were done by consultants contracted for that purpose. In 2008, the IGTG was applied directly by the Program field coordinators there were complaints from several mayors and council members about declines in their scores either in specific areas or averages for 2008. Some asked that it be reapplied to correct the scores, which was not done. For

example, the mayor of Catacamas claims that the day the IGTG was applied in that municipality the department chiefs were all in the countryside addressing emergency situations related to storms and flooding. The responses were given by other staff members who were unable to produce the required documentation. He believes that had the department chiefs given the responses, they would have produced the missing documentation and the scores would have been significantly higher.

It is also not unlikely that with municipal elections scheduled for 2009, some mayors and council members are devoting more time and energy to their campaigns and are neglecting compliance with the transparency measures.

The experience of each of the GTAG municipalities in systematically addressing their legal requirements and complying is useful and helps them gain experience. Even where there is a change of administration following the 2009 elections, there will be some institutional memory among council members and municipal staff that continue, and any follow-on effort by USAID or other donors should build on this experience to consolidate the process over a longer period of time.

To attain progressive improvements in these areas, continuous targeted TA to these municipalities in response to needs determined by the IGTG and the interest of the municipalities, were included as addenda to the agreements with these municipalities and provided both to the municipalities (mayors, council members, municipal employees) and to civil society organizations to increase their understanding of and participation in municipal planning, activities, and oversight, in accordance with existing legislation and best practices. The following charts provide the data by municipality and intervention.

Technical Assistance to A and B Municipalities in Transparency Measures

Municipality	Purchasing, Contracting	Human Resources	Administrative Simplification	Manuals, Internal Controls	SAFT	Parliamentary Procedures
Catacamas						X
Guaimaca	X					X
La Esperanza	X	X			X	
Las Vegas	X	X		X		
Nueva Arcadia		X				
Potrerillos						X
Puerto Cortés						
San Lorenzo						
Santa Rosa de Copán						
Tela			X			
Villanueva			X			
Totals (13)	3	3	2	1	1	3

TA was also provided the Municipality of Nueva Arcadia in November and December 2007 to facilitate the decentralization of its water system from the central GOH National Water and Sewerage Service (SANAA) to that municipality.

Additionally, training was provided the mayors, council members, and key municipal employees, together with civil society representatives, in the application of the new Freedom of Information Act (FOIA) or *Ley de Transparencia y Acceso a la Información Pública*, approved in late 2007 with its Regulation approved in April 2008, in five A and B municipalities: La Esperanza, Las Vegas, Puerto Cortés, Santa Rosa de Copán, and Villanueva. The latter was a joint effort in which representatives of the SJG and the

Federation of Organizations for the Development of Honduras (FOPRIDEH), a key Honduran NGO and USAID partner in other programs, contributed actively to the training.

1.4.5. Number of A and B municipalities in which the mayors present semi-annual reports on their administration in public council sessions.

Targets: Planned 10, Actual 9.

Discussion:

This was an area of constant struggle and modest success. The Municipalities Law requires quarterly reports, but the more modest indicator reflects semi-annual compliance with this requirement. The Contractor provided extensive TA to 11 municipalities in this area of activity as follows:

A and B Municipalities Provided TA and Training in the Presentation of Management Reports to their Councils and Results of this Training

Municipality Trained	Quarterly Reports Presented	Semi-Annual Reports presented according to GTAG training	Semi-Annual Reports presented in different format	Municipalities Meeting Target
Catacamas				
Guaimaca		X		X
La Esperanza		X		X
Las Vegas	X			X
Nueva Arcadia		X		X
Potrerillos		X		X
Puerto Cortés			X	X
San Lorenzo		X (2007, not 2008)		X
Santa Rosa de Copán			X	X
Tela				
Villanueva		X		X
Trained (11)	1	6	2	9

As reflected in the above chart, of the eleven A and B municipalities trained in the procedure of presenting performance reports to their councils in public meeting, 9 complied with this requirement, including San Lorenzo, which did so only in 2007, and 2 (Catacamas and Tela) failed to do so, in spite of persistent GTAG training and follow-up. In the case of Catacamas, the reports were prepared but never included in the Council agenda nor formally presented, although those Council members who sought it had access to the information. In Puerto Cortés and Santa Rosa de Copán, the mayors used different protocols and procedures than those included in the training to present their reports, but they still satisfied this indicator. Only one municipality, Las Vegas, complied fully with the legal requirement in addition to satisfying this indicator; that mayor presented quarterly, semi-annual, and annual reports to his Council during all of 2007 and 2008 following GTAG training.

The important result here for long-term impact is that GTAG municipalities have been presenting management reports to their councils, although not always timely, in a manner that advances transparency.

Performance Requirement # 1.5: Build capacity of targeted C and D municipalities to administer/manage municipal programs.

Targets Planned 10; Actual 13.

Performance Standards:

Number of C and D municipalities with signed written agreements (cumulative).

Targets Planned 10, Actual 20

Discussion

Since this performance standard is cumulative, the values include those municipalities no longer participating in the Program, with which signed, written agreements had been made. This performance was met and surpassed in reporting period 3 with 16 municipalities; then when 4 were replaced and new agreements were signed with the 4 replacement municipalities.

The language in the TO is:

- “1.5.1. Develop core assistance program to meet the needs of targeted [C and D] municipalities. Where opportunities exist, adapt and/or replicate lessons learned in core technical assistance.” It was followed by:
- “1.5.2. A written agreement reached with the municipality that describes, as appropriate: a) scope of the assistance including performance targets; b) duration of the assistance; c) municipal government counterpart contribution or other leveraged funding; d) beneficiary community contribution/participation; e) responsibility for community auditing of the assistance; f) final dissemination of achievements; and g) responsibilities and coordination mechanisms with any other key actors.”
- “1.5.3. Develop terms of reference for required assistance per targeted municipality’s need.”
- “1.5.4. Procure required assistance services from identified/pre-qualified TA providers.”
- “1.5.5. Develop and implement a monitoring plan to ensure compliance of municipalities with agreed upon counterpart contributions and performance targets.”

The emphasis for TA and training in C and D municipalities was on increasing annual revenue collection by 10 % in real terms and, as a result expand a specific municipal service also by 10 % for two consecutive years. A manual for financial analysis and management was developed and used in training to establish a cadre of local consultants capable of provided the TA necessary to meet this performance requirement. Following discussions with the Mission, the 10 % guideline was eliminated from this PR in the modified TO and PMP.

Municipality	Management Reports	Revenue Management	Social Audits	Totals
La Masica		1	1	2
Meámbar				0
Naranjito		1		1
Pimienta		1		1
Sabanagrande				0
San Agustín	1	1		2
San Francisco de Yojoa	1	1		2
San Nicolás		1		1
Taulabé	1			1
Villa de San Francisco				0

Municipality	Management Reports	Revenue Management	Social Audits	Totals
Yamaranguila	1	1		2
Totals	4	7	1	12

While, improving financial management and increasing revenues remained a priority, the Contractor, following guidance from the Mission, adjusted its approach in the 11 C and D municipalities and completed a range of assessments related to transparency, municipal services, and awareness of government procurement politics and procedures, in addition to municipal finance. The IGTTG was applied in 2006 to the 11 C and D municipalities then receiving GTAG support, following the replacement of four poor performers, to orient TA and training needs in these municipalities. The following graphic show the baseline scores in 2006 and the changes registered in the re-applications in 2007 and 2008, reflecting Program TA and training for the C and D municipalities.

IGTTG AVERAGES FOR C AND D MUNICIPALITIES

No.	C and D Municipalities	Results		
		2006	2007	2008
1	San Agustín	33.5%	66.7%	82.2%
2	San Francisco de Yojoa	54.5%	63.9%	70.4%
3	Yamaranguila	30.4%	58.7%	69.1%
4	San Nicolás	29.4%	47.4%	66.5%
5	Taulabé	20.4%	60.1%	65.5%
6	Naranjito	27.6%	53.8%	65.0%
7	Pimienta	33.2%	51.5%	63.7%
8	La Masica	25.7%	41.4%	54.7%
9	Meambar	0.5%	25.6%	50.7%
10	Sabanagrande	24.6%	42.7%	49.2%
11	Villa de San Francisco	19.7%	39.9%	34.2%
Averages		27.2%	50.2%	61.0%

Graphic presents the averages from the same municipalities.

Similarly, the following

IGTTG AVERAGES FOR C AND D MUNICIPALITIES BY AREAS OF MUNICIPAL ACTIVITY EVALUATED

	2006	2007	2008
Credit Management	10.0%	37.5%	100.0%
Budget Management	58.4%	63.8%	82.9%
Tax Management / Fines	33.6%	62.5%	73.7%
Planning and Municipal Development	35.9%	66.1%	72.7%
Municipal Council functions	4.8%	58.4%	72.6%
Financial Administration / Treasury	48.1%	59.2%	67.6%
Personnel	-6.9%	3.6%	56.6%
Citizen Participation	25.2%	53.9%	44.2%
Purchases and Contracting	6.1%	20.3%	35.8%
Revenue Generation	23.1%	28.1%	33.9%
Municipal Services	0.0%	0.0%	6.3%
Averages	27.2%	50.2%	61.0%

Discussion

While all 13 C and D municipalities completed assessments of their revenues and identified policies to improve them, follow on actions were inconsistent, but improvements did occur. The following chart presents the TA provided by the Contractor in support of this objective.

GTAG TA PROVIDED C and D MUNICIPALITIES TO INCREASE REVENUES

Municipality	Accounting and Budget	Property Tax	Business Tax	SAFT	Service Fees	Collection Notices	Human Resources
Concepción de María	X	X					
La Masica		X					
Meámbar	X						
Naranjito	X	X		X			X
Pimienta	X	X		X	X		
Sabanagrande	X	X		X	X		X
San Agustín	X	X		X			X
San Francisco de Yojoa	X		X	X		X	X
San Nicolás		X		X			X
Taulabé	X	X		X			X
Trinidad		X	X				
Villa de San Francisco	X				X	X	
Yamaranguila				X	X		
Totals (13)	9	9	2	8	4	2	6

Thus, the Contractor provided a total of 40 TA interventions to help meet this benchmark. The results are reflected in the re-applications of the IGTG in 2007 and 2008.

Critical to this process was the conformation of joint commissions, involving civil society representatives as well as municipal authorities and staff to conduct the assessments and agree upon policies and procedures for both increasing revenues and improving services. This process, consistent with the SIAP methodology, leads to civil society ownership of the decisions taken as well as civil society pressure on municipal authorities and staff to respond to their needs and priorities.

1.5.2 Number of C and D municipalities that have completed assessments of their services and have begun assistance activities in this area.

Targets Planned 10, Actual 11

To attain progressive improvements in the areas of need, reflected in the IGTG, continuous targeted TA and training as requested by the municipalities and included as addenda to the agreements with each municipality. Thus, TA and training were provided both to the municipalities (mayors, council members, municipal employees) and to civil society organizations to increase their understanding of and participation in municipal planning and oversight, in accordance with existing legislation and best practices.

The Contractor provided TA in support of this benchmark as follows:

Water services improvement assessments were provided the three municipalities: San Agustín, San Nicolás, and Villa de San Francisco. A sewerage service assessment was provided one municipality,

Yamaranguila. Additionally cadastre upgrading interventions were provided one municipality, Pimienta.

These interventions responded to decisions taken in the joint commissions to ensure civil society priorities be addressed and municipal limitations be understood.

- 1.5.3** Number of C and D municipalities that implement projects based on their strategic plans (PEMD), cumulative.

Targets Planned 10, Actual 7

- 1.5.4** Number of C and D municipalities in which mayors present semi-annual management reports in public Council meetings.

Targets Planned 10, Actual 10

Discussion

As with A and B municipalities, meeting this benchmark was a struggle, but it was finally attained in P8. The same comments made with reference to the A and B municipalities in this area of activity apply here as well.

Probabilities of Progress

The Contractor conducted monthly subjective assessments of the probabilities of progress in the approval and implementation of transparency and improved governance policies for each GTAG municipality. The most recent chart, with information through December 30, 2008, for the 24 current GTAG municipalities is presented below. These include A, B, C, and D municipalities.

The color coding reflects the direction of change:

Green indicates municipalities with a likelihood of continuing improvement in their compliance and which are expected to be the most successful in implementing public transparency and improved governance policies.

Yellow indicates municipalities that are not showing a dynamic for change either forward or backward in the implementation of public transparency and improved governance policies.

Red indicates municipalities that at this moment in time reflect a decline in their probabilities for success in implementing public transparency and improved governance policies. At Program termination, two of the GTAG municipalities two, Villa de San Francisco and San Lorenzo, were in this category. In Villa de San Francisco, there have been differences of perspective and suggestions of possible corruption, which are reflected in this categorization. In San Lorenzo, the mayor was unwilling to make documentation available to Program staff, and the IGTG was not applied there this year.

Similarly, the seven municipalities from which the Program has withdrawn because of their low probability for success in implementing public transparency policies—Nacaome (Valle), Choloma (Cortés), Talanga (Francisco Morazán), Concepción de María (Choluteca), Ceguaca (Santa Barbara), Yuscarán (El Paraíso), and Trinidad (Santa Barbara) were in this category at the time the Program withdrew from them. They have not been assessed since then.

High Probability for Success	Medium Probability for Success
1. La Esperanza	1. La Masica
2. San Agustín	2. Meámbar
3. Santa Rosa de Copán	3. Comayagua
4. Las Vegas	4. Catacamas
5. Puerto Cortés	5. Taulabé
6. Villanueva	6. Choluteca
7. San Francisco de Yojoa	7. Villa de San Francisco
8. Potrerillos	8. San Lorenzo
9. Yamaranguila	
10. Guaimaca	
11. Tela	
12. San Nicolás	
13. Naranjito	
14. Pimienta	
15. Nueva Arcadia	
16. Sabanagrande	

Total

24 municipalities

Performance Requirement 1.6 Based on the mancomunidad selection system proposed under Performance Requirement 1.1, conduct an assessment of the governance structure of each mancomunidad that is a promising candidate to be targeted for assistance under Performance Requirement 1.7.

Target Completion in P2. **Actual Completed** in P2.

Performance Standard: The assessment shall include, at minimum:

- 1.6.1. Review of the by-laws.
- 1.6.2. Review of decision-making mechanisms.
- 1.6.3. Review of the business plan.
- 1.6.4. Specific recommendations for improving each Mancomunidad's governance system.

Discussion

An analysis of 18 mancomunidades, selected from a universe of 54, was carried out. This assessment considered factors including dues paying membership, legal and operational characteristics, stability, and political will. Initially 5 of these were proposed to USAID for approval in July 2005, along with a ranking of 16 identified as suitable for assistance. This report recommended eliminating the criterion of homogeneity proposed to USAID in a previous program in order to not adversely affect those mancomunidades that included both large and small municipalities. This assessment and the recommendations were approved by USAID, thus satisfying the Performance Requirement, which was eliminated from the TO and PMP with TO Modification 5 in June 2006, and not reported on subsequently.

Performance Requirement # 1.7 Build capacity of technical unit employees in targeted mancomunidades in order to provide services to member C and D municipalities in administration practices.

Performance Standards:

1.7.1 Number of mancomunidades with signed agreements specifying the areas for TA provision to member municipalities.

Targets Planned 5, Actual 6

Discussion:

This performance standard was met in reporting period 4. The modifications after that have been discussed about under the selection process. Since these results are cumulative and agreements were signed with the mancomunidad that was replaced as well as with its replacement, the actual value for this indicator is 6.

1.7.2. Number of member municipalities that receive TA from the UTIs of the targeted mancomunidades.

Targets Planned 10, Actual 10

Discussion:

The Contractor continued to provide TA to the 10 pilot C and D municipalities in each of the five mancomunidades with which the Program terminated as did the UTIs of these mancomunidades.

1.7.3 Number of member municipalities of the mancomunidades that are attaining their goals in the administration of municipal programs (cumulative).

