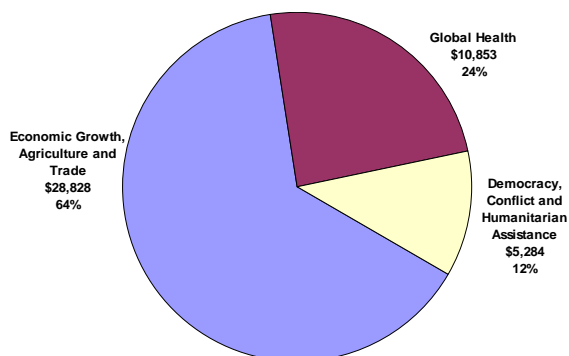
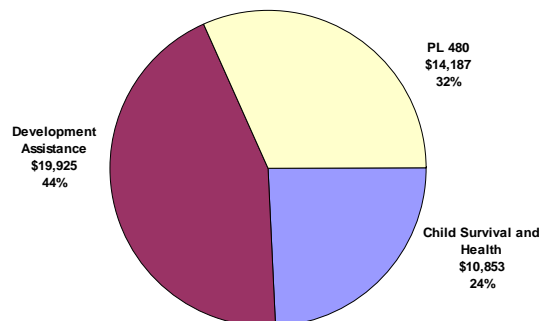


# Honduras

**FY 2006 Assistance by Sector**



**FY 2006 Assistance by Account**



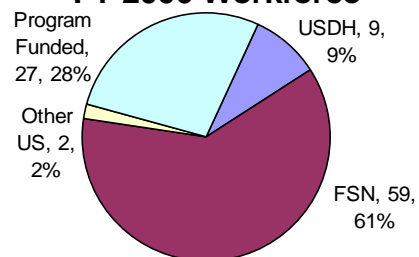
## Objectives and Budget

Objective	SO Number	FY 2004	FY 2005	FY 2006
Ruling Justly	522-021	5,640	4,662	5,284
Economic Freedom	522-022	11,357	10,469	10,641
Investing in People	522-023	18,577	19,773	14,853
PL 480 Title II		7,450	14,009	14,187
<b>Total (in thousands of dollars)</b>		<b>43,024</b>	<b>48,913</b>	<b>44,965</b>

## Administrative Expenses and Workforce

Administrative Expenses	FY 2004	FY 2005	FY 2006
Mission Allocation	2,492	3,258	3,262
USDH Salaries & Benefits	1,665	1,255	1,282
Program Funds	2,062	2,196	2,112
<b>Total (in thousands of dollars)</b>	<b>6,219</b>	<b>6,709</b>	<b>6,656</b>

**FY 2006 Workforce**



Mission Director: Paul Tuebner

## Honduras

**The Development Challenge:** As President Ricardo Maduro's government enters its last year and new national elections loom in November 2005, the Government of Honduras (GOH) continues to face difficult challenges in its efforts to reduce poverty, eliminate corruption, strengthen democracy and decentralization, improve education and health, lower crime rates, and promote broad-based sustainable economic growth and investment. The Maduro Administration faced significant difficulties during 2004 in moving the government's transformation agenda forward. The transformation process continues to be impeded by a narrow economic base, concentrated ownership of assets, limited foreign and domestic investment, corruption, high population growth, low levels of education, and high levels of infectious disease. In addition, a weak judiciary demonstrates limited capability to protect civil and commercial rights or to cope with high crime rates and human rights violations. Other problems facing Honduras include 4.5 million people (64% of the population) living in poverty; an annual population growth rate of 2.6%; an infant mortality rate of 34 per 1,000; a high prevalence of HIV/AIDS (1.9% of the population and 50% of the reported AIDS cases in Central America); chronic undernourishment (one third of children under 5 years old), an average educational level of 5.3 years; and a continuous deterioration of water and forestry resources.

