

USAID/Honduras Hurricane Reconstruction Program

A. Components by Sector

1. Meeting Basic Human Needs (Food & Shelter)

a. Housing (\$9,206,000 emergency funding; \$20,000,000 supplemental funding)

With emergency funding in early 1999, USAID provided grants to the International Organization for Migration (IOM) to build and administer thirteen transitional housing projects in nine municipalities. With these shelters in place, homeless families were able to vacate public buildings, including schools, thus allowing classes to begin on schedule. Approximately 4,000 families are living in these transitional housing units. They will participate in the construction of their new homes. In Tegucigalpa, USAID funding to IOM is supporting the municipality's technical unit on housing with NGO coordination. Under this program, each family receives a \$600 voucher that allows them to select their preferred NGO housing project. In many cases, NGOs have the resources for housing materials and construction. Thus, USAID's approach is to fill gaps. For example, in El Progreso, the municipality had all the elements present for a housing project, except for the site, so USAID purchased the land through the Honduran Municipal Association (AMHON). In other cases, new communities need water and sanitation services. USAID is providing them, as appropriate, with supplemental resources for this purpose. (See 2.b. Infrastructure Repair & Reconstruction: Water & Sanitation.) In addition, USAID will directly finance non-governmental organizations and/or private firms to build permanent housing in Mitch-affected areas with \$20 million in supplemental resources.

*Approximately \$2 million has been set aside for community-based NGOs working on rural housing as a part of their integrated development programs.

b. Food Aid: Title II Emergency Program (\$42,531,000 emergency funding)

USAID channels all emergency food aid through three organizations: CARE, Catholic Relief Services (CRS), and the World Food Program (WFP). These three entities have divided up Honduras to assure coordination and eliminate duplication of efforts of USAID-funded food aid programs. CARE, CRS and WFP are carefully timing and targeting food aid until pre-Mitch self-sufficiency levels are obtained. Although some direct food distribution is done for the elderly or children, in general, food aid is implemented through Food-for-Work Programs focusing on rehabilitation of rural and municipal infrastructure.

Families participating in the Food-for-Work Programs receive food ration packages, sufficient for one month, in exchange for 12-15 days of work. The programs are

structured to allow the head of household time to work the fields or pursue other cash employment. Food-for-Work projects include such activities as: clearing mud and debris from roads, homes and public buildings; rehabilitation of farmland; and repair of water and sanitation systems.

c. Emergency Disaster Assistance (\$14,532,000 emergency funding)

During the immediate emergency phase from October 1998 to January 1999, USAID provided Honduras with approximately \$15 million of funding from its Office of Foreign Disaster Assistance for emergency relief supplies to COPECO, emergency water system repairs (via SANAA & FHIS), medical supplies, health facility repairs, food airlift, and construction materials. In addition, over \$7 million in USAID grant funding was quickly provided to experienced NGOs with strong distribution networks.

During the immediate emergency, USAID also jointly programmed with the Government of Honduras a little over Lps. 114,000,000 (equivalent to about US\$8 million) in local currency for water system reconstruction, seeds, Ministry of Finance reconstruction, and audits by the Honduran Controller General.

2. Infrastructure Repair & Reconstruction

a. Rural Roads and Bridges (\$50,000,000 supplemental funding)

USAID is financing repairs and reconstruction of critical infrastructure, such as farm-to-market roads and bridges in the departments of Atlántida, Choluteca, Colón, Olancho, Valle, and Yoro through the Honduran Social Investment Fund (FHIS). Economic activities in these areas are vital to the Honduran economy. Rehabilitation of all secondary and tertiary roads and bridges will open up communities isolated by the flooding and landslides caused by Hurricane Mitch and will allow production and employment to return to pre-Mitch levels.

*Approximately \$1.4 million has been set aside for community-based NGOs working on road maintenance through environmentally sound land use management techniques.

**b. Water & Sanitation
(\$14,000,000 in emergency funding; \$85,000,000 supplemental funding)**

USAID's major area of reconstruction support is in the sector of urban and rural water and sanitation systems. The goal is to help Honduras prevent the spread of diarrheal diseases and cholera through restored access to potable water and sanitation systems. Partners include local governments, non-governmental organizations with experience in water and sanitation projects, the National Water and Sewer Authority (SANAA), and the Honduran Social Investment Fund (FHIS).

*Approximately \$3 million has been set aside for community-based NGOs working on rural water and sanitation.

c. River Basins & Infrastructure (\$10,000,000 supplemental funding)

USAID is designing a river basin project with the U.S. Army Corps of Engineers to construct infrastructure works that will protect vulnerable agricultural lands and at-risk communities in the Choluteca and Aguan valleys. The U.S. Department of Agriculture will collaborate with soil conservation and land reclamation in these river basins. Honduran partners include the Ministry of Agriculture, the Honduran Association of Municipalities (AMHON), the Honduran Foundation for Municipalities (FUNDEMUN), municipalities in the selected river basins, and NGOs.