Targets Planned 10, Actual 6

Discussion:

The agreements with the 5 original GTAG mancomunidades were modified, following TO Modification 5 and the approval of the revised PMP to place less emphasis on strengthening the inter-municipal technical units (UTI) and more emphasis on direct TA to the 10 pilot C and D municipalities, in coordination with the UTIs, to help them achieve improved performance in financial management or local service delivery. Workshops were carried out with the mancomunidades and their member C and D municipalities to determine priorities.

The mancomunidades gave priority to TA in the formulation and monitoring of projects funded by the Poverty Reduction Strategy (ERP), application of national procurement norms and regulations, strengthening own source revenues (particularly property taxes and cadastres, and to a lesser extent transparency and accountability.

The Contractor provided TA to the mancomunidades in the organization of board meetings communications with members, payment of member dues, and administrative processes including budgeting, financial reporting, etc., according to the needs determined in the assessments.

TA directly to the member municipalities began in late 2007 with commissions formed to review municipal finances and identify priorities for improvement of own source revenues in 6 municipalities, 2 each in AMUPROLAGO, HIGUITO, and MAMUCA. The same process began in early 2008 in the other four member C and D municipalities selected.

The TA provided by the Contractor allowed the mancomunidades to replicate Program methodologies in MUNASBAR, MAVAQUI, and HIGUITO, and to a lesser extent, in AMJUPROLAGO and MAMUCA. The TA allowed the UTIs to expand their 31 of their 45 municipalities in the first semester of 2008.

In the agreements with the two pilot member municipalities of each of the five GTAG mancomunidades, the Program negotiated two components, defined separately for each municipality, to measure success in meeting this benchmarks: a) increasing own source revenues by a predetermined percentage or amount, and b) accounting for previously received funds and receiving second and third disbursements from 2006 funds of the Poverty Reduction Strategy (ERP) funds for municipal projects in predetermined amounts or percentages. Six of these pilot municipalities met both of these benchmarks for increased own source revenues and ERP disbursements. They were San José (AMUPROLAGO), San Francisco (MAMUCA), Atima (MUNASBAR), El Nispero (MUNASBAR), Protección (MAVAQUI), and Azacualpa (MAVAQUI). For that reason, they are the six reported here as having met this benchmark. Most of these accounted for and obtained follow-on disbursements for 2006 ERP funds. Protección satisfied ERP accounting requirements and met its percentage of ERP disbursements for 2007 ERP funding and obtained additional funding from the 2008 ERP budget.

However, three of the remaining four pilot member municipalities met the second component of the performance standard, referring to completing accounting for 2006 ERP disbursements and receiving established percentages of disbursements from the remaining 2006 and 2007 ERP budget during the period of this report. These were Arizona (MAMUCA), Cucuyagua (HIGUITO), and Ilama (AMUPROLAGO). They are not reported here as meeting this performance standard, since they only met one of its two components. Similarly, Dulce Nombre (HIGUITO), which fell short on both of the components of this benchmark, is reported as having not met it.

The Contractor also used small project and activities funds, reported on for Result 5, to improve physical infrastructure and equipment in each of the five mancomunidades in response to their requests and to help them improve their TA services to their member municipalities. .

Technical and Financial Sustainability of the Mancomunidades

In a manner similar to the assessment used to evaluate probabilities of success in the application of transparency measures for municipalities, the Contractor conducted assessments of probabilities of success for the mancomunidades and their UTIs in attaining financial and technical sustainability, reflecting GTAG training and TA, as well as structural considerations beyond the control of the Program or Mancomunidad. The most recent assessment, to December 2008 is shown below.

Probability of Success of GTAG Mancomunidades in Attaining Technical and Financial Sustainability

Rank	High	Medium	Low
1	MUNASBAR		
2	HIGUITO		
3	AMUPROLAGO		
4	MAMUCA		
5		MAVAQUI	

AMUPROLAGO has demonstrated improvement, reflecting more dynamic leadership by the current mancomunidad board, led by Las Vegas mayor, Carlos Fuentes, with a modest staff, and the same Executive Director. That mancomunidad has relieved from their commitments and membership three

municipalities in the Sula Valley that were not meeting their agreed upon contributions to the mancomunidad for its operations and has become more responsive to the remaining 11 member municipalities. MAMUCA, which has significant other sources of international cooperation, has also improved its services. MAVAQUI is struggling and is severely limited financially; yet it continues to respond as best possible with services to its member municipalities, and its situation may well improve with direct deductions from the member municipalities' budgets.

The GTAG experience with mancomunidades has been productive both with the mancomunidades themselves, the UTIs, and with the member municipalities. Since there is significant interest among other donors in this process, continued donor coordination will be key to consolidating this process and attaining long-term impact.

Performance Requirement #1.8 – Staff members of municipalities and mancomunidades selected by the Contractor equipped with skills to procure services and public works in accordance with the Honduran State Purchasing and Contracting Law (LCCE).

Performance Standard: At a minimum:

- 1.8.1. Eighty municipal and mancomunidad employees of both present (2002-2006 period) and future (2006-2010) administrations are proficient in the following areas:
 - (1) Procurement planning and processes per the FHIS project decentralization cycle.
 - (2) Understanding the roles and responsibilities of local government employees vis a vis the rights of civil society to monitor the use of municipal revenues.
 - (3) Procurement integrity and ethical conduct through the mechanisms to ensure transparent and accountable procurement of public works, goods, and services.
 - (4) Development of terms of reference to reflect municipal requirements.
 - (5) Contract administration, inspection, and acceptance responsibilities.
 - (6) Handling protests and claims.
- 1.8.2. Resource materials developed for easy reference by staff members.
- 1.8.3. Measurement tool developed to assess proficiency of program graduates.

Benchmarks and Indicator Targets

1.8.1. Number of municipalities and mancomunidades meeting performance goals for procurement of goods and services (cumulative).

Targets: Planned 25, Actual 25.

1.8.2. Number of municipal and UTI employee's proficient in the procurement of goods and service in compliance with the LCCE (cumulative).

Targets: Planned 60, Actual 76.

1.8.3. Number of municipalities presenting semi-annual reports on their acquisitions of goods and services to their municipal councils.

Targets: Planned 20, Actual 19.

Discussion

This indicator and its performance standards apply to C and D municipalities. The first two were cumulative and were met in previous reporting periods. Performance standard 1.8.3 has also remained the same, and Program input in this regard has been modest.

The Contractor began by providing 250 copies of a Desk Top Guide to the State Purchasing and Contracting Law (LCCE), updated to include Central American Free Trade Agreement (CAFTA) provisions, and model contracts to the responsible staff members of the pilot municipalities, as well as the UTIs. This training was expanded to the member municipalities by the UTIs. This training positioned GTAG municipalities to access ERP funding for their prioritized projects. No similar arrangement could be made with the Honduran Social Investment Fund (FHIS), because that program was never decentralized as originally planned.

Between 2005 and early 2007 the total number of targeted persons trained in these areas was 300, of which 185 were men and 115 women. Of these, 230 were municipal authorities and employees, 26 were from mancomunidades, and 44 were from civil society organizations, including transparency commissions.

The training used an inter-active compact disk that took participants through a series of exercises, simulating the work of municipal government teams in carrying out the different steps in the procurement of goods, services, and public works. That methodology proved effective. On a written test of knowledge and understanding of procurement norms and procedures upon completion of the workshops, all 76 of the participating municipal and mancomunidad employees were evaluated as “acceptable”, exceeding the performance standard of 60 municipal and mancomunidad employees equipped with skills to procure services and public works in accordance with the LCCE.

By June 2007 all of the GTAG municipalities were in compliance with the national procurement law in the application of different modalities of procurement in accordance with the estimated maximum monetary value of the contract.

Support to the ERP

In December 2007, the ERP approved a new regulation for the execution of ERP funds for 2007 and 2008. Municipalities were required to apply the LCCE. In support of this effort, the Contractor, in coordination with the Office of the Commissioner for the Poverty Reduction Program (OCPRP) developed a tool kit for application of administrative procedures for accountability and liquidation of funds for transfers of ERP funds. Following testing by the technical staff in the five GTAG mancomunidades and adjustments, the Contractor conducted a workshop with technical staff from 25 GTAG municipalities and participants from the Spanish Cooperating Agency (AECID). This tool kit was established as the national standard for training in the application of the 2007-2008 ERP administrative procedures. The Contractor delivered 500 copies of to the OCPRP for their subsequent training efforts, which were coordinated with other donor agencies, including the European Union Bi-national Program, the Swedish Agency for International Development (ASDI), the Japanese International Cooperation Agency (JICA), and the Swiss Agency for Development Cooperation (COSUDE).

National Efforts to Provide TA- Accountability:

During the initial efforts in 2006 and for the new funding for 2007-2008, the design of a baseline was not contemplated in order to measure impact, but the ERP Commissioner’s Office contemplates applying other methodologies to determine the level of progress in the effort to reduce poverty through these funds. On the other hand, for the purpose of improving accountability, AMHON and the TSC, with the support of the Ministry of Governance – SGJ, agreed to reinforce local capacity through the application of

procedures and norms for accountability by carrying out one-week courses addressed to municipal technical staff throughout the country. For this activity, an Accountability Manual was designed in order as a tool for consultation. This effort was carried out with USAID support through an agreement with AMHON for decentralization and local development. AMHON is now in a position to replicate this experience by applying the Manual as appropriate.

Local Support Activities:

The Contractor provided assistance to La Esperanza and Intibucá for public bidding for construction of a sewerage system funded by JICA, and training on the LCCE to Las Vegas, allowing these municipalities to successfully conduct their tenders.

Purchasing and contracting is probably the most critical area for interventions to ensure municipal transparency. The GTAG experience will have its impact over time, at least with the technicians trained, no matter what future political or administrative changes occur. USAID should follow-up on this experience in any future programs to the extent possible to consolidate the process and ensure longer-term impact.

Performance Requirement # 1.9: Capacity strengthened among selected local institutions in order to be in a position to receive, manage, and maintain the transfer of their water supply systems from SANAA.

Performance Standard, At a minimum:

- 1.9.1 The contractor shall establish and disseminate selection criteria to determine which 10 of the 30 local institutions scheduled to receive centrally administered water systems by October 2008, will receive assistance.
- 1.9.2 Taking into consideration legal requirements and based on the experience of previous system transfers ..., recommend a detailed transfer and implementation plan specific to each municipality. Provide training to implement the plan. At a minimum, the contractor shall address:
 - (1) Transfer of assets.
 - (2) Implementation of operational manuals.
 - (3) Start up and maintenance of the customer registry.
 - (4) Start up and maintenance of the accounting system.
 - (5) Operation and maintenance of infrastructure systems.
 - (6) Tariff setting and tariff review procedures.
 - (7) Start up and maintenance of tariff collection systems.
 - (8) Implementation of governing by-laws and decision-making procedures.
 - (9) Financial plan for the new local entity that manages the water system.
 - (10) The design of a customer service plan.
- 1.9.3 Recommend long-term staffing patterns, resources, and training needs for employees of the recipient institution.
- 1.9.4 Develop a plan for replicating best practices among the remaining local institutions that are scheduled to take over centrally administered water systems.

Discussion

The Contractor determined that 10 of 32 municipalities in Honduras were eligible for the transfer of water systems from the Autonomous National Water and Sewerage Service (SANAA) to municipalities, conducted a preliminary review of five municipalities, and worked with the SANAA and AMHON leadership to determine the state of regulations to implement policies on SANAA water transfers. Then, at USAID's request, we postponed work in this area until after the November 2005 elections, when it was

hoped that the implementing regulations for the water transfers would be clarified. These regulations were not clarified by the time of the SWO, nor since, and the revised TO deleted this performance requirement in its entirety. Thus, it was not reported on subsequently,

Performance Requirement # 1.10 Build capacity of the Municipal Sector Audit Department, Superior Accounts Tribunal (DASM) to fulfill their auditing roles and responsibilities.

In the original TO:

Performance Standards: Based on the DASM diagnostic ... at a minimum:

- 1.10.1 Procure (up to \$25,000) the minimum necessary equipment for the DASM to perform its duties and recommend a maintenance schedule for the equipment procured.
- 1.10.2 Recommend strategies to enable staff to perform sector-specific audits (e.g. financial and operational audits) and to utilize computerized audit techniques.
- 1.10.3 Collaborate with DASM staff in at least three financial and three operational audits in accordance with GAAP.
- 1.10.4 Develop and implement a sustainable program of self-directed education for the DASM auditing staff that addresses, at a minimum, the training areas established in the DASM diagnostic.
- 1.10.5 Recommend ways to effectively utilize DASM resources in the preparation and implementation of its annual audit management plan.
- 1.10.6 Recommend a methodology to streamline DASM's system of denuncias from receipt through resolution.

Discussion

In March and April 2005, the Contractor provided the Superior Accounts Court (TSC) with an analysis of the needs for strengthening DASM capacity, a procurement plan and maintenance schedule for the acquisition of equipment, and a report recommending the preparation and implementation of an annual audit plan. The TSC then developed its Strategic Plan calling for the establishment of a comprehensive training program for its auditing staff, including DASM staff, which was to be doubled, adding 25 additional persons, and the procurement of computers and other technology to support this staff, in response to an opportunity for substantial funding from the European Union for this purpose.

The Contractor agreed to work with USAID on the issue of complaints (*denuncias*), which corresponds to a separate TSC entity, the Department for Control and Follow-up of Denuncias, not DASM. The number of denuncias processed proved to be negligible and those that existed poorly drafted and not applicable.

With alternative financial support from the EU, DASM substantially increased its level of municipal audits, and the need for USAID support was essentially overcome. The TSC substantially increased its program of audits as a result of commitments made with AMHON, which allowed DASM to obtain 1% of the resources transferred from the central government (5% of the national budget). Moreover, the equipment to be procured with USAID funding proved insufficient to meet the needs of the vastly increased staff and audit load. Therefore, the SWO and NPT eliminated all of the performance standards in this PR except 1.10.5; they were deleted from the TO in its Modification 5 in June 2006.

In early 2007, the Contractor presented the final version of its Report on Recommendations for DASM, incorporating the revision and comments from USAID and approved by the TSC, including the equipment to be procured, which DASM acquired itself. The Contractor worked with DASM to ensure timely publication of the completed audit reports, which by then had reached a total of 102. DASM has continued to audit municipalities in Honduras at a rate of approximately 50 per year. The Contractor did not undertake further interventions.

Performance Requirement # 1.11 Build the capacity of UAPOI staff to conduct audits according to the USAID/IG standards ... and the recommendations of the UAPOI diagnostic....to fulfill its auditing roles and responsibilities.

Performance Standards: At a minimum:

- 1.11.1 Procure (up to \$8,000) the equipment/update needs identified in the UAPOI diagnostic and recommend a maintenance schedule for the equipment procured.
- 1.11.2 Develop and implement a sustainable program of self-directed education for UAPOI auditing staff that addresses, at a minimum, the training areas established in the UAPOI diagnostic, as well as USAID/IG certification requirements.
- 1.11.3 Collaborate with UAPOI staff in at least five financial audits in accordance with USAID/IG standards.
- 1.11.4 Recommend a strategy for UAPOI to fulfill its overall mandate on a sustainable basis, including resource generation, staffing, and other resource requirements.

Discussion

In 2005, the Contractor presented USAID with a report that provided an approach and action plan for UAPOI, which served to 1) update the Contractor’s proposal for acquisition of computer hardware and software with a maintenance schedule; 1) propose a program of self-education; and 3) recommend a sustainability program for UAPOI. The Contractor also conducted two training sessions, one conducted by Deloitte and Touche, the other on World Bank auditing standards, linked to the preparation by UAPOI staff of two World Bank audits in 2006. Also, in 2006, the Contractor worked with the TSC to design a program of self-education that was included in the recommendations of the 2005 report. In late 2006 the Contractor worked with UAPOI to organize a national public bidding process for the procurement of the equipment recommended by the Contractor; this report was presented to USAID and UAPOI as was the self-education plan. Thus, performance standards 1.11.1 and 1.11.2, and 1.11.4 were met, and performance standard 1.11.3 was halted by the SWO and NPT, and deleted from the TO in Modification 5 of June 2006. PR was fully met.