The World Bank estimates that Honduras' per capita gross national income in 2003 was approximately \$970 and its external debt is expected to be around \$4.8 billion (approximately 76% of gross domestic product) at the end of 2004. In February 2004, the GOH signed a new three-year Poverty Reduction and Growth Facility (PRGF) program with the International Monetary Fund (IMF). The continuation of this program is conditioned primarily on the GOH's ability to restrain government expenditures (primarily public sector wages), increase tax revenues, improve the solvency of the financial system, and prosecute corrupt government officials and private sector financial managers. With the signing of the IMF program, the GOH received \$250 million from the IMF, the World Bank, the Inter-American Development Bank (IDB), and a number of bilateral donors. In addition, the GOH received debt relief on its debt service payment arrears from the Paris Club countries (including the United States). Assuming the GOH stays on track with the IMF program for one year, Honduras is expected to reach the Heavily Indebted Poor Country completion point in spring 2005, which would provide debt relief of approximately \$564 million in net present value terms from the international donor community.

The GOH is making a significant effort to open its borders to free trade, as shown by its signing of the Central American Free Trade Agreement (CAFTA) in May 2004, and its ongoing active participation in negotiations for the Free Trade Agreement for the Americas (FTAA) and the Free Trade Agreement with Canada. The GOH anticipates that its Congress will ratify CAFTA in 2005. In recent years Honduras has also signed a number of other free trade agreements with Mexico, Chile, and the Dominican Republic. The GOH realizes that the country must increase its exports and attract new private investment to continue to grow and generate tax revenue to provide quality social services such as schools, hospitals, health clinics, water systems, electricity, roads, personal security, and a fair judicial system. To encourage greater private investment and competitiveness, the GOH has implemented a number of programs this year to increase exports in the areas of agro-industry, forestry and wood products, tourism, light manufacturing, telecommunications, and energy.

U.S. national interests in Honduras support: 1) greater investment and economic growth in Honduras to increase the number of potential customers for U.S. businesses; 2) U.S. exports of goods and services to Honduras to generate more jobs in the United States; 3) reducing the flow of illegal immigrants into the United States; 4) decreasing pressure for greater U.S. government law enforcement resources; 5) increasing citizen support for democracy; 6) consolidating the GOH civilian-controlled military, police, and legal institutions to help protect U.S. investments; 7) reducing the impact of international crime, terrorism, and illicit narcotics activities on the United States; and 8) limiting the spread of infectious diseases, especially tuberculosis and HIV/AIDS.

**The USAID Program:** USAID's bilateral Country Plan for Honduras, approved in late FY 2003, is consistent with the three performance objectives of the Millennium Challenge Account and the Central America and Mexico (CAM) Regional Strategy: Ruling Justly, Economic Freedom, and Investing in

People. USAID will support Ruling Justly by strengthening the rule of law and promoting greater transparency and accountability of governments. USAID will support Economic Freedom by focusing on improving trade policy analysis and improving the legal and regulatory framework for trade, investment, and competitiveness; creating more competitive, market oriented private enterprise and improving the management of critical watersheds. The program will enhance Honduras' ability to participate more effectively in the CAFTA, FTAA, the World Trade Organization, and to take full advantage of increased trade opportunities made available by more open global markets. To support Investing in People, the health program will focus on preventing HIV/AIDS and other infectious diseases, as well as improving reproductive health and family planning, child survival, and household food security. The education program will contribute to a better-educated population by providing training and technical assistance to school supervisors, principals, and teachers, developing standards and tests for primary school, offering radio instruction for out-of-school youth, and assisting civil society organizations to conduct policy dialogue with the Ministry of Education.

**Other Program Elements:** In addition to the bilateral program, USAID supports several regionally-managed programs in Honduras. The Central America Regional Program (G-CAP) implements activities that increase the potential for expanded trade. In the health sector, G-CAP focuses on the prevention of HIV/AIDS through programs targeted at reducing the infection rate among high-risk groups, the implementation of improved policies, and the effective and efficient delivery of comprehensive care for people living with HIV/AIDS. G-CAP's regional environmental program continues to focus on border areas and supports the implementation of biodiversity conservation and environmental legislation. The program reduces dependence on traditional exports while addressing structural problems that inhibit rural economic diversification (clean production activities). The farmer-to-farmer program managed by the Bureau for Economic Growth, Agriculture, and Trade maintains volunteer technical assistance support to promote horticulture, tree crop, and dairy production and marketing.