*Approximately \$1 million has been set aside for community-based NGOs working on this topic as a part of their integrated development programs.

d. Storm Drainage (\$20,000,000 supplemental funding)

To assist municipalities with disaster prevention and mitigation, USAID is financing the construction of storm drainage systems and other mitigation infrastructure through FHIS in approximately twelve secondary cities.

3. Economic Recovery

a. Credit

Microenterprise

(\$3,000,000 in emergency funding; \$8,000,000 in supplemental funding)

USAID is supporting the recapitalization of microfinance institutions. With such funding, these institutions are able to provide short and medium-term credit to micro and small businesses with increased needs in the post-Mitch economy. Partners include the Covelo Foundation and its network, World Relief, and Katalysis/FAMA (Familia y Medio Ambiente).

Commercial and cooperative medium-term credit

(approximately \$30,000,000 in supplemental funding)

USAID will provide resources for medium-term credit through commercial banks and cooperatives to help small farmers and businesses reactivate. Partners will include FACACH, Finacoop, and commercial banks.

b. Agriculture (approximately \$20,000,000 in supplemental funding)

Agriculture was the hardest hit economic sector after the disaster. Many small farmers lost everything and will have significant financial barriers to replanting. Immediately after Hurricane Mitch, USAID financed special agricultural initiatives for NGOs, such as

the Pan-American Agricultural School at Zamorano and Honduran Foundation for Agricultural Investigation (FHIA) to create and distribute better bean seed and plantain plants, respectively, thus helping poor farmers recover. (See 1c, Emergency Disaster Assistance OFDA.)

USAID continues to support agricultural reactivation through the expansion of agricultural credit, extension, and marketing services to small and medium farmers and producers. Partners will include FHIA, the Pan-American Agricultural School at Zamorano, and NGOs.

c. Policy (\$3,000,000 in supplemental funding)

Keeping in mind the need to assure the overall economic well-being of Honduras during Mitch recovery and reconstruction, USAID is supporting a policy environment conducive to poverty reduction through economic growth which opens opportunities for increased participation of low income Hondurans and private sector investment in principal export sectors. Partners will include the Honduran National Congress, the Honduran Federation of Chambers of Commerce (FEDECAMARAS), the Central Bank of Honduras, and the GOH Technical Assistance Unit (UNAT).

*Approximately \$2 million has been set aside for community-based NGOs working on economic recovery in such areas as agriculture.

4. Recovery of Social Services

**a. Public Health with the Ministry of Health and NGOs
(\$1,500,000 to PAHO in emergency funding; \$5,000,000 in supplemental funding)**

Through the Pan-American Health Organization (PAHO) in coordination with the Ministry of Health, USAID supported Honduran efforts to maintain its high vaccination rates by replacing and repairing elements of the “cold chain” (e.g., refrigerators, coolers) damaged by Hurricane Mitch. Through PAHO, USAID is also financing the repair of health centers damaged by Mitch.

With supplemental funding, USAID is financing the repairs to the remaining damaged health centers and replacing equipment in hurricane-affected centers. USAID is providing funding and technical assistance for Ministry of Health training and programs focusing on maternal-child health and improved disease prevention, surveillance and control.

*Approximately \$2 million has been set aside for community-based NGOs working on similar health topics.

b. Education (\$20,000,000 in supplemental funding)

Education activities focus on three major components: alternative basic education programs for hurricane-affected students; vocational education opportunities; and school reconstruction and repair.

To provide out-of-school youth and young adults with a second chance to complete their basic education (grades 1-9), USAID funds support the Ministry of Education's distance learning program, *Education For All* (EDUCATODOS). This and other alternative basic education programs are being expanded to address Honduras' needs post-Mitch.

USAID is also providing funding for the construction and equipping of new vocational education centers, the upgrading of existing centers, and technical assistance and training for vocational education teachers and staff so that youth can acquire marketable skills for employment in Honduras. USAID will also finance the repair of schools used as shelters and rehabilitate schools damaged by the hurricane.

*Approximately \$2.5 million has been set aside for community-based NGOs working on similar education topics.

5. Environmental Recovery

Watershed Management/Forestry (\$8,000,000 in supplemental funding)

Excessive erosion, due to deforestation has been caused by environmentally unsound agricultural practices (intensive cattle grazing, slash and burn cropping) and improper logging techniques. The key environmental issue in Honduras, which Mitch dramatically demonstrated, is to rehabilitate and protect critical upper watersheds to reduce the potential for future environmental damage.