RESULT 2: Increased Capacity of Private and Civil Society Entities to Operate Transparently; and Productively Engage Other Stakeholders in Advancing Common Development Goals.

Result Summary: In this result, targeted, non-governmental entities (both for-profit and not-for-profit) are supported to improve their operational transparency and ethical conduct. By promoting more transparent and ethical conduct of the organizations’ business and operational practices, it is expected that each national entity will implement mechanisms for increasing responsiveness to their members. Likewise, by making the decision-making process more transparent, the organizations will be able to speak with one voice and more effectively carry out their mandates. By also targeting private, for-profit entities, corporate good governance and ethical conduct will be further promoted.

Indicators	Final Targets
% of AMHON board policy decisions implemented by the technical team and documented back to the board (annual)	75
Amount of resources (cash or in-kind) leveraged from private sector for increasing good governance and ethical business practices	\$25,000

The following chart presents the final indicator targets and results.

Indicator	Planned	Actual
% of AHMON Board decisions implemented by technical team and documented back to the Board (annual)	75	89
Amount of resources (cash or in-kind) leveraged from private sector for increasing good governance and ethical practices	\$20,000	\$18,768

Performance Requirement # 2.1 AMHON's in-house capacity to implement an orientation training program for newly elected AMHON board of directors enhanced (after 2006 elections) in order to improve the efficiency and effectiveness of the board to advance its decentralization agenda.

Performance Standard: Based on the MSI Manual ... develops and implements a program tailored to the needs of the new board members in at least the following areas:

- 2.1.1 Purpose and function of a board of directors.
- 2.1.2 Agenda development.
- 2.1.3 Parliamentary procedures.
- 2.1.4 Advocacy and negotiation skills
- 2.1.5 Voting and/or decision-making as well as implementing decisions.
- 2.1.6 Internal conflict prevention and resolution.
- 2.1.7 Ethics and professional conduct.
- 2.1.8 Participation of technical staff.
- 2.1.9 Effective use of working groups or committees.
- 2.1.10 Budget/program management.
- 2.1.11 Meeting minutes (recording and approving).
- 2.1.12 Division of labor between board of directors and executive director and technical staff (comparison of best and worst practices).

Discussion:

The intent of this PR was to establish AMHON as an entity independent of political parties that promotes municipal autonomy and greater decentralization of authority and resources, and that has the capability to train its own new board members to assume that agenda. In 2005-2007, the Contractor provided extensive TA to the board of directors, developed an orientation training plan, and conducted four subject-specific 2-3-day workshops with them, followed by a political advocacy and membership communication strategic plans given as a result of an 8-point advocacy plan for Municipalities Law reform. Some results of Amhon's TA provided are: developed a proposal for a draft of municipal civil service law; reform of regulations on tax exemptions for municipalities; progress in its decentralization agenda for health, education, and transportation, reflecting a Decentralization Pact among political parties; a proposal for a gradual increase in central government transfers to municipalities from 5% to 12.5% of central government revenues; a fiduciary trust to manage ERP funds transferred to municipalities; mission and vision statements.

Amhon promoted an alliance with civil society through the Civic Movement for Democracy (MCD) to discuss and propose Electoral Law reforms. The Contractor assisted Amhon in conducting board meetings more efficiently following parliamentary procedures and delivered training on following-up board decisions.

By reporting period 5, this PR was fully met; since then, 89% of board decisions coming out of 10 board meetings have been implemented.

Performance Requirement # 2.2 Build the capacity of the CNA to update its strategic plan to fulfill its “watchdog” function within the parameters of the national anti-corruption strategy.

Performance Standard At a minimum:

- 2.2.1 Based on the national anti-corruption strategy, CNA staff equipped with the skills to prioritize watchdog interventions to be implemented over a five-year time frame, including financial and staffing strategies, geographical scope of activities, targeted areas of expertise, and measureable benchmarks.
- 2.2.2 CAN staff have the capacity to develop mechanisms to evaluate, rank, and implement discrete watchdog activities in support of the prioritized interventions.
- 2.2.3 CAN staff equipped with the skills to propose, implement, and monitor discrete prioritized watchdog activities oriented to achieve the targets identified within the national anti-corruption strategy.
- 2.2.4 Discrete CNA activities funded in support of the national anti-corruption strategy (a plug amount of \$100,000 is available for this purpose).

Discussion:

In 2005 the Contractor provided extensive TA and training to the National Anti-Corruption Commission (CNA) to develop a plan and prioritize watchdog activities. An international consultant, the former Executive Director of Ecuador’s Citizen Commission for the Control of Corruption, was brought in to lead this process. With this assistance, the CNA developed and approved a strategic plan, conducted a series of methodological workshops, developed a communications plan, and disseminated information in public form, thus completing the requirements for benchmark 2.2.1.

However, internal problems and ethical issues in the CNA led USAID to decide in 2006 to discontinue support to the CNA. TO modification 5 deleted benchmarks 2.2.2, 2.2.3, and 2.3.4 from the TO and PMP; no further assistance was provided.

Performance Requirement # 2.3 Increased private sector awareness of the benefits of embracing good governance and ethical business practices in promoting global competitiveness in the northern and central regions of Honduras.

Performance Standard: At a minimum:

- 2.3.1 Private sector alliance and association (e.g. chambers of commerce, business associations, and/or other business groups/interested parties) resources leveraged for increasing good governance and ethical business practices that are linked to increased global competitiveness.

Discussion

The Contractor presented the Mission with an initial work program for this PR in September 2005, but implementation was delayed by the SWO and NPT. Once work could begin anew, the Contractor proposed revisions to that work program and recommended working with chambers of commerce in A and B municipalities that have demonstrated progress in implementing reforms to strengthen transparency and democratic governance in order to develop synergies with other Program activities in these municipalities.

Following discussions with and guidance from the Mission, the contractor changed the focus of this program from general issues of corporate governance and ethics to more specific issues of business responsibility for promoting transparency and reducing opportunities for corruption in routing transactions with municipal governments, including applications for business licenses and building permits of particular importance to the local private sector. The approach developed was the one stop shop customer service center (*ventanilla única*) to greatly reduce the time and red tape involved in these transactions.

This approach was proposed initially to the municipalities of La Esperanza and Villanueva. In La Esperanza, other priorities took precedence, particularly implementation of its sewerage system, and no budget was available for this purpose. The Villanueva municipal council approved the proposal, agreed to implement this mechanism, and provided a budget for that purpose. As a result the one stop shop was put into service on November 2, 2007.

Following presentations of the Villanueva experience regarding time saved in approving permits and licenses and user satisfaction, and continuous advocacy of this process among the potential interested parties, the Contractor signed a memorandum of understanding (MOU) with AMHON, the Honduran Private Enterprise Council (COHEP), and the Federation of Chambers of Commerce of Honduras (FEDECAMARA), on March 27, 2008, to implement one stop shops in two municipalities, Danlí, proposed by AMHON, and Tela, proposed by USAID. AMHON was to be an active collaborator and observer of program TA in order to get to know the methodology and be able to provide technical expertise to the municipalities. FEDECAMARA was to be a strategic partner involving its affiliates in the targeted municipalities. COHEP's role was to systematize the experience through its Center for Business Research (CIES). Each of these institutions was to showcase the experiences to replicate them in other areas.

Subsequently, the Municipality of Danlí informed the others that it would conduct a similar activity with resources from the Inter-American Development Bank (IDB)'s Program for Technical Assistance to Municipalities (PATMUNI), implemented by the Spanish contractor, Studies, Projects, and Planning (EPYPSA). Thus, the Danlí proposal was eliminated from consideration to avoid duplication.

The Contractor successfully leveraged \$18,768 in counterpart contribution from the Chamber of Commerce and Industry of Tela for this purpose and made space available in its offices for civil society use in support of this program. However, during the life of the GTAG program, the Municipality of Tela, under severe financial constraints, was unable to provide the counterpart contribution that it had agreed to. Thus, the Contractor was not able to complete this second experience during the life of the GTAG program. That challenge remains for USAID following GTAG termination.

RESULT 3: Increased Ownership by Stakeholders of Local Development Processes Enhanced.

Result Summary: In order to make development processes sustainable, ownership is needed by as many stakeholders as possible. This ownership can be encouraged in part by active oversight of governmental activities and participation of civil society in decision-making processes at the local level. The activities under this result aim at promoting greater transparency and accountability of local governments by supporting civil society groups that can actively monitor the performance of their municipalities and participate in important decisions.

In the original TO, the wording was: "In order to make development processes sustainable, ownership is needed by as many stakeholders as possible. This ownership can be encouraged in part by active oversight of governmental activities, *participation of civil society in decision-making processes at the local level, and by joint efforts between public and private sector stakeholders.* The activities under this result aim at promoting greater transparency and accountability of local governments by supporting civil

society groups that can actively monitor the performance of their municipalities and participate in important decisions. *The efforts to support public-private partnerships will strive to open up new and innovative opportunities for collaboration with the private sector in promoting local and regional economic development.* [Bold italics added to show change.]

Indicators:

Target:

Number of local government decisions with impact on local development where participation of broad-based coalitions can be documented:

In A and B municipalities	70
In C and D municipalities	70

Number of municipalities where broad-based coalitions are annually monitoring performance of their local governments:

In A and B municipalities	10
In C and D municipalities	10

Discussion

As is evident from these changes, the emphasis changed to eliminate the concept of public-private partnerships with leveraged funding from the private sector in local development initiatives, which had proved not to be viable in Honduras at this time, and also first to increase the focus on C and D municipalities, then to restore the balance between them in GTAG targets and the corresponding level of effort.

Performance Requirement # 3.1 Develop a selection system for identifying broad-based coalitions that will receive assistance under Performance Requirements 3.2, 3.4, 3.5, and 4.3.

Performance Standard: At a minimum, the selection system shall:

- Be structured on a set of variables (not to exceed 10).
- Include specific measures from existing or easily obtainable data sources appropriate for broad based coalitions from different types of municipalities (A, B, C, and D).
- Maximize targets of opportunity for improved advocacy.
- Maximize effective (or partially effective) broad-based coalitions from A, B, C, and D municipalities and those from at least three different regions ... in the country in terms of their ability to advocate for transparency and accountability in local decision-making; to advocate on behalf of the membership without regard to political party affiliation or personal advantage; and to function as constructive advocates of their membership.
- Include a methodology for the implementation of the selection system.
- Include a management system for the collection and updating of data.
- Test the selection system among three broad-based coalitions (from one A, one C, and one D municipality).

Discussion

The Contractor developed and tested a selection methodology for the broad-based coalitions prior to the SWO; it was approved by USAID in April 2005. Following TO Modification 5 and the re-start of the Program, this selection was used to evaluate the strengths and weaknesses of local civil society in those

municipalities previously selected for GTAG interventions. Then the Contractor worked with those coalitions in participating municipalities that were made up of at least three civil society organizations (CSO).

Performance Requirement # 3.2 Build capacity of broad-based coalitions of locally organized civil society to engage in local governments' priority setting and decision-making processes in order to impact local development.

PMP Benchmarks:

3.2.1 Number of broad-based coalitions in A and B municipalities in which the work has begun (cumulative). **Planned** 10. **Actual** 14.

3.2.2 Number of broad-based coalitions in C and D municipalities in which the work has begun (cumulative). **Planned** 10. **Actual** 13.

3.2.3 Number of local government decisions with impact on local development where participation of broad-based coalitions can be documented in A and B municipalities. **Target:** 70; **Actual** 160.

3.2.4 Number of local government decisions with impact on local development where participation of broad based coalitions can be documented in C and D municipalities **Target:** 70, **Actual** 147.

Program work in this area was oriented toward strengthening the capabilities of the civil society organizations (CSO) and coalitions to 1) influence decision-making by local governments, and 2) monitor local government performance. To achieve these ends the Contractor has provided CSOs with methodological tools for consultation and monitoring of local government activities.

Following selection of the municipalities in March 2005, the Contractor began working in 32 municipalities (16 A and B and 16 C and D) to assess the CSO presences, strengths, and weaknesses in each municipality and, following discussion with USAID to select appropriate CSO to work with, and then proceed to form joint commissions, consisting of 5 civil society representatives selected by their peers and 5 municipal officials. In accordance with the SIAP methodology a series of workshops was conducted with several days of discussion to define specifically a set of problems, approaches, and mechanisms for addressing them, including commitments in the municipal budget and GTAG TA and training.

The CSO representatives took on many responsibilities related to numerous events and municipal activities, including the development of action plans to improve services in their respective communities, monitor local government electoral transitions, prioritize short-term specialized assistance, prepare budget proposals for formal approval by municipal councils, participate actively in training related to municipal procurement of goods and services, and help develop Service Improvement Action Plans (SIAP), and trained observer ratings of the quality of the services offered in their municipalities.

This process was met with great enthusiasm by the CSOs, which saw it as a means of obtaining important concessions from their municipalities in areas of high priority to them. . The revised technical approach set forth in the Work Plan was to establish spaces for dialogue through the various joint commissions, influence council decision making, and carry out oversight of municipal decisions.

The challenge was to obtain and maintain the political will of the mayors and council members to undertake the necessary reforms to reinforce transparency and accountability, while supporting activities with local CSOs to engage their municipal authorities, influence their decisions and monitor the results.

Their most common strategy is to seek to capture local CSOs such as the patronatos and water boards through clientelistic relationships, creating expectations of access to public goods.

For example, the opening of council meetings can take the form of allotting a few minutes early in council sessions for CSO representatives to present petitions, but deny them presence at the time decisions are taken.

As for actual transparency measures adopted, the following data reveal progressive implementation of approved measures:

A and B (Period)	Transparency Measures			Total
	Implemented	Not implemented	Not verifiable	
P5	56	2	2	60
P6	19	5	1	25
P7	17	6	40	63
P8	12	0	0	12
P9	ND	ND	ND	ND
Total	124	29	7	160

C and D (Period)	Transparency Measures			Total
	Implemented	Not implemented	Not verifiable	
P5	41	13	8	62
P6	33	5	5	43
P7	8	0	9	17
P8	1	0	0	1
P9	ND	ND	ND	ND
Total	83	18	22	123

The consolidated results are as follows:

A,B, C, D (Period)	Transparency Measures			Total
	Implemented	Not implemented	Not verifiable	
P5	97	15	10	122
P6	52	10	6	68
P7	25	6	49	80
P8	13	0	0	13
P9				
Total	187	31	65	283

The opening of council meetings in full compliance with the Municipalities Law was the most difficult of the agreements to actually put into effect, although progress was steady until the last months of the Program, when electoral politics and clientelistic relations led to some backtracking. The chart below reflects that progress.

Indicators of Progress in Open Council Sessions				
Period	% of Council Sessions Open to Public		Average No. of People Attending Public Council Sessions	
	A and B	C and D	A and B	C and D
Oct.-Dec., 2006	4.3	29.7	4	10
Jan.-March, 2007	17.3	66.3	18	10
April-June, 2007	33	79.1	27	26
July-Sept, 2007	48.1	89.3	10	20
Oct.-Dec., 2007	56.8	90.9	10	15
Jan.-March, 2008	67.1	88.1	13	30
April-June, 2008	66.7	91.7	13	40
July-September 2008	59.6	79.2	9	25
October –Dec. 2008	ND	ND	ND	ND

In 2007, the Honduran Congress approved the country's Freedom of Information Act (FOIA), or *Ley de Transparencia y Acceso a la Información Pública*, for which the implementation regulation was approved in March 2008. That situation opened up a new area for GTAG intervention in support of this PR. In a coordinated effort with the SGJ and the Federation of Private Organizations for the Development of Honduras (FOPRIDEH), the Contractor organized a national workshop with GTAG mayors held in Tegucigalpa in April 2008, which was followed by five workshops in targeted municipalities. These were Las Vegas, Santa Rosa de Copán, Villanueva, Puerto Cortés, and La Esperanza, all A and B municipalities, in which the mayors, council members, key municipal employees, and civil society representatives were put through the process of implementation of Article 13 of that law, which applies to municipalities. The law provides protection of personal information, in addition to guarantees of access to most municipal decisions and contracts.