The USAID office in Honduras provides regional coordination for implementation of the Presidential Centers of Excellence for Teacher Training initiative to raise the quality of teacher training and address poor rates of literacy and school achievement. Honduras also participates in the Cooperative Association of States for Scholarships program, which is managed regionally by USAID's Latin America and Caribbean Bureau. This program awards scholarships to disadvantaged scholars, with a focus on women and other disadvantaged groups, to study at a university in the United States.

**Other Donors:** Development assistance disbursements to Honduras in 2004 totaled approximately \$308 million (\$65 million in grants and \$243 million in loans). The United States, Japan, and Sweden provided the largest amounts of grant funding, while Spain provided a large amount of their assistance in loans. Non-U.S. bilateral donors and their principal areas of focus include Japan (public infrastructure, agriculture, education), Sweden (statistics, justice and human rights, social programs); Spain (judicial reform, municipality strengthening, tourism); Germany (microenterprise, housing, education); Canada (forestry, rural development, education); United Kingdom (poverty reduction); Italy (irrigation, food security); Holland (rural development, housing), and Switzerland (rural water, agricultural diversification). Multilateral donors include the IDB with a diversified portfolio of projects, the World Bank (education, road construction, land tenancy, health); the IMF (currently in the first year of a 3-year PRGF); the European Union (rural water infrastructure, decentralization, food security), and the United Nations agencies (e.g., the United Nations Development Program (UNDP), the Food and Agriculture Organization, the World Food Program, the United Nations Children's Fund, the World Health Organization, the United Nations Population Fund, the International Fund for Agricultural Development). The primary focus of UNDP has been in the areas of poverty reduction, anticorruption, and HIV/AIDS. The Donors' Support Group, now the G-17 (with the recent addition of France and Switzerland), continues to monitor the implementation of the Stockholm Principles adopted in May 1999 and the GOH's Poverty Reduction Strategy Plan. USAID participated actively with the G-17 through the Ambassadors and Representatives Group, the Technical Follow-up Group, and the Sector Groups throughout FY 2004.

## Honduras PROGRAM SUMMARY

(in thousands of dollars)

Accounts	FY 2003 Actual	FY 2004 Actual	FY 2005 Current	FY 2006 Request
Child Survival and Health Programs Fund	13,400	12,777	13,273	10,853
Development Assistance	24,112	22,797	21,631	19,925
Development Credit Authority	162	0	0	0
PL 480 Title II	10,479	7,450	14,009	14,187
<b>Total Program Funds</b>	<b>48,153</b>	<b>43,024</b>	<b>48,913</b>	<b>44,965</b>

### STRATEGIC OBJECTIVE SUMMARY

522-001 Economic Reactivation Meeting Needs of the Poor				
DA	4,945	0	0	0
522-003 Sustainable Improvements in Family Health				
CSH	13,400	0	0	0
522-004 Rule of Law & Respect for Human Rights				
DA	1,850	0	0	0
522-006 Basic Education and Skills Training				
DA	3,250	0	0	0
522-007 Municipal Development Project				
DA	1,000	0	0	0
522-021 Ruling Justly				
DA	3,250	5,640	4,662	5,284
522-022 Economic Freedom				
DA	6,067	11,357	10,469	10,641
DCA	162	0	0	0
522-023 Investing in People				
CSH	0	12,777	13,273	10,853
DA	3,750	5,800	6,500	4,000

Mission Director,  
Paul Tuebner

## Data Sheet

<b>USAID Mission:</b>	Honduras
<b>Program Title:</b>	Ruling Justly
<b>Pillar:</b>	Democracy, Conflict and Humanitarian Assistance
<b>Strategic Objective:</b>	522-021
<b>Status:</b>	Continuing
<b>Planned FY 2005 Obligation:</b>	\$4,662,000 DA
<b>Prior Year Unobligated:</b>	\$0
<b>Proposed FY 2006 Obligation:</b>	\$5,284,000 DA
<b>Year of Initial Obligation:</b>	2003
<b>Estimated Year of Final Obligation:</b>	2008