USAID will provide training and technical assistance to municipalities on the hows and whys of land use control and improved forestry management in catchment areas of upper municipal watersheds. USAID's environmental programs with local municipalities and NGOs will also focus on improving conservation and land use practices; such as environmentally sound hillside agriculture. Farmer leaders will train others in practices such as: mulching, stabilizing grass barriers and agroforestry. Partners will include: the Honduran Forestry School (ESNACIFOR) and the VIDA Foundation.

Also with USAID support, municipalities and local organizations are creating and enforcing important land use regulations, while teaching communities the necessity of environmental protection and sustainable management.

6. Disaster Mitigation (\$4,000,000 in supplemental funding)

Instability of the soil in some areas as a result of erosion and raised river bed levels have left many areas of the country vulnerable to flooding and landslides. USAID and other U.S. Government Agencies are helping Honduran municipalities prepare for future disasters through the following measures:

Municipal Disaster Preparedness

- **Disaster Preparedness Plans** – USAID and other U.S. Government Agencies will help municipalities develop warning systems for evacuation, risk management programs, safe havens, storage areas for supplies and food stocks. Funds will support the training of municipal emergency committees (CODEMS) and their communities in disaster preparedness and response.
- **Streamflow Monitoring Stations** – The U.S. Geological Survey (USGS) is working with USAID, the U.S. Department of Commerce/NOAA, and Honduran counterpart agencies to retrofit, rebuild, and construct some 20 streamflow monitoring stations in critical areas in need of floodwarning and to manage the country's water resources. These stations will contribute significantly to real-time floodwarning capabilities and development of a database of hydrologic and meteorologic data for the entire country. NOAA will also help the Honduran National Weather Service to rebuild and retrofit fourteen weather stations throughout the country.
- **Environmental and Disaster Mitigation Information** – The USGS is helping to create environmental and geo-spatial mapping of key upper watersheds, lower river basins, and coastal areas and for flood plains, in addition to landslide risk-mapping for urban and key agricultural areas.

Geographic Information System Database and Training

In collaboration with UNITEC and a user group of Honduran institutions, the USGS will develop a Geographic Information System (GIS) database of base maps, aerial photography, stream flow, river topography and hydrologic data. This information will help municipalities make informed decisions about urban planning and evacuation, thus saving lives. The GIS will be accessible to the Honduran Government, NGOs, and others through the internet at <<http://cindi-hn.unitec.edu>>.

7. Government Responsiveness & Accountability

a. Local Government (\$3,000,000 in supplemental funding)

After Hurricane Mitch, municipalities faced many challenges serving their citizens. With limited budgetary resources, they had difficulty providing basic public services, such as water, sewers, and trash collection. Hurricane Mitch made the situation worse by devastating towns and isolating them from outside help. In some cases, the municipal operating expenses were depleted in a matter of weeks on essentials such as shelter, food,

and medicine.

USAID is providing these hard-hit municipalities with funding for:

- Technical assistance to recover financial viability after using available resources for food and emergency supplies and for clean-up and road rehabilitation projects;
- Training and technical assistance for developing grass roots participation in local government issues related to reconstruction; restored financial health and increased revenue; risk management and disaster mitigation; and
- Strengthening municipal administration and internal controls.

These activities complement the previously mentioned support in water and sanitation, disaster preparedness and mitigation, housing, etc., in which municipalities play a key role.

*Approximately \$1 million has been set aside for community-based NGOs working on local governance reconstruction issues as a part of their integrated development programs.

b. Accountability (\$5,000,000 in supplemental funding)

The huge flow of donor and national resources dedicated to post-Mitch reconstruction, including those national resources expected to be available as a result of debt relief, creates a new challenge in the area of transparency.

Accountability and transparency will require improved systems in procuring and managing contracts, strengthened oversight by government entities and independent firms reporting directly to donors, and also a more vigilant civil society to assure openness and honesty in all government and local NGO operations. Developing the following systems and programs now, to prevent the risk of corruption, will create the institutional foundation for the long term. These are:

- **Establishing Independent Oversight of Implementing Agencies** – The donors will provide financing for international firms that will help Honduran Government implementing agencies follow accountable transparent procedures and oversee the quality of reconstruction projects.
- **Strengthening Controller General Capacity** – USAID will provide funds to international institutions that will expand the reach of the Controller General in its constitutional responsibility to conduct *ex-post facto* and concurrent audits.
- **Strengthening Civil Society Monitoring Capability** – USAID will support civil society's role in the accountability program.

- **Strengthening Local Governments** – USAID will provide support to strengthen accountability and transparency at the municipal level.

B. Cross-Cutting Component

Cross-cutting. Community-based Non-Governmental Organizations Activities
(\$14,900,000 of supplemental funding--included in the previous funding totals)

Non-governmental organizations are implementing integrated development programs in communities affected by Hurricane Mitch. USAID will provide experienced NGOs with funding to support such areas as: economic recovery, agriculture, watershed management, rural road and bridge maintenance, public health, housing, local governance, and education.

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