Also in 2008, with the start of the small projects and activities program in support of Result 5, CSO capabilities were strengthened through the preparation of project profiles for the Program's small projects and activities fund, in which the CSOs decided upon and defined their priorities. The opportunity for funding of the small projects and activities was widely disseminated among CSOs present in each of the Program municipalities, including some CSO organizations that have not traditionally been involved or that are not usually supporters of their municipal governments. Eleven of the small projects and activities support Results 3.2 or 3.4, principally through the Transparency Commissions.

Thus, over the life of the Program the established targets were significantly exceeded:

Results Indicators 2004-2009	Municipalities	Target	Actual
Number of local government decisions with impact on local development where participation of broad-based coalitions can be documented.	A and B	70	160
	C and D	70	147
Number of municipalities where broad-based coalitions are annually monitoring performance of their local governments.	A and B	10	12
	C and D	10	13

The role of the civil society coalitions continue to be critical in affecting the behavior of the mayors and councils. Approved transparency policies began to take effect in many of the GTAG municipalities, as a result of civil society interventions.

The GTAG experience in this area has been provocative and interesting. The fears of many mayors and council members about opening up their council meetings are progressively being overcome. Follow-on effort is needed to consolidate this process.

Performance Requirement # 3.3 Build capacity of local governments and other stakeholders to promote public-private partnerships...contributing to local and/or regional economic development.

With TO Modification 5 in June 2006, this PR was deleted in its entirety.

Discussion

During 2005 the Contractor began working in the development of public-private partnerships (PPP) and had identified some potential municipalities where this activity could be implemented. However, early in this process, following discussions with USAID, further intervention in this area was put on hold and eventually discontinued.

Performance Requirement # 3.4 Build capacity of broad-based coalitions for monitoring the performance of their governments.

Performance Standard. At a minimum,

- 3.4.1 Identify broad-based coalitions from A, B, C, and D municipalities...and from at least three different regions in the country.
- 3.4.2 Develop terms of reference, including performance targets for required assistance per each targeted broad-based coalition to:
 - (1) deleted.
 - (2) Perform oversight functions of public funds, conduct social audits of specific investments under implementation, communicate conclusions to its membership (and to respective authorities, if necessary), and conduct follow-up.
 - (3) use promising mechanisms such as local civil society groups, local transparency committees, and the *comisionado municipal* to monitor the performance, transparency, and accountability of local government activities
 - (4) objectively measure citizen perceptions of local government effectiveness.
- 3.4.3 Procure required assistance services from identifies/pre-qualified local TA Providers.
- 3.4.4 Develop and implement a monitoring plan to ensure compliance of broad-based coalitions with agreed upon performance targets.
- 3.4.5 Provide continued assistance to those broad-based coalitions that demonstrate fulfillment of performance targets in accordance with the monitoring plan....
- 3.4.6 Make best practices and lessons learned available to national independent organizations that promote transparency and good governance at the local level and to other broad-based coalitions within beneficiary municipalities of this procurement.
- 3.4.7 Produce and submit to USAID in Spanish a report of best practices of transparency and good governance mechanisms.

PMP Benchmarks:

- 3.4.1. Number of coalitions from A and B municipalities where broad-based coalitions reaching accord with municipal governments on establishing transparency policies **Target: 10, Actual 12.**
- 3.4.2. Number of coalitions from C and D municipalities where broad-based coalitions are annually monitoring performance of their local governments.
- 3.4.3. Number of A and B municipalities in which coalitions are working with municipal governments to review annual FHIS/ERP priorities and decide on projects for funding.
- 3.4.4. Number of C and D municipalities in which coalitions are working with municipal governments to review annual FHIS/ERP priorities and decide on projects for funding.

Discussion.

Progress in this area was slow but steady over the life of GTAG implementation. Monitoring of municipal activities was done principally via the social audit mechanism. The Contractor provided TA and training in this process in most of the GTAG municipalities. Finally, the start of the small projects and activities program, contemplated in Result 5, provided a new space for social audits of the CSO-sponsored initiatives with municipal counterpart contributions.

The charts below shows the results obtained in this area during the life of the GTAG Program in both monitoring and open council meetings. The targets were exceeded for monitoring, and for open council meetings in C and D municipalities, but fell short for open council meetings in A and B municipalities.

Result Indicator	Target	Achieved
Number of coalitions from A and B municipalities reaching accord with municipal governments on establishing transparency policies.	10	12
Number of coalitions from C and D municipalities reaching accord with municipal governments on establishing transparency policies.	10	13
Number of A and B municipalities in which coalitions are working with municipality to review annual FHIS/ERP priorities and decide on projects for funding.	10	16
Number of C and D municipalities in which coalitions are working with municipality to review annual FHIS/ERP priorities and decide on projects for funding.	10	13

Result Indicator	Target	Achieved
Number of coalitions from A and B municipalities carrying out annual monitoring (cumulative).	10	12
% of A and B municipal council meetings attended by representatives from coalitions.	75	60
Number of coalitions from C and D municipalities carrying out annual monitoring (cumulative).	10	13
% of C and D municipal council meetings attended by representatives from coalitions.	75	79

Overall, this has been a challenging and exciting experience. Old habits are difficult and slow to change, but there has been important progress in this area.

Performance Requirement 3.5. Broad-based coalitions staff members equipped with analytical skill that will allow them to carry out and disseminate an analysis of citizen perceptions of local government performance....

This PR was deleted in its entirety in TO Modification 5 of June 2006.

Discussion

The Contractor began work in this area as a part of the SIAP exercise, which has a component that trains civil society observers to actually evaluate service quality. With the SWO, the NPT, and TO Modification 5 in 2006, all work in this area was discontinued.

RESULT 4: Transparent Transitions Between Local Administrations Contributing to Uninterrupted Municipal Service Provision and Advancement of Development Goals by the Incoming Elected Administration.

Result Summary: One of the main obstacles for the continued impact of both local investments and donor assistance is the lack of an orderly transition between out-going and in-coming municipal administrations. At best, these investments and assistance programs lose momentum; at worst previous efforts are discontinued or permanently hampered. By improving the transition process between elected officials, their technical teams, and in plain view of civil society, the activities implemented under this result will help municipal administrations continue delivering their services and fulfilling their mandates with minimal gaps or delays.

Performance Milestone Plan Indicators (first three reporting periods):

Indicator	Target	Actual
Number of municipalities that complete a transition action plan		
A and B	10	16
C and D	10	14
Number of municipalities where broad based coalitions are monitoring the transition between administrations (cumulative)		
A and B	10	7
C and D	10	7

Performance Requirement 4.1. In anticipation of the transfer of power of local governments in 2006, elected officials and municipal technical teams equipped with the capacity to coordinate orderly and transparent transitions.

Performance Standard. At a minimum:

- 4.1.1 Selection criteria established for identifying elected officials and technical teams within each category of municipality (A, B, C and D).
- 4.1.2 In consultation with AMHON, capacity building program developed, including the development of a transition action plan and follow-up monitoring, which will take place in at least three regions of the country. As requested by the municipalities, the capacity building program should include such areas as the following:
 - (1) Financial accounts
 - (2) Auditing requirements and legal reporting responsibilities.
 - (3) Debt accrual and service
 - (4) Land cadastre
 - (5) Municipal services
 - (6) Development plans
 - (7) Personnel and staffing plans
 - (8) Municipal assets
 - (9) Procurement process
 - (10) Municipal committees
 - (11) Participatory mechanisms
 - (12) Transparency, ethics, and negative impact of political patronage
 - (13) Implications of civil service reforms currently being debated in Congress
 - (14) Democratic principles

Milestones and Benchmarks

- 4.1.1 Equip elected officials and municipal technical teams with capacity to coordinate transitions.
Target Start in P1; completion in P3; **Actual** Started in P2, completed in P3.

Discussion.

The Contractor presented USAID with a three-phase Transition Program in August 2005:

Phase 1 began in August 2005 and continued until after the election in November 2005. It involved a political pact to promote a stable transitions signed by the candidates for municipal office and the organization of coalitions to oversee the transition process.

Phase 2 included the two month period between the election and the actual transfer of authority in January 2006, with a focus on training elected official and civil society and culminating in a study tour and the signing of a Transition Plan. Local public officials presented a report on the status of the municipality with the transfer of authority.

Phase 3 was a two-month post-election period with a focus on monitoring the implementation of the pacts and the Transitions Plans by coalitions.

The Contractor worked closely with the AMHON Executive Director and Board members to ensure coordination of this activity with other AMHON, SGJ, and donor activities.

Mayors, council members, and municipal technical teams were trained to coordinate transitions through a series of modalities. A Manual of Transfer of Authority was produced for local administrations and civil society to provide a road map for the transition process and a framework and set of expectations for incoming and outgoing mayors, council members, municipal technical teams, and civil society for the transfer of authority. Civil society representatives were trained to monitor public services. All parties were trained to ensure availability of the necessary information and transparency in the transition process.

The Contractor selected transition teams including the mayoral candidates or their representatives, officials directing key municipal departments or entities, and members of the coalitions previously identified in the SIAP process. These groups were responsible for overseeing the signing of pacts among the mayoral candidates. The following pacts were agreed to:

N°	Municipality	Category	Date signed
1	Puerto Cortés	A	23Sep2005
2	Choluteca	A	26Sep2005
3	La Esperanza	B	29Sep2005
4	Comayagua	A	30Sep2005
5	Las Vegas	B	30Sep2005
6	Trinidad	C	30Sep2005
7	Potrerillos	B	01Oct2005
8	Villanueva	A	01Oct2005
9	Sabanagrande	C	03Oct2005
10	Yamaranguila	D	03Oct2005
11	Ceguaca	C	04Oct2005
12	Pimienta	C	04Oct2005
13	San Pedro Zacapa	C	04Oct2005
14	San Francisco de Yojoa	C	05Oct2005

N°	Municipality	Category	Date signed
15	Catacamas	A	06Oct2005
16	La Masica	C	06Oct2005
17	Villa de San Francisco	C	06Oct2005
18	Guaimaca	B	07Oct2005
19	San Lorenzo	A	07Oct2005
20	Nueva Frontera	D	08Oct2005
21	Santa Ana	C	08Oct2005
22	Talanga	B	08Oct2005
23	Tela	A	10Oct2005
24	Santa Rita	C	14Oct2005
25	Nacaome	A	15Oct2005
26	Nueva Arcadia	B	15Oct2005
27	Reitoca	D	15Oct2005
28	San Nicolás	C	15Oct2005
29	Choloma	A	16Oct2005
30	Yuscarán	C	21Oct2005
31	Santa Rosa de Copán	A	17Nov2008
32	Taulabé	C	18Nov2005

Performance Requirement 4.2. Mayoral Candidates Representing at Least Two Opposing Parties are Exposed to Innovate Practices through a Study Tour.

Performance Standard. At a minimum:

- 4.2.1 Study tours for outgoing and incoming mayors designed and implemented that provide exposure of successful democratic mechanisms for local governance within the Latin American region or the U.S.
- 4.2.2 A collaborative Action Plan developed to study tour participants that can be implemented immediately after the elections.
- 4.2.3 Action Plan follow-up provided to the newly elected officials.

Milestones and Benchmarks

Mayoral Candidates exposed to innovative practices. **Target** Completed P1; **Actual** Completed P2.

Discussion.

The Contractor sub-contracted a respected Chilean NGO, PARTICIPA to organize the study tour to demonstrate to incoming and outgoing mayors best practices in local government regarding transfers of municipal authority and innovative practices. Chile was selected because of its success in decentralization and municipal government reform of service management.

The study tour took place between January 7 and 14, 2006. Participants included 22 outgoing mayors, 25 new incoming mayors, 3 re-elected mayors, and 3 newly elected council members in representation on their incoming mayors. It included site visits to the municipalities of Macul, Calera de Tango, Conchalí, Pirque, and Valparaíso, where the mayors could witness the application of some of these best practices. They also met with representatives of the Chilean Association of Municipalities and key Chilean Government Agencies dealing with decentralization and local government. A session was organized comparing Chilean and Honduras municipal law. Subsequent sessions involved serving Chilean mayors relating lessons learned and best practices to promote municipal stability.

This was a memorable experience for the GTAG participant mayors and one they continue to comment on reflecting the value of the study tour and the innovations they were exposed to and in some cases implemented in their municipalities.

Performance Requirement 4.3. Broad-based coalitions are equipped with capacity to monitor transitions after the 2005 elections.

Performance Standard. At a minimum,

- 4.3.1 Identify ten broad-based coalitions from A and B municipalities, and ten from C and D municipalities and from at least three different regions in the country.
- 4.3.2 Provide assistance per each targeted broad-based coalition to meet their needs in monitoring the transition between local administrations, including:
 - (1) Developing a monitoring system that addresses the transition between administrations in such areas as municipal finances and assets, follow-up of existing development plans, other unfinished initiatives, etc.
 - (2) Developing a plan for the public dissemination of the results of the transition monitoring.
 - (3) Developing performance targets for broad-based coalitions.
- 4.3.3. Develop and implement a monitoring plan to ensure compliance of broad-based coalitions with agreed upon performance targets.
- 4.3.4. Produce and submit to USAID in Spanish:
 - a. Handbook for monitoring transitions by broad-based coalitions.
 - b. Best practices and lessons learned.

Benchmarks.

Number of A and B municipalities where broad-based coalitions are monitoring the transitions between administrations. **Planned 10; Actual 12**

Number of C and D municipalities where broad-based coalitions are monitoring the transitions between administrations. **Planned 10; Actual 11.**

Discussion.

The Contractor worked with civil society counterparts that met the definition of broad-based coalitions as set out in the TO, in 25 municipalities with the expectation of meeting or exceeding the results. In many of these municipalities there was representation of most of the civil society leaders who had participated in the SIAP exercises and other prior programs supported by USAID and other donors. By late 2005, these had been able to expand to incorporate other civil society representatives and attain the results reported. There was great variability among GTAG municipalities regarding the capacity and commitment of the civil society organization.

RESULT 5: Administer, Fund and Evaluate Activities with Partner Organizations

Result Summary: The purpose of this activity is to provide a mechanism for developing and funding initiatives that contribute to the overall results required under this procurement, with an emphasis on rewarding innovation and creativity.

Indicator

Target

Number of Funded activities with:
Broad-based coalitions
Mancomunidades

range (40-44)
range (8-9)

Discussion.

The targets were modified and re-modified in terms of available funding and actual costs in the field. Initially \$2,000,000 was available for that purpose. With TO Modification 5 and the approved revised work plan, and with funding for these activities reduced to \$300,000; the targets were also reduced. With TO Modification 10, and additional \$148,021 was added by USAID to allow for increased coverage of these small projects and activities.

Performance Requirement # 5.1. Develop, administer, and evaluate competitive small grants program to support Performance Requirements # 1.7, 3.2, 3.4, and 3.5.