**Summary:** The Government of Honduras and USAID have jointly agreed on a program to strengthen the responsiveness, effectiveness, and transparency of governance in Honduras. The justice sector will be strengthened through improvements to the legal framework, and expanding access to justice to the poor and marginalized groups. USAID will focus on strengthening reform-minded legal professionals, in combination with the efforts of civil society organizations, to build a sustainable foundation for democracy. To reinforce this effort, Honduras must strengthen the democratic culture and government accountability by establishing effective checks and balances. USAID and other partners will help Honduras to develop a more decentralized, responsive government; improve oversight in the management of public funds; and increase local government capacity to meet citizen needs. USAID will focus on models of local governance that encourage community initiative through local government alliances, leading to innovation that can be replicated in other municipalities.

### **Inputs, Outputs, Activities:**

**FY 2005 Program:** Improve Justice Sector/Legal Framework (\$1,600,000 DA). Because implementation of the Criminal Procedures Code (CPC) is still in its early stages, USAID will fund technical assistance to refine criminal procedures; train judges, prosecutors, public defenders, and forensics experts to ensure effective implementation; and improve case management and evidence handling systems and processes. USAID will strengthen judicial independence through improvements in the legal framework and work with the Supreme Court's Constitutional Chamber. USAID will apply its successful experience with the CPC to begin civil procedure reform, introducing oral proceedings and greater transparency into the civil courts. To improve access to justice for marginalized groups, including women and the poor, USAID will support the development of alternative dispute resolution systems. To improve the advocacy and participation of professional associations within justice institutions, USAID will provide technical assistance and grants to these organizations in the area of legal reform. Support provided to justice sector nongovernmental organizations (NGOs) will strengthen advocacy on justice sector reform and monitoring, human rights, transparency and anticorruption, and immunity of public officials. USAID will also support implementation of recent electoral reforms which make representatives more accountable to the electorate rather than solely to their political parties. Technical assistance and supplies are being provided to the Supreme Electoral Tribunal to implement the primary and general elections in 2005. A voter education campaign will also be implemented to ensure that voters understand the landmark changes, thereby minimizing confusion and possible nullification of their ballots. Principle contractors and grantees include Florida International University, Chemonics (sub), International Foundation for Election Systems, and local NGOs.

Support Democratic Local Government and Decentralization (\$3,062,000 DA). USAID is funding technical assistance and training to promote the transparent management of public resources and strengthen citizen oversight of the municipal sector. Technical assistance and small grants

are focused on increasing and improving citizen participation in local government decision making, establishing mechanisms to monitor the use of public funds, and promoting public information and awareness programs. To improve the management capacity of local governments, USAID will fund specialized technical assistance and training for a select number of large municipalities, and basic technical assistance and training to a number of small municipalities in the areas of financial administration, tax collection, and service delivery. USAID will also fund technical assistance to municipal governments transitioning due to elections, including assistance to foster citizen involvement in monitoring the change in administration. To promote transparency, accountability, and oversight in the management of public funds, technical assistance will strengthen the capabilities of the country's Supreme Audit Institution (SAI) to audit municipal government and international donor programs. Technical assistance and small grants will be provided to support independent anticorruption mechanisms.

USAID will build private sector participation and support for initiatives to promote transparency, good governance, and ethical conduct. The National Association of Municipalities will receive technical assistance and a grant to enhance its advocacy on behalf of local government interests in public policy debates and improve the quality of services to municipalities. USAID support will also strengthen regional associations of municipalities in their capacity to support smaller, more impoverished municipalities and promote regional development initiatives. Principle contractors and grantees include Management Systems International, the Urban Institute (sub), and local NGOs.