Performance Standard. At a minimum:

- 5.1.1 Administer, fund, and evaluate an activity program that shall broadly publicize the program and selection criteria. At a minimum, the selection criteria should include the leveraging of other resources, including private sector, other donor, and municipal resources, and for maximizing the development impact.
- 5.1.2 Activities to fund may include small (under \$5,000) purchase of equipment and goods to support the BBCs and mancomunidades capacity building and the achievement of performance targets as per agreements with partners. Equipment and goods shall be granted to partner organizations.
- 5.1.3 The construction of all small-scale infrastructure projects, if any, will require an environmental review to be submitted to the CTO and approved by the Mission Environmental Officer (MEO) before an activity may be funded. Any resultant program shall strictly adhere to the mitigation measures detailed in the requisite environmental review which addresses all environmental impacts and recommends corresponding mitigation measures. Any construction considered larger than small-scale infrastructure shall not be considered.
- 5.1.4 Design and maintain a monitoring system that, at a minimum, tracks the following: a) number of funded activities and dollar amounts; b) gender base of organization or individual; c) type of organization; d) predominant sector of organization; e) predominant source of organization's funding (member fees, donors, and fundraising); f) activity type (workshops, training, communications, goods, equipment); g) counterpart contribution/leveraging; and h) development impact.

Discussion

The approval, funding, and implementation of the small projects and activities became the principal Program effort during 2008 and early 2009, as other interventions were winding down. A project's Approval Committee met weekly to approve funding and monitored progress for a cumulative total of 55 small projects and activities in response to requests from the broad-based coalitions; in the case of mancomunidades, the priorities were determined by the member municipalities and the UTI leadership. The Contractor worked closely with these coalitions and the corresponding municipalities to ensure that priorities reflected genuine need as expressed by civil society organizations with the support of their municipalities and also monitored progress in their implementation.

The following chart provides the indicator data on small projects and activities approved, funded, implemented, supervised, and monitored by the beneficiary civil society groups.

Performance Indicator	Planned	Actual
Number of funded activities with BBCs (cumulative)	40-44	46
Number of funded activities with mancomunidades (cumulative)	8-9	9

The selection process for these small projects and activities, as spelled out in the Manual, called for dissemination of the opportunity with CSOs in each GTAG municipality and mancomunidad, with criteria for what could be funded and what not, according to USAID policies and procedures and compliance with basic accounting and transparency procedures. Once all of these requirements had been met, projects and activities were ranked according to a matrix that reflected Program priorities for funding, and those that met all of the required criteria and were ranked high were pre-approved by the Committee for funding, subject to a security clearance with USAID, approval of an initial environmental evaluation (IEE) when called for, and the availability of funding, which was monitored continuously by the Committee.

Following approval, costs were evaluated by Program specialists, and if the project was determined to be financially and logistically feasible, an agreement was signed with the beneficiary organization(s), usually including the mayor or his/her representative, especially when there was a municipal counterpart contribution involved. Costs were bid competitively and providers were selected, according to clearly defined procurement criteria specified in the Manual

The 55 projects funded and implemented by the Contractors included:

- 46 with CSOs in 22 GTAG municipalities;
- 9 with 5 GTAG mancomunidades;
 - 27 projects with small-scale infrastructure components
 - 20 projects with training and/or TA components
 - 23 projects with equipment and/or furnishings components

Details for the small projects and activities funded, implemented, supervised, and monitored by the beneficiary organization with municipality or mancomunidad, brief description, total costs, GTAG/USAID costs, and counterpart contributions are provided in the following table. They were implemented in 23 municipalities and 5 mancomunidades.

MALL PROJECTS AND ACTIVITIES FUNDED AND IMPLEMENTED THROUGH MARCH 31, 2009

Nº	Municipality	Brief Project Description	Type	Total Cost Lempiras	USAID/GTAG Lempiras	Municipal Contrib.	Common. Contrib.	Other Contrib.
1	Catacamas	Equipment for Transparency Commission and Chamber of Commerce	E/T	354,026	168,425	87,800	97,800	
2	Comayagua	Hygienic improvements in public market	I	290,325	131,115		159,210	
3	Guaicaca	Remodel Transparency Commission office	I	329,026	103,631	42,645	182,750	
4	La Esperanza	Information technology for Transparency Commission	E/T	192,993	137,747	55,245		
5	La Esperanza	Equipment, natural science lab, Instituto Departamental del Occidente	E	218,279	110,779	50,000	57,500	
6	La Esperanza	Teaching materials, Instituto del Occ.	E	59,290	59,290			
7	La Masica	Rehabilitation power lines and machine	I	74,140	51,790		13,350	9,000

Nº	Municipality	Brief Project Description	Type	Total Cost Lempiras	USAID/GTAG Lempiras	Municipal Contrib.	Common. Contrib.	Other Contrib.
8	Las Vegas	house, Mini-hydroelectric plant, Nueva Esperanza village	I	423,248	147,598	230,650	45,000	
9	Las Vegas	Construction Transparency Commission, Municipal Commissioner office	E	100,380	100,380			
10	Las Vegas	Equipment Transparency Commission office	E	24,790	24,790			
11	Meámbar	Equipment Public Information Office	I	412,785	219,779	79,360	113,646	
12	Meámbar	Classrooms, Instituto Gustavo Martínez Pineda	E	132,790	132,790			
13	Naranjito	Equipment, classrooms	I	477,051	315,670	56,419	104,962	
14	Naranjito	Potable water expansion, aldea Santa Ana	T	137,341	125,841	6,500	5,000	48,000
15	Naranjito	water boards training	I	427,288	232,288	153,000	42,000	
16	Naranjito	Municipal Patronato office construction	E	108,900	108,900			
17	Nueva Arcadia	Equipment Patronato offices	I	347,912	228,663	85,000	34,249	
18	Nueva Arcadia	Construction kindergarten Ramón Villeda Morales	E	83,000	83,000			
19	Nueva Arcadia	Equipment Transp. Com. Office	E/T	105,000	87,000	6,000	12,000	
20	Pimienta	Equipment patronato offices	I	186,469	121,969	62,000	2,500	
21	Potrerillos	Remodeling Transparency Commission and Municipal Commissioner office	I	257,333	208,933	45,000	3,400	
22	Puerto Cortés	Remodeling municipal kiosk for public council meetings, CSO space	I	281,594	140,911	117,683	23,000	
23	Sabanagrande	Electrification Lomas de Chile community	I	329,136	209,136	110,000	10,000	
24	Sabanagrande	Construction classrooms, El Obelisco school, kindergartens	E	94,800	94,800			
25	Sabanagrande	Equipment El Obelisco school	T/E	28,337	22,137		6,200	
26	San Agustín	Training, equip. Transp. Com.	I/E/T	254,601	205,502	39,099	10,000	
27	San Agustín	Installation computer lab	T	231,388	159,749	48,600	23,042	
28	SF de Yojoa	Computer training student group	I/T	172,166	99,917	70,000	2,250	
29	SF de Yojoa	Cemetery wall and management training	I	334,883	159,883	130,000	45,000	
30	SF de Yojoa	Classrooms, Instituto San Buenaventura	E	118,100	118,100			
31	San Lorenzo	Equipment, classrooms	I	148,852	137,852		11,000	
32	San Nicolás	Remodeling office Transparency Commission	I	321,162	179,638	53,765	87,759	
33	S R de Copán	Expansion sewerage system	T	130,146	99,426		30,720	
34	Taulabé	Civil society training, ADELSAR	I	376,781	176,009	93,617	107,155	
35	Taulabé	Roof replacement, conditioning, Modesto Rodas Alvarado School	E	139,002	139,002			
36	Tela	Equipment M Rodas A School	I	492,642	192,930		299,712	
37	Tela	Civil society meeting room construction, with Chamber of Commerce	E	190,000	190,000			
38	Tela	Equipment CSO meeting room	I/E	205,371	166,406	36,465	2,500	
39	Tela	Remodeling Transparency Commission office	E	72,200	72,200			
40	Tela	Equipment women's committee office	I	1,045,479	150,410		14,000	881,069
41	Villa de S F	Potable water, sanitation, Citronella	I	1,244,580	136,285	110,000	337,330	660,965
42	Villanueva	Sewerage expansion, Barrio Progreso Viejo	1	201,037	134,329		66,708	
43	Villanueva	Equipamiento oficina de la Mujer	E	201,037	134,329			
44	Yamaranguila	Equipment food laboratory, Instituto Villanueva	I	510,721	288,581	164,000	58,140	
45	Yamaranguila	El Pelón school construction	E	97,300	97,300			
46	Yamaranguila	El Pelón school equipment	I	479,240	259,080	164,000	56,160	
46	Yamaranguila	El Mebrillo School construction	E	97,300	97,300			
Totals				12,540,221	6,761,590	2,096,848	2,064,043	1,599,034
Municipalities				663,504	357,756	110,944	109,209	82,065
US\$ Costs								
Mancomunidad Projects				Total Cost	GTAG	Mancom. Contrib.		
				Lempiras	Contrib.			
1	AMUPROLAGO	UTI Equipment for water projects design	E	115,800	88,000	27,000		
2	AMUPROLAGO	UTI Training for water projects design	I	162,989	42,989	120,000		
3	HIGUITO	UTI Equipment	E	128,034	98,034	30,000		
4	HIGUITO	Additional UTI Equipment	E	111,700	87,200	24,500		

Nº	Municipality	Brief Project Description	Type	Total Cost Lempiras	USAID/GTAG Lempiras	Municipal Contrib.	Common. Contrib.	Other Contrib.
5	MAMUCA	Annex to UTI office building	I	178,029	148,970	29,059		
6	MAVAQUI	Renovation of UTI office	I	211,348	186,348	25,000		
7	MAVAQUI	UTI Equipment	E	96,790	66,790	30,000		
8	MUNASBAR	UTI Equipment	E	130,010	108,787	21,223		
9	MUNASBAR	Additional UTI Equipment	E	46,500	36,500	10,000		
Totals		9 projects		1,181,200	863,618	316,782		
Mancomunidades								
US \$ Costs				62,497	45,694	16,761		
Total US\$ Costs all 55 projects				726,001	403,450	127,705	109,209	82,065

Type of Project Codes:

E	Equipment
I	Infrastructure
T	Training

Apart from GTAG, Municipal, Mancomunidad, and Community Contributions, other sources of funding were FHIS (DIM/FHIS, USAID funds) Lps. 9,000 (= US\$ 423.24) for supervision of the power line project in La Masica, and Lps. 500,469.00 (= US\$26,479.84) for technical assistance, training, supervision, materials, and labor for the Citronella potable water system in Tela; SANAA (GOH) Lps. 660,963 (= US\$ 34,787.54) in materials and supervision for the sewerage project in Villa de San Francisco. On a GDA project (Global Development Alliance Project) from GOH (DIM/FHIS USAID funds) Lps. 500,469 and Coca Cola Lps. 380,600 (= US\$20,137.57) in materials and labor for the Citronella potable water system in Tela; and Lps. 48,000 (= US\$ 2,526.32) from the GOH Department of Health for training of the water board in Naranjito.

These counterpart contributions, \$322,551 represent 41.2 per cent of the total cost of the projects leveraged, from the USAID/GTAG contribution of \$403,450. .

Demand for these activities on the part of the CSOs in Program municipalities and the mancomunidades far exceeded the available budget, and many of them that involved construction also need complementary equipment or installations, such as latrines where water systems were improved, equipment and furnishings for classrooms, etc. Following the provision by the USAID Mission of additional funding, the Program worked with these CSOs to prepare separate profiles for funding of complementary activities that could satisfy these needs, for submission to FHIS for funding with USAID resources. The following chart presents the descriptive information and estimated costs of these additional small projects.

SMALL PROJECT DESIGNS PRESENTED TO FHIS FOR FUNDING

Nº	Municipality	Nature of Project	Total Cost Est. (Lps.)	Requested	Counterpart
1	Choluteca	Electrification, Winto Linaca	1,503,947	1,273,631	230,318
2	La Masica	Classrooms, San Antonio school	1,893,524	1,257,074	636,450
3	Pimienta	School improvements, Col. Alemania 2	1,825,692	1,501,548	Ç 324,144
4	Puerto Cortés	School improvements, Aldea Nisperales	1,063,250	489,735	593,515
5	Sabanagrande	Sewerage extension, Barrio La Cortina	1,047,442	635,991	411,451
6	Sabanagrande	Sewerage extension, Barrio Suyapa	1,310,490	824,099	486,391
7	San Agustín	Potable water system, El Escombros	507,117	334,797	172,319

Nº	Municipality	Nature of Project	Total Cost Est. (Lps.)	Requested	Counterpart
8	San Francisco de Yojoa	Water and sanitation improvements, Colonia Graciela Canales	2,023,324	1,299,851	723,473
9	San José de Comayagua ¹	Potable water and sanitation, El Carmen	835,983	514,108	321,875
10	San Nicolás	Repairs to 4 classrooms, Escuela Manuel Luna Bustillo	1,443,238	1,304,507	138,731
11	Tela	Potable water system, Aldea La Fortuna	7,748,331	4,509,265	3,239,066
12	Tela	Potable water system, Aldea Nueva Unión	3,967,376	2,446,068	1,521,308
13	Villa de San Francisco	Kindergarten repairs and equipment	648,942	585,942	63,000
14	Villanueva	3 classrooms, Inst. Villanueva	2,702,406	2,417,221	285,184
15	Yamaranguila	Sewerage system improvements	4,116,499	3,309,886	806,613
16	Santa Rosa	Closeout of Existing Landfill	1,500,000	500,000	1,000,000
17	Naranjito	Water System	6,050,216	764,240	5,285,976
18	Cane ²	Slaughterhouse Construction	1,700,000	1,200,000	500,000
Totals			4,1887,578	25,147,964	16,739,815
Total US\$ Cost equivalents			2,204,609	1,323,577	881,043

¹AMUPROLAGO member municipality. ²CANE is member of Amhon's Board of Directors

These projects presented to FHIS for USAID source funding are for basic water, sanitation, and education infrastructure in some of the key GTAG municipalities. They are of larger scale than the GTAG funded small projects and activities, but reflect citizen priorities in service improvement of the sort originally contemplated in the GTAG TO, although nine of them would have exceeded the \$50,000 budget ceiling contemplated in that original TO.

This experience has achieved its own dynamic and inspired interest in all of the GTAG municipalities and mancomunidades.

Result 6: Rapporteur with Municipal, Decentralization and Local Government Sectors and Dissemination of Lessons Learned

Result Summary: The focus of this result is to consolidate and report on information of importance in the development of municipal, decentralization, and local government sectors and to disseminate lessons learned.

This result has no indicators.

Performance Requirement # 6.1. Coordinate, track, and report on GTAG-related activities and achievements and serve as liaison on selected activities with other GTAG-related donor initiatives in order to optimize use of resources and avoid duplication.

Performance Standard: At a minimum:

- 6.1.1 Meetings on a monthly basis with the IR 1.2 team to coordinate program activities, monitor GTAG-related sectors, and recommend interventions.
- 6.1.2 Participate in quarterly coordination meetings with the other SO1, SO2, SO3 teams, and other GTAG-related donor activities, meetings, and programs.

- 6.1.3 Serve as the administrative assistant (i.e. secretariat) responsible for preparing meeting minutes, circulating information, and any other administrative matters under the direction of the CTO for monthly decentralization donor meetings chaired by USAID (rotating chair every six months; expected that USAID will chair the donor meetings for not more than 18 months over the life of the procurement).
- 6.1.4 Provide [*Sic.*] periodic briefings, press releases, success stories, and talking points not to exceed two per month for the U. S. Ambassador and/or Mission staff.
- 6.1.5 Participate in CAM regional USAID workshops and present GTAG approaches, lessons learned, results, and other issues of common interest (no more than six regional workshops expected over the life of the activity) under this procurement.
- 6.1.6 Organize, publicize and provide logistics assistance for at least one special municipal event per year presenting successful practices by the municipality that can be replicated in other municipalities.

Discussion.

Throughout the life of the GTAG Program, the Contractor has sustained intensive interaction with the Mission, especially with the CTO via the monthly meetings, a total of 21, and by accompanying Mission representatives in more than 30 official visits coordinated with the Program. USAID's presence and role in Program interaction with the municipalities has been intensive, visiting an average of four municipalities and two mancomunidades every two months.

The monthly meetings have alternated with field visits so that during every month of Program implementation there has been either a monthly meeting or a field visit or both. This situation has resulted in meeting full of important pointed details as a result of the interaction with the mayors, council members, municipal and mancomunidad technicians and employees, as well as with civil society representatives who have always been present in each of the official visits.

This continued presence of the USAID Mission has facilitated a direct communication channel between the beneficiary (municipality, mancomunidad, civil society organization) and USAID, which has been mutually useful, making clear in each instance that the Contractor is the channel and the Program mechanism for assistance from the people of the United States to the beneficiaries in Honduras. It has also allowed the Mission to compare information provided by the Contractor, especially regarding critical decisions like withdrawal from poor performing municipalities.

In a similar manner, throughout the life of the GTAG Program, there has been much interaction with all of the institutions provided support under the terms of the contract, especially the efforts of AMHON, which allowed for improvements in its organization as well as concrete information that facilitated implementation of the cooperative agreement between AMHON and USAID. There has also been extensive interaction and information Exchange between the Program and the private sector through FEDECAMARA, somewhat less with COHEP, and organization that has undergone difficult circumstances in prior years. The Contractor fully met the contract performance requirements vis a vis the CNA, but these activities were not continued following the SWO and the elimination of this performance requirement, as well as technical instructions addressed to the Contractor.

The Contractor also had solid and coordinated interaction with the TSC, especially toward DASM and UAPOI, with which concrete activities were undertaken to strengthen their capability for field intervention, especially with municipalities. USAID donated information technology to improve their technical capabilities and expand their potential. Previously, the TSC audited municipalities once every 14 years and in some cases never. Now DASM conducts an audit of each municipality on average every two years. These audits have demonstrated the need for additional assistance to improve municipal management in the country. They mayors are increasingly aware of the delicate nature of becoming

accountable to the TSC, which is increasing their interest in learning and improving aspects of municipal management where they are weak, particularly those defined in national legislation and regulations.

With AMHON, the Contractor conducted a workshop in which TSC employees presented the key features and details of the Municipalities Law and its implementing regulation. As a result, the TSC, in coordination with the SGJ now provides training to all of the municipalities in Honduras.

Another instrument developed jointly by the Contractor and AMHON was the Manual for Transfer of Municipal Authority published in September 2005 and used as the national standard by the SGJ, which published 5,000 copies of it with multi-donor resources (UNDP, DFID, SNV, and AECID). Moreover, both this Manual and the GTAG experience in municipal transition over the 2005-2006 period were used to support transition processes, most notably in the COSUDE Bi-National Honduras-Nicaragua Governance Program, in which elements derived from the 2005 GTAG experience were proposed for common efforts in these two countries.

Also in coordination with AMHON, the Program held a well-attended public workshop on “Strengthening the Decentralization Process, Transfers, Municipal Governance and Transparency, held July 23-24, 2008, with the presence of representatives of the DGJ, CSOs, AMHON, the Donors’ Round Table on Decentralization, and an invited international expert, Dr. Andrés Palma, Chilean former Minister of Planning and Cooperation and now Director of the Social Management and Public Policy Program at the Latin American Faculty of Social Science (FLACSO) in Santiago. A report on this workshop, entitled *¿Cómo Fortalecer los Procesos de Descentralización, Transferencia, Gobernabilidad y Transparencia Municipal?* is attached to this report as Annex C. It includes the conclusions and recommendations for decentralization policy makers. This report was presented to AMHON, the Donors’ Round Table on Decentralization, and the Executive Committee on Decentralization of the State (CEDE) via AMHON.

The second day of this event, in addition to radio and television interviews with Dr. Palma, included a public presentation of best practices promoted by the Program, in coordination with AMHON. These experiences, reported in the previous SAR, were those of the Municipalities of San Agustín, Las Vegas, La Esperanza, and Potrerillos, showing progress in activities carried out in municipal transparency and the role of CSOs. This presentation was attended by mayors and others representatives of the Program municipalities, as well as representatives from CSOs from each of the GTAG municipalities. Additionally, a video was shown with citizen interviews and comments on these experiences. Moreover, the publication including these experiences was distributed to the 150 participants in this event. Contractor representatives also explained the Transparency Index (IGTG) and the results obtained by the A and B, and also C and D municipalities in its applications. A publication explaining the IGTG experience and its methodology is included in **Manual 1: Gestión Transparencia y Gobernabilidad** and contemplated as part of the closeout process carried out in each municipality and mancomunidad of the Program; after the close of the period of this report, AMHON will make a distribution of the Manual among member municipalities—all 298 of the municipalities of Honduras.

The Program sustained close coordination with AMHON on GTAG proposals and activities, many of which were carried out jointly with them. There has also been excellent coordination with AECID, and the Donors’ Round Table on Decentralization, and good mutual cooperation among these programs and with GTAG on efforts to strengthen the Mancomunidades where AECID and GTAG programs coincide. (MAMUCA, MAVAQUI, MUNASBAR and HIGUITO).

As part of the process of systematizing the GTAG experience, the Contractor published 20 manuals, 6 success store and best practices documents, and a tool kit for purchasing and contracting for the ERP, in addition to preparing extensive material for dissemination as videos and other publications. In the framework of closeout activities, the Contractor made all of these documents available to AMHON, which has Publisher 500 copies of each of the 14 manuals for municipalities and mancomunidades, four

manuals for civil society work, and one manual for the establishment and functioning of a one stop shop mechanism in municipalities. AMHON will use some of these manuals during the period of induction and training of the new municipal authorities elected in November 2009.

The complete list of manuals, guides, and regulations delivered to AMHON is included as Appendix C to this report.

With support from the Contractor, the GTAG municipalities presented the required accounting to the central government on the use of ERP funds. As a result the OCPRP adopted a tool kit developed by the Contractor as the national standard for training. This instrument has also been used by other donors such as the Spanish International Cooperation and Development Agency (AECID) in its Municipal Strengthening Program (PFM), the Dutch and Swiss program PRIDEMUN III, the Honduras-El Salvador Bi-Nationa Program of the EU, and by the OCPRP in its training workshops nationally in coordination with AMHON. The Contractor has also continued coordination and joint activities with other donor programs present in the field. In addition to the AECID PFM there has been continuous cooperation with the Federation of Private Development Institutions (FOPRIDEH), including joint sponsorship, along with the SGJ of the series of five workshops in GTAG municipalities on the new FOIA law in Honduras.

In September 2008, the USAID newspaper *Front Lines* published an article prepared by the Contractor entitled "Hondurans are Glad to Pay Taxes when Services Improve". This article may be accessed online at: http://www.usaid.gov/press/frontlines/fl_sep08.html.

Moreover, each year the Contractor has given presentations on the nature and purpose of the GTAG Program to a group of newly arrived Peace Corps volunteers at their center in Valle de Angeles.

Performance Requirement 6.2. Subject to CTO approval, design, implement, and maintain a municipal database for program-related indicators.

Performance Standard. At a minimum:

- 6.2.1 Be developed using Microsoft Access (2002) and have the capacity to relate variables.
- 6.2.2 Be up-dated quarterly and files sent to the CTO within 30 days after the end of each quarter.
- 6.2.3 The base-line should be established with respect to fiscal year 2004 (October 1, 2003-September 30, 2004).
- 6.2.4 Indicators to be tracked on a quarterly basis for targeted local governments and mancomunidades (per Performance Requirements 1.5, 1.7, 3.2, and 3.4) at a minimum should include:
 - (1) Total resources managed locally, disaggregated by locally generated resources, transfers, and capital resources.
 - (2) Central Government transfers as a % of total locally managed resources.
 - (3) Total expenditures, disaggregated at least by investments and operational expenses.
 - (4) % of citizens in urban areas with access to basic municipal services (water, sewerage, and solid waste removal and disposal) disaggregated by each type of service received.
 - (5) % increase of total revenue generated by local governments.
 - (6) % of households in urban areas receiving each basic service.

Discussion:

The Contractor provided this database quarterly throughout the period of Program implementation in Spanish and in accordance with these specifications. Alternate reports were included as attachments to the SARs.

Result 7: Crisis Modifiers

Performance Requirement 7.1: Contractor has the capacity to respond to unanticipated events in the GTAG sector, upon written request from the CTO. (A plug amount of \$525,000 will be reserved for this purpose.)

This Result was suspended with the SWO and NPT, modified with TO Modification 5 of June 2006 and ultimately deleted with TO Modification 9 of September 2008. No activity was ever conducted in support of this result under the GTAG TO.

MAJOR CHALLENGES FACED DURING IMPLEMENTATION

Throughout execution of the project from October 2004 to March 2009, challenges appeared during the implementation of different work methodologies and approaches with various actors at a local level, as well as national institutions that the project interacted with. A determining factor that represented a special dynamic was the election cycle; as this has determined, in some measure, the progress or regression of the governance and transparency processes in Honduras. The project was able to confirm this situation, and reference is made in this regards in notes included in this section.

Political Transition

During the transition period 2005-2006, assistance and support was provided to 32 municipalities of which 26 were able to execute transparent, dynamic processes with citizen participation. Prior to the elections, deep differences amongst political adversaries of major parties arise, and in some cases, a total cease of dialogue occurs to such an extreme that legal action against authorities and discredit campaigns may take place. This made the transfer of essential public information at a local level very difficult, and in some cases, led to the elimination important files and data for the transfer of power. Minority party candidates, as well as those with higher winning possibilities, try to obtain support more through discrediting their political adversaries than by presenting their proposals to citizens.

The main challenge during the period prior to the elections was to have a harmonious minimum agreement between the political candidates of the 5 parties, through the signing of a political pact. This was accomplished due to two key factors in the process: 1) participation of well-known citizens accepted and recognized by all candidates as “notable” people within the municipality, and 2) the promotion of a standard pact promoted through AMHON in a national campaign. The concentration of citizens is evident, with some supporting their candidates, but for the most part, citizens do not get involved even through they have a political vocation. Thus, citizen participation is minor and the process remains in the hands of the political support groups of each candidate.

Once elections have taken place, the biggest challenge is to foster interaction between the winner and losers; this was achieved by the promotion of harmony and a “collaborative transfer plan” designed during a study tour promoted by the project²³. The establishment of a “neutral” environment facilitated this activity. Despite the effort, the transfer of information from one administration to another was not executed in some municipalities, causing difficulties in decision-making and rendering of accounts in later years. Some mayors recognize that not having historical information means dedicating more time and have difficulties in understanding municipal administration.

On average, 52% of municipal employees are fired during the administration change. However, for municipalities assisted by the Project, it was only 37%. It bears mentioning that public employees are greatly affected during this period, as some work for their candidate, particularly if the mayor is up for re-election, and this obviously affects activity within the municipality. Once the winner is defined, and in

those municipalities where the mayor was not re-elected, employees face a period of almost total lack of productivity, the result of new expectations of the new administration. During this period, the major challenge is to transfer essential information such as financial and accounting data, data bases and register of public services, debt, record of meetings, books and deeds, etc. The promotion of a “Transfer of Power Manual” was fundamental. Once elected authorities took possession of their posts, orientation of new authorities and employees occurred without major difficulties.

As time passed and with the new administration now near the upcoming internal municipal and national elections, the dynamic changes again as a result of the intention of candidacies of people within the municipality (some vice-mayors in several municipalities were separated from the municipal apparatus and ignored from the very moment they decided to be candidates, as this post is considered one of trust). In a certain way, the promotion of activities related to local transparency and governance falls under the operation activities of the vice-mayor post, which for the most part was the project counterpart.

Municipal Strengthening

During the project execution period, strengthening of municipalities to improve performance both in formal aspects of local public administration, as well as transparency and rendering of accounts took place. These two last aspects represented the biggest challenge, particularly if there was no political will from the mayor to promote transparency and open spaces for citizens. From the view point of rendering of accounts, the objective was to promote generation of information and openness for citizens to learn about “public affairs”. Open municipal council meetings, rendering of periodic management reports and/or publication of information to citizens were emphasized. Changing the way of doing things, when practically never before people were allowed to ask and know information, was not easy for municipal employees and authorities. At the beginning they did not know how to deal with this; but as specific tools were provided to each group, greater trust was generated.

Without a doubt, the greatest challenge was the lack of political will of some mayors and municipal councils at the beginning of the proposals to change the way citizens are involved. Traditionally, information is provided in at the most 5 open public meetings per year, but in the measure that presentation of periodic management reports, application of public contracting norms, budget preparation and follow-up in a participatory manner, dialogue regarding technical and financial information concerning public service and openness to inform through instruments such as the Transparency Index were implemented, a higher degree of trust was generated within the municipality.

The most significant change at a national level that generated greater interest in “public affairs” to learn about formal administration processes in application of laws, regulations and norms, was evidenced by the progress in municipal audits by the Tribunal Superior de Cuentas – TSC through the DASM. Before 2003, by average municipalities were audited every 14 years. Now the average is every 2 years, in part due to the support of cooperating agencies such as USAID and the UE, but also due to the effort and support from AMHON. Even though an impact study has not been carried out to measure progress related to audits, mayors, municipal councils, technical staff and employees combine efforts to “come out well” in the audit, despite the fact that as the pre-election period approaches the results are used in some cases as recognition to management or simply to discredit. However, for the majority of municipalities, interest rises for improvement of critical aspects identified.

Transparency Policies

Promotion of public transparency policies was perhaps the most difficult challenge. In part due to the lack of political will, knowledge regarding how to carry it out, and lack of knowledge of laws and regulations. Even though a Transparency and Access of Information Law exists, it has not had the

expected impact. This could take several years. Also, this implies a change in cultural paradigms of “how things are done”. The Municipality Law (1990) establishes the transfer of 5% of government income to municipalities; national governments have not been too demanding on the rendering of accounts by municipalities. On the other hand, the perception of corruption by citizens in municipalities is quite high, and in general people think that authorities do not act in a transparent manner. Due to this mistrust, civil society groups have maintained at times a critical and confrontational position during the past years; however, a good number of citizens do not participate out of lack of interest or knowledge.

The challenge for citizens to approach and contact the municipality was achieved little by little throughout project execution. As a result of the application of appropriate methodologies, the parties involved initiated a dialogue for the most part over technical and financial aspect related to income and services. This was the first door opened; thereafter, implementation of the Transparency Index was made possible. As a result, activities reported include social audits which go beyond the investment projects or application of the Transparency Law. Cultural changes are very difficult to obtain, and this might happen after several periods if the same dynamic is followed.

A lot had been said and written in Honduras concerning problems related to representation of civil society groups. As far as this is concerned, the project kept away from promoting this discussion and focused on pushing forward and strengthening local groups and to incorporate the transparency commissions and municipal commissioners. Attempts were made to include all those willing to participate, and to also facilitate and strengthen other measures within the municipality. Some cooperating agencies and NGOs with national and international support, finance local groups that promote confrontation with municipalities; the project maintained a position of respect to these initiatives despite not sharing the confrontation vision, and tried to demonstrate that there are other alternatives through dialogue. Some of the people in the municipalities that supported the administration to win the elections become members of the “mayor’s civil society”. The challenge for the project was to incorporate these people in the work carried out by the local groups.

On the other hand, and in some cases, mayors and technical employees favor those groups that helped them get elected by making more investments in their communities, and this generates polarization and increases political bias. The challenge was to try to incorporate all groups regardless of their affiliation, and this was achieved during non-election periods. However, a certain degree of lack of trust predominates in those groups opposed to the party in power.

National Institutions

As far work with national institutions is concerned, the main challenge was leverage of funds from the private sector. Traditionally in Honduras, cooperating agencies have supported programs to strengthen associations of institutions and the country’s production sector. These programs have included training in country and abroad, equipment for and conditioning of offices and financing for production and employment generation. Even though the project’s technical focus has been well received by these institutions, leveraging of funds to promote initiatives distinct from those totally geared toward production are not the norm; and on the contrary, being accustomed to receiving support and resources, it became strange for the private sector to “give”. It is important to remember that the private sector often keeps a distance with the municipalities, due to the fact that some political campaigns are financed with local resources from their sector.

The budget reduction to the project in 2006 limited the effort with national institutions, and concentrated support on the AMHON Board of Directors, preparation of recommendation reports to the TSC, DASM and UAPOI, and private sector initiatives, although some efforts to support the CNA were made. Despite the limited resources, support to AMHON went beyond contractual requirements; and as a result, a

political incidence and communication plan for members were elaborated, which were later pushed forward through the cooperating agreement with USAID and were also being highly recognized by the cooperating agencies promoting municipal activities²⁴. An important challenge for the following months is the continuity of the AMHON technical team. Three months after the change of mayors (January 2010), the AMHON General Assembly will meet (April 2010) and elect the new board of directors. In the past, the government has tried to “control” the organization; however, at this time it is very cohesive and keeps certain independence through self-conviction that it is an association and political organization. The pre-election period could affect the institution, partially due to political affiliation and environment at the moment.

Small Projects

At the beginning, the project counted with US\$ 2 Million to execute a sub-grant component. With the budget reduction of 2006, these funds were reduced to US\$300,000; and even though the same focus was kept, the degree of impact was reduced. Partially due to this, increase in service coverage was not achieved beyond a few expansion project to the sewage network (three municipalities), expansion of water system and latrines (two municipalities), expansion of an electricity system in a small community, construction of 20 school rooms in 7 public schools and a local market. Due to insufficient funds, municipalities show less interest in promotion and moving forward with public transparency policies. On the other hand, civil society groups maintained a higher degree of enthusiasm and commitment to support presented proposals, and 46 of the 55 projects executed were presented by these groups. Taking everything into account, the challenge to improve municipal own income reflected some important results (9 municipalities), even though absolute amounts were insufficient to expand public service coverage. However, some specific improvements were made.

LESSONS LEARNED AND RECOMMENDATIONS FOR THE FUTURE IN LOCAL TRANSPARENCY AND GOVERNANCE PROGRAMS

In this section, we review the lessons learned from the GTAG experience in Honduras with some comments on those derived from experiences elsewhere, and we present a series of recommendations, which we hope will be useful to the Honduras Mission in planning for any future interventions in the local governance and transparency sector.

Municipalities

It is important to foster efforts for civil society to have participation with the municipality and use spaces and initiatives for dialogue to promote transparency is still a paradigm. On one hand, the civil society has been better organized during the last years, as a result of the need to reconstruct the country after Hurricane Mitch, but also due to its participation in the identification, prioritizing and most recently execution of small projects, mostly in basic infrastructure. On the other hand, municipalities have made step-by-step progress as far as application of norms, laws and regulations, mainly as a result of recent audits by the TSC and support of cooperating agencies to a group of municipalities²⁵. Project experience demonstrated that it is possible to break the paradigm and have the two groups in a closer position; however, it is important to establish dialogue over common issues of interest and not about the classic claim of lack of transparency from one side and closing of spaces from the other one. *It is recommended for future projects to allow development of innovative methodologies to promote greater transparency in Honduras, which has been proven in other countries.*

To some extent, the municipality does not open space not so much out of lack of interest or opposition, but rather because simply it does not know how to do it or is fearful to demonstrate that they are not good administrators. A “classic” approach of municipal strengthening, without an effort to demonstrate to citizens how it is done, falls short and does not achieve the goal that the perception of transparency can change. *It is recommended that future projects maintain a link between institutional strengthening with an open approach to citizens and promotion of public policies that tend to show better disposition for transparency.*

The level of knowledge and administration of some large A/B municipalities requires more sophisticated strengthening and support. The gap between A/B and C/D municipalities is very big; however, the project was able to demonstrate that it is possible to reduce it at least from the formal technical point of view of municipal administration. The gap in aspects such as approaching and creating a dialogue with social groups between A/B and C/D municipalities is not too large, but experience does indicate that is more fragile to maintain change over a longer period of time. The majority of the 298 municipalities, of which 200 fall under de C/D category, barely have external support. *It is recommended that support continue for municipalities of both categories, but that the level of effort and resources to be applied to A/B ones to achieve substantial changes is significantly greater, particularly to promote improvement and expansion of service coverage.*

Contractual instruction received by the contractor established a higher level of effort for strengthening of C/D municipalities, situation that was subject of claim from the A/B group. *It is recommended for future interventions to maintain the same approach in all municipalities, and this will also allow for results from both groups to serve as models.*

The technical support approach including the application of the Contracting Law, the Transparency and Access of Information Law and other technical aspects such as the PRS (ERP), decentralization of FHIS and technical support to transfer W & S system by SANAA²⁶, must be maintained within a general framework to allow future flexible implementation of specific support in accordance to prevailing circumstances at a given time. *However, general aspects such as accounting, finance, treasury, human resources, audits, budget design and execution and planning, could perfectly be part of a general approach, as these apply to all municipalities independent of time and period.*

Mancomunidades

Experience and results indicate that it is possible for mancomunidades to provide support to member municipalities beyond the project design and supervision or environmental issues. Even though increase of income by municipalities was obtained through the UTIs, sustainability continues to be the most critical issue²⁷. *It is recommended to continue support to mancomunidades with a more technical emphasis; it is not common for social issues related to transparency and governance be approached through the mancomunidad. Mayors understand that it is a solely technical instance with very concrete purposes.*

National Institutions

As was previously mentioned, the increase of TSC audits to municipalities is being successful, and municipalities are showing more interest regarding norms, laws and procedures prior to a municipal audit. In the past, municipalities were audited on the average of every 14 years, and little by little this level of audits has changed and it now takes place every two years. As a result of this effort, an important change

is seen most of all regarding procedures by municipal councils, but also by administrators and managers, the role of internal auditors, and also demanding more support from legal advisors and experts. *It is recommended that USAID continue supporting the TSC to improve its systems, audit capacity at a municipal level, and to also carry out comparative studies to reflect common findings and results of the audits made which can serve as orientation for municipal strengthening. It is further recommended to expand the efforts to practice audits by the TSC, through the UAPOI (Technical Audit Unit for International Organizations), in other programs and projects financed by the Mission.*

The improvement of transparency through the private sector can be best executed from the local perspective rather than the national perspective, partially because institutions and associations of the private sector have different programs and projects which focus on improvement of productivity, commercial treaties, financing of production sectors and employment generation. It is recommended to promote initiatives for strengthening of private sector national institutions, so that these find alternatives for their efforts with municipalities. The project demonstrated that it is possible to promote the sole-service office in municipalities that have large commercial activity, but it was not possible to stop resistance and distance between the private sector and the municipality in other efforts²⁸ or promote the sole-service office in a municipality that did not participate in the project²⁹. This is not recommended in the future, given the integrated approach that could be promoted in comparison to an isolated effort.

AMHON is an organization that past national governments have tried to “control”. Currently and to a certain degree, it has achieved independence and commitment to its members while at the same time understanding and analyzing that it is an organization with an important advocacy role. The experience related to support and strengthening of this institution’s board of directors and expansion of assistance in the design of political incidence and communication plans have demonstrated good results. This was partially due to the strengthening of the technical and management teams, and also to the grade of independence and advocacy. *It is recommended to provide future support to AMHON during its political transition, but through an outside effort rather than through its own technical team capacity. It is not common for boards of directors to be strengthened by their internal technical teams.*

Political Transition

Experience and results achieved in municipalities assisted by the project were very significant, as some steps for future transition process in Honduras were achieved. Aspects such the promotion of a “Local Pact” based on a proposal promoted by AMHON, the divulging and application of a “Manual de Traspaso de Mando”, added to modification of laws and regulations such as the Municipal and Budget Laws, could result in a stable political transition in all municipalities of the country and beyond those assisted by programs financed by cooperating agencies. *Is strongly recommended, political transition support should be present in future programs and interventions.*

A critical aspect greatly affecting the development of municipalities is the massive dismissal of employees; an average of 52% of employees was dismissed during the last elections compared to 38% in municipalities assisted by the project. To promote a Municipal Civil Service Law could reduce the impact in the future and assure the continuity of staff. *It is recommended that impact measures of dismissals be incorporated as indicators and to also carry out studies to compare the situation at a national level.*

Civil Society

Results obtained as far as incidence of citizens in decision-making indicate that important achievements were secured; however, these processes are very fragile and require attention to sustainability, particularly in those places where better results were evident. Activity by organized, civil-society groups is at times

limited to participation in training and strengthening workshops, and barely passes from theory to practice. With the execution of the RPS (ERP) funds, there was an important learning experience in terms of project social audits, but the RPS experience has demonstrated a lack of preparation of government and municipal implementers (funding was only available for implementation), execution resulted in many deficiencies mostly in productive projects. *It is important to allow concrete support throughout project execution, allowing more flexibility for intervention by implementers in response to unforeseen future situations, as was the case of the RPS.*

As far as actions by citizens in the monitoring of the performance of local governments, the sole application of the Transparency Index or social audits beyond infrastructure by civil society demonstrates that it is possible to carry out follow-up out of the execution framework for projects and budgets. *It was recommended that this be continued, but allowing greater flexibility during the implementation of this approach. It must be remembered that the municipality is ruled by formal norms, laws, regulations for administration of resources, but civil society is not as most participants are voluntaries.*

Small Projects and activities

To link assistance and strengthening of governance, democracy and transparency processes to the application of funds to promote local projects and initiatives could foster short-term results. USAID is recognized for its support mainly for projects with infrastructure components. On the other hand, to unlink the funds and assistance through the same implementer creates difficulties for establishment of processes and initiatives with a rewards system, leaving an only alternative of phasing out the municipality if there is no interest or bad performers (punishment but no reward). Even though the project achieved 42% counterpart funds for infrastructure projects, it is not feasible to reach 50% counterpart for construction projects with skilled labor (health centers, schools, etc.). It is recommended that a counterpart be established according to the type of project and not in a standard way.

The reduction from US\$ 2 Million to US\$ 300,000 in 2006, decreased possibilities to promote projects to expand service coverage or to carry out assistance to production sectors³⁰, activities of much interest to mayors and municipal councils.

Program design and indicators

Even though the project was implemented based on 5 specific components with activities with beneficiary groups and 2 components with internal monitoring, disseminating and reporting activities, the number of performance indicators required by the implementer and the wide variety of aspects and organizations covered, made it difficult to implement so many activities at the same time. It is recommended that future projects focus in aspects and areas of assistance, in place of a wide range of areas, and also have a reduced number of indicators to allow the implementer to adapt to the circumstances of each municipality or institution and also be able to act more creatively based in other experiences. *Furthermore, to execute several efforts to reach results in municipalities with low performance and not reach objectives resulted in recommendations to leave the municipality or institution. A more open, flexible approach could allow application of other experiences before making the decision to leave.*

APPENDIX A.

**COMPLETE PERFORMANCE MONITORING PLAN WITH
RESULTS BY REPORTING PERIOD**

(Included as a Separate Document in PDF Format)

APPENDIX B.

IGTG RESULTS BY MUNICIPALITY AND AREA OF MUNICIPAL ACTIVITY

The following charts, in Spanish, provide the details of the breakdown by area for each municipality of the Index of Municipal Management, Transparency, and Governance (IGTG) for each of the three years of its application. See the discussion under Result 1.

Resultados Catacamas			
Áreas Evaluadas	2006	2007	2008
Administración Financiera / Tesorería	69.0%	96.6%	86.2%
Servicios Municipales	0.0%	0.0%	80.0%
Ejecución del Presupuesto	74.2%	67.7%	58.1%
Procesos de Contratación	60.0%	70.0%	56.7%
Gestión Financiera y de Mora	50.0%	95.8%	54.2%
Planeación y Desarrollo Municipal	27.0%	64.9%	40.5%
Corporación Municipal	-11.8%	52.9%	26.5%
Gestión Tributaria	0.0%	9.1%	9.1%
Recursos Humanos	0.0%	44.4%	0.0%
Gestión de Préstamos	100.0%	-200.0%	0.0%
Participación Ciudadana	13.0%	64.3%	-3.6%
Total	34.3%	62.9%	42.9%

Resultados Choluteca			
Áreas Evaluadas	2006	2007	2008
Gestión Financiera y de Mora	50.0%	54.2%	87.5%
Administración Financiera / Tesorería	79.3%	86.2%	86.2%
Ejecución del Presupuesto	93.3%	74.2%	64.5%
Corporación Municipal	-17.6%	26.5%	58.8%
Procesos de Contratación	50.0%	36.7%	56.7%
Planeación y Desarrollo Municipal	24.3%	16.2%	32.4%
Servicios Municipales	80.0%	0.0%	30.0%
Gestión Tributaria	0.0%	9.1%	9.1%
Participación Ciudadana	13.0%	-46.4%	-3.6%
Recursos Humanos	-11.1%	-11.1%	-44.4%
Gestión de Préstamos	-60.0%	-100.0%	n/a
Total	36.6%	27.3%	46.9%

Resultados Guaimaca			
Áreas Evaluadas	2006	2007	2008
Corporación Municipal	20.6%	85.3%	88.2%
Administración Financiera / Tesorería	89.7%	86.2%	86.2%
Planeación y Desarrollo Municipal	48.6%	62.2%	83.8%
Gestión Financiera y de Mora	45.8%	87.5%	83.3%
Participación Ciudadana	26.1%	67.9%	71.4%
Procesos de Contratación	13.3%	3.3%	66.7%
Ejecución del Presupuesto	71.0%	51.6%	51.6%
Gestión Tributaria	18.2%	18.2%	18.2%
Servicios Municipales	0.0%	0.0%	0.0%
Recursos Humanos	-22.2%	0.0%	0.0%
Gestión de Préstamos	n/a	n/a	n/a
Total	39.5%	56.0%	67.5%

Resultados La Esperanza			
Áreas Evaluadas	2006	2007	2008
Gestión Tributaria	90.9%	100.0%	100.0%
Administración Financiera / Tesorería	81.5%	100.0%	100.0%
Recursos Humanos	-28.6%	55.6%	100.0%
Corporación Municipal	2.9%	100.0%	97.1%
Ejecución del Presupuesto	67.7%	87.1%	87.1%
Gestión Financiera y de Mora	63.6%	100.0%	86.4%
Planeación y Desarrollo Municipal	35.1%	81.1%	83.8%
Procesos de Contratación	-3.3%	66.7%	73.3%
Participación Ciudadana	16.0%	71.4%	64.3%
Servicios Municipales	0.0%	12.5%	0.0%
Gestión de Préstamos	n/a	n/a	n/a
Total	35.3%	83.1%	83.1%

Resultados La Masica			
Áreas Evaluadas	2006	2007	2008
Gestión de Préstamos	100.0%	-100.0%	100.0%
Ejecución del Presupuesto	74.2%	51.6%	83.9%
Administración Financiera / Tesorería	48.1%	44.4%	69.6%
Participación Ciudadana	17.9%	35.7%	67.9%
Planeación y Desarrollo Municipal	35.1%	67.6%	64.9%
Gestión Financiera y de Mora	59.1%	59.1%	47.6%
Corporación Municipal	-11.8%	38.2%	47.1%
Procesos de Contratación	-10.0%	26.7%	43.3%
Gestión Tributaria	9.1%	9.1%	18.2%
Servicios Municipales	0.0%	0.0%	12.5%
Recursos Humanos	-28.6%	11.1%	11.1%
Total	25.7%	41.4%	54.7%

Resultados Las Vegas			
Áreas Evaluadas	2006	2007	2008
Administración Financiera / Tesorería	79.3%	89.7%	100.0%
Recursos Humanos	-44.4%	33.3%	100.0%
Ejecución del Presupuesto	71.0%	67.7%	96.4%
Corporación Municipal	-23.5%	82.4%	91.2%
Procesos de Contratación	23.3%	70.0%	80.0%
Gestión Financiera y de Mora	33.3%	87.5%	79.2%
Participación Ciudadana	39.1%	50.0%	78.6%
Planeación y Desarrollo Municipal	18.9%	70.3%	70.3%
Servicios Municipales	0.0%	0.0%	50.0%
Gestión Tributaria	9.1%	9.1%	18.2%
Gestión de Préstamos	n/a	n/a	n/a
Total	27.3%	66.3%	80.8%

Resultados Meambar			
Áreas Evaluadas	2006	2007	2008
Gestión de Préstamos	0.0%	100.0%	n/a
Corporación Municipal	3.2%	22.6%	80.6%
Planeación y Desarrollo Municipal	27.0%	45.9%	70.3%
Participación Ciudadana	-21.7%	35.7%	64.3%
Ejecución del Presupuesto	-21.7%	46.7%	45.2%
Recursos Humanos	-22.2%	-44.4%	44.4%
Administración Financiera / Tesorería	30.4%	13.0%	43.5%
Gestión Financiera y de Mora	-23.1%	15.4%	42.2%
Procesos de Contratación	-10.0%	6.7%	13.3%
Gestión Tributaria	9.1%	9.1%	9.1%
Servicios Municipales	n/a	n/a	n/a
Total	0.5%	25.6%	50.7%

Resultados Naranjito			
Áreas Evaluadas	2006	2007	2008
Recursos Humanos	-28.6%	28.6%	100.0%
Administración Financiera / Tesorería	56.5%	72.0%	92.0%
Gestión Financiera y de Mora	38.5%	70.0%	90.0%
Ejecución del Presupuesto	69.0%	67.7%	87.1%
Corporación Municipal	3.0%	60.6%	81.8%
Planeación y Desarrollo Municipal	40.5%	73.0%	67.6%
Participación Ciudadana	26.1%	71.4%	57.1%
Gestión Tributaria	9.1%	9.1%	9.1%

Procesos de Contratación	-10.0%	-10.0%	3.3%
Servicios Municipales	n/a	0.0%	0.0%
Gestión de Préstamos	n/a	n/a	n/a
Total	27.6%	53.8%	65.0%

Resultados Nueva Arcadia			
Áreas Evaluadas	2006	2007	2008
Administración Financiera / Tesorería	88.9%	100.0%	100.0%
Gestión Tributaria	90.9%	90.9%	90.9%
Gestión Financiera y de Mora	36.4%	86.4%	90.9%
Ejecución del Presupuesto	77.4%	77.4%	90.3%
Recursos Humanos	-22.2%	-44.4%	77.8%
Procesos de Contratación	-10.0%	56.7%	56.7%
Planeación y Desarrollo Municipal	40.5%	67.6%	45.9%
Corporación Municipal	-17.6%	67.6%	29.4%
Participación Ciudadana	56.5%	42.9%	28.6%
Servicios Municipales	62.5%	37.5%	0.0%
Gestión de Préstamos	n/a	n/a	n/a
Total	37.9%	65.8%	60.8%

Resultados Pimienta			
Áreas Evaluadas	2006	2007	2008
Ejecución del Presupuesto	87.0%	67.7%	82.6%
Corporación Municipal	20.6%	52.9%	79.4%
Recursos Humanos	44.4%	33.3%	77.8%
Gestión Financiera y de Mora	63.6%	63.6%	77.3%
Planeación y Desarrollo Municipal	37.8%	64.9%	73.0%
Procesos de Contratación	10.0%	23.3%	70.0%
Administración Financiera / Tesorería	37.0%	81.5%	63.0%
Participación Ciudadana	4.3%	75.0%	60.7%
Servicios Municipales	0.0%	0.0%	37.5%
Gestión Tributaria	0.0%	18.2%	9.1%
Gestión de Préstamos	100.0%	n/a	n/a
Total	33.2%	51.5%	63.7%

Resultados Potrerillos			
Áreas Evaluadas	2006	2007	2008
Corporación Municipal	14.7%	76.5%	97.1%
Planeación y Desarrollo Municipal	70.3%	75.7%	86.5%
Participación Ciudadana	13.0%	71.4%	85.7%
Administración Financiera / Tesorería	70.4%	55.6%	79.3%
Ejecución del Presupuesto	29.0%	64.5%	74.2%
Gestión Financiera y de Mora	59.1%	63.6%	59.1%
Procesos de Contratación	53.3%	33.3%	46.7%

Servicios Municipales	0.0%	0.0%	30.0%
Recursos Humanos	22.2%	-22.2%	22.2%
Gestión Tributaria	9.1%	9.1%	9.1%
Gestión de Préstamos	100.0%	n/a	n/a
Total	40.7%	55.2%	69.7%

Resultados Puerto Cortes			
Áreas Evaluadas	2006	2007	2008
Gestión de Préstamos	100.0%	100.0%	n/a
Administración Financiera / Tesorería	86.2%	96.6%	100.0%
Servicios Municipales	40.0%	40.0%	100.0%
Corporación Municipal	55.9%	79.4%	94.1%
Gestión Financiera y de Mora	29.4%	79.2%	91.7%
Ejecución del Presupuesto	56.5%	70.4%	80.6%
Participación Ciudadana	52.2%	52.2%	75.0%
Procesos de Contratación	23.3%	70.0%	70.0%
Planeación y Desarrollo Municipal	45.9%	51.4%	54.1%
Recursos Humanos	0.0%	55.6%	33.3%
Gestión Tributaria	9.1%	9.1%	9.1%
Total	46.4%	66.7%	75.7%

Resultados Sabanagrande			
Áreas Evaluadas	2006	2007	2008
Gestión de Préstamos	-50.0%	0.0%	100.0%
Gestión Financiera y de Mora	50.0%	70.8%	79.2%
Administración Financiera / Tesorería	62.1%	65.5%	75.9%
Corporación Municipal	17.6%	79.4%	70.6%
Planeación y Desarrollo Municipal	35.1%	67.6%	67.6%
Ejecución del Presupuesto	21.7%	48.1%	64.5%
Participación Ciudadana	17.4%	28.6%	32.1%
Gestión Tributaria	0.0%	9.1%	9.1%
Recursos Humanos	33.3%	-44.4%	0.0%
Servicios Municipales	0.0%	0.0%	0.0%
Procesos de Contratación	-10.0%	-10.0%	-6.7%
Total	24.6%	42.7%	49.2%

Resultados San Agustín			
Áreas Evaluadas	2006	2007	2008
Ejecución del Presupuesto	42.9%	77.4%	100.0%
Gestión Financiera y de Mora	30.8%	76.9%	100.0%
Gestión Tributaria	36.4%	45.5%	100.0%
Recursos Humanos	14.3%	33.3%	100.0%
Planeación y Desarrollo Municipal	32.4%	78.4%	91.9%
Corporación Municipal	25.8%	90.3%	80.6%

Administración Financiera / Tesorería	26.1%	43.5%	78.3%
Procesos de Contratación	26.7%	60.0%	63.3%
Participación Ciudadana	56.5%	53.6%	53.6%
Gestión de Préstamos	n/a	n/a	n/a
Servicios Municipales	n/a	n/a	n/a
Total	33.5%	66.7%	82.2%

Resultados San Francisco de Yojoa			
Áreas Evaluadas	2006	2007	2008
Gestión Tributaria	90.9%	90.9%	100.0%
Ejecución del Presupuesto	93.5%	71.0%	100.0%
Recursos Humanos	14.3%	0.0%	100.0%
Gestión Financiera y de Mora	46.2%	84.6%	84.6%
Corporación Municipal	26.5%	47.1%	73.5%
Planeación y Desarrollo Municipal	51.4%	70.3%	70.3%
Administración Financiera / Tesorería	82.6%	95.7%	69.6%
Procesos de Contratación	53.3%	56.7%	63.3%
Participación Ciudadana	21.7%	50.0%	14.3%
Gestión de Préstamos	n/a	0.0%	n/a
Servicios Municipales	n/a	n/a	n/a
Total	54.5%	63.9%	70.4%

Resultados San Nicolás			
Áreas Evaluadas	2006	2007	2008
Recursos Humanos	0.0%	0.0%	100.0%
Gestión Financiera y de Mora	36.4%	68.2%	90.9%
Ejecución del Presupuesto	58.1%	64.5%	87.1%
Planeación y Desarrollo Municipal	43.2%	51.4%	81.1%
Corporación Municipal	-6.1%	60.6%	78.8%
Gestión Tributaria	63.6%	63.6%	72.7%
Administración Financiera / Tesorería	25.9%	37.0%	55.6%
Participación Ciudadana	17.4%	64.3%	42.9%
Procesos de Contratación	33.3%	6.7%	33.3%
Servicios Municipales	0.0%	0.0%	0.0%
Gestión de Préstamos	n/a	n/a	n/a
Total	29.4%	47.9%	66.5%

Resultados Santa Rosa de Copán			
Áreas Evaluadas	2006	2007	2008
Administración Financiera / Tesorería	100.0%	100.0%	100.0%
Gestión de Préstamos	100.0%	100.0%	100.0%

Gestión Financiera y de Mora	100.0%	70.8%	100.0%
Recursos Humanos	11.1%	71.4%	100.0%
Corporación Municipal	-14.7%	82.4%	97.1%
Ejecución del Presupuesto	51.6%	83.9%	90.3%
Planeación y Desarrollo Municipal	37.8%	45.95%	83.70%
Procesos de Contratación	63.3%	67.9%	80.0%
Participación Ciudadana	17.9%	75.0%	53.6%
Servicios Municipales	30.0%	30.0%	30.0%
Gestión Tributaria	9.1%	9.1%	9.1%
Total	44.5%	69.7%	81.3%

Resultados Taulabé			
Áreas Evaluadas	2006	2007	2008
Ejecución del Presupuesto	91.3%	64.5%	93.5%
Gestión Financiera y de Mora	-4.3%	56.5%	78.3%
Administración Financiera / Tesorería	77.8%	74.1%	77.8%
Recursos Humanos	-44.4%	44.4%	77.8%
Planeación y Desarrollo Municipal	2.7%	70.3%	73.0%
Corporación Municipal	0.0%	64.7%	67.6%
Procesos de Contratación	-10.0%	36.7%	56.7%
Participación Ciudadana	43.5%	92.9%	46.4%
Gestión Tributaria	9.1%	9.1%	9.1%
Servicios Municipales	0.0%	0.0%	0.0%
Gestión de Préstamos	n/a	n/a	n/a
Total	20.4%	60.1%	65.5%

Resultados Tela			
Áreas Evaluadas	2006	2007	2008
Gestión de Préstamos	100.0%	-100.0%	100.0%
Gestión Financiera y de Mora	62.5%	29.2%	91.7%
Gestión Tributaria	90.9%	90.9%	90.9%
Ejecución del Presupuesto	96.7%	48.4%	83.9%
Administración Financiera / Tesorería	72.4%	82.8%	75.9%
Procesos de Contratación	-10.0%	20.0%	70.0%
Planeación y Desarrollo Municipal	35.1%	45.9%	64.9%
Corporación Municipal	11.8%	50.0%	52.9%
Participación Ciudadana	32.0%	7.1%	39.3%
Recursos Humanos	-44.4%	22.2%	22.2%
Servicios Municipales	50.0%	0.0%	0.0%
Total	41.0%	40.0%	64.5%

Resultados Villa de San Francisco			
Áreas Evaluadas	2006	2007	2008
Planeación y Desarrollo Municipal	45.9%	70.2%	45.9%

Gestión de Préstamos	N/a	N/A	N/A
Ejecución del Presupuesto	45.2%	64.5%	80.6%
Gestión Financiera y de Mora	37.5%	37.5%	45.8%
Gestión Tributaria	18.2%	27.3%	18.2%
Servicios Municipales	0.0%	0.0%	0.0%
Administración Financiera / Tesorería	34.5%	69.0%	34.5%
Recursos Humanos	-44.4%	-22.2%	-44.2%
Procesos de Contratación	-10.0%	-10.0%	23.3%
Corporación Municipal	-26.5%	58.8%	44.1%
Participación Ciudadana	47.8%	14.3%	-3.6%
Total	19.7%	39.9%	33.7%

Resultados Villanueva			
Áreas Evaluadas	2006	2007	2008
Gestión de Préstamos	100.0%	100.0%	100.0%
Administración Financiera / Tesorería	79.3%	100.0%	100.0%
Ejecución del Presupuesto	63.0%	93.3%	96.7%
Corporación Municipal	8.8%	79.4%	91.2%
Gestión Financiera y de Mora	45.8%	100.0%	83.3%
Procesos de Contratación	23.3%	60.0%	80.0%
Participación Ciudadana	34.8%	50.0%	71.4%
Planeación y Desarrollo Municipal	32.4%	37.8%	70.3%
Gestión Tributaria	9.1%	9.1%	9.1%
Servicios Municipales	0.0%	0.0%	0.0%
Recursos Humanos	0.0%	11.1%	-11.1%
Total	35.6%	64.5%	73.9%

Yamarangüila			
Áreas Evaluadas	2006	2007	2008
Planeación y Desarrollo Municipal	43.2%	67.6%	94.6%
Corporación Municipal	0.0%	66.7%	90.9%
Ejecución del Presupuesto	81.5%	77.4%	87.1%
Administración Financiera / Tesorería	48.0%	56.0%	84.0%
Gestión Financiera y de Mora	35.0%	85.0%	80.0%
Recursos Humanos	-14.3%	0.0%	55.6%
Participación Ciudadana	46.2%	71.4%	50.0%
Procesos de Contratación	3.3%	36.7%	30.0%
Gestión Tributaria	9.1%	18.2%	18.2%
Servicios Municipales	0.0%	0.0%	0.0%
Gestión de Préstamos	-100.0%	n/a	n/a
Total	30.4%	58.7%	68.7%

APPENDIX C.

LIST OF GUIDES AND MANUALS PUBLISHED AND DELIVERED TO AMHON FOR DISSEMINATION AMONG ALL 298 HONDURAN MUNICIPALITIES

TRANSPARENCIA

- 1. Manual 1, Gestión, Transparencia y Gobernabilidad Municipal**
- 2. Manual 2, Sistema de Información Municipal gerencial**
- 3. Manual 3, Auditoria Social**
- 4. Manual 4, Sesiones de Corporación**

MUNICIPALIDADES Y MANCOMUNIDADES

- 1. Guía de RR.HH. y Escala Salarial**
- 2. Guía de Procedimientos de RR.HH. de Mancomunidades**
- 3. Manual de Administración del Impuesto Sobre Bienes Inmuebles**
- 4. Manual de capacitación sobre Finanzas Municipales**
- 5. Manual de Ejecución del Presupuesto Municipal. Tomo 1**
- 6. Manual de Ejecución del Presupuesto Municipal. Tomo 2**
- 7. Manual de Procedimiento Operativo de Tesorería**
- 8. Manual de Procedimientos Administrativos y Financieros de Mancomunidades.**
- 9. Reglamento de Caja Chica Para Municipalidades**
- 10. Reglamento de Caja Chica Para Mancomunidades**
- 11. Reglamento de Viáticos de Municipalidades**
- 12. Reglamento de Viáticos para Mancomunidades**
- 13. Reglamento de Vehículos Municipales**
- 14. Reglamento de Activos Fijos de Municipalidades**
- 15. Manual de Traspaso de Mando**
- 16. Manual para las Sesiones de la Junta Directiva de Amhon**
- 17. Manual para Crea e Implementar la ventanilla Única de Servicios Municipales**

BUENAS PRÁCTICAS Y EXPERIENCIAS EXITOSAS

- 1. Guía de Mejores Prácticas en la Gestión de Ingresos Propios en el Ámbito Local.**
- 2. Guía de Mejores Prácticas en la Gestión en la gestión Estratégica en el Ámbito Local.**
- 3. Experiencias Exitosas en gestión Descentralizada Municipal**
- 4. Experiencias Exitosas en Transparencia, Gobernabilidad y Participación Ciudadana en el Municipio**

TOOL KITS (CD)

- 1. Guía de Compras y Contrataciones**
- 2. Guía para Liquidación de Gastos con fondos ERP**