**FY 2006 Program:** Improve Justice Sector/Legal Framework (\$2,420,000 DA). To strengthen the rule of law, USAID plans to fund technical assistance and training to strengthen the cadre of reform-oriented justice sector professionals and to raise the quality and transparency of justice. This support will complement technical assistance designed to achieve a sound constitutional and legal framework for an independent judiciary. USAID may support activities to strengthen the technical capacity and vision of selected legal professional associations through technical assistance, training, and small grants. Support will continue for justice sector civil society organizations to promote advocacy, dialogue, and public awareness of legal reform issues. Same implementers as above.

Support for Democratic Local Government and Decentralization (\$2,864,000 DA). USAID expects to provide assistance to both large and small municipalities to increase their capacity for transparent administration, participatory decision making, and effective delivery of basic services. Additional focus will be placed on strengthening nascent regional municipal associations and their relationship with the national municipal association in order to promote coordinated initiatives and increase municipal capacity to manage decentralized health and education services. USAID also plans to provide targeted technical assistance and training to the Honduran SAI. Same implementers as above.

**Performance and Results:** Local governments increased their administrative management capabilities to enable them to better respond to citizen needs, and the groundwork has been laid for further decentralization of responsibilities and resources. Despite political interference, municipal and civil society organizations have preserved their independence and are offering improved services to their membership. Justice sector institutions have embraced the new CPC, and criminal trials and non-trial procedures are being implemented nationwide, thus building a more transparent justice system. Through the joint initiative of USAID and civil society, the passage of a landmark electoral reform law removes the direct control by political parties over the selection of members of Congress by allowing voters to directly elect their representatives.

By program completion, USAID expects to see major reforms in the justice, civil, and political systems to reduce corruption and ensure greater transparency and security, thus contributing to increased investment and economic growth. Greater authority is expected to devolve to municipalities, which will be better equipped to manage growth, generate and manage resources in a transparent manner, and provide improved public services to constituents.

## US Financing in Thousands of Dollars

Honduras

522-021 Ruling Justly	DA
<b>Through September 30, 2003</b>	
Obligations	3,250
Expenditures	0
Unliquidated	3,250
<b>Fiscal Year 2004</b>	
Obligations	5,640
Expenditures	28
<b>Through September 30, 2004</b>	
Obligations	8,890
Expenditures	28
Unliquidated	8,862
<b>Prior Year Unobligated Funds</b>	
Obligations	0
<b>Planned Fiscal Year 2005 NOA</b>	
Obligations	4,662
<b>Total Planned Fiscal Year 2005</b>	
Obligations	4,662
<b>Proposed Fiscal Year 2006 NOA</b>	
Obligations	5,284
Future Obligations	10,664
Est. Total Cost	29,500

## Data Sheet

<b>USAID Mission:</b>	Honduras
<b>Program Title:</b>	Economic Freedom
<b>Pillar:</b>	Economic Growth, Agriculture and Trade
<b>Strategic Objective:</b>	522-022
<b>Status:</b>	Continuing
<b>Planned FY 2005 Obligation:</b>	\$10,469,000 DA
<b>Prior Year Unobligated:</b>	\$0
<b>Proposed FY 2006 Obligation:</b>	\$10,641,000 DA
<b>Year of Initial Obligation:</b>	2003
<b>Estimated Year of Final Obligation:</b>	2008

**Summary:** USAID supports Honduras' competitiveness in global markets through improving trade policy analysis and the legal and regulatory framework for trade, investment, and competitiveness; creating more competitive market-oriented private enterprise; and improving the management of critical watersheds. The program will enhance Honduras' ability to both participate more effectively in free trade agreements and to take full advantage of greater trade opportunities made available by more open global markets. USAID will provide technical support to improve the competitiveness of micro-, small, and medium-sized rural enterprises with the ultimate objective of creating economic opportunities in rural areas and assisting small producers to fully reap the benefits of freer trade through agricultural diversification. USAID's integrated watershed resources management activities will focus on conservation of natural resources, including biodiversity; disaster preparedness; and building a strong foundation for ratification and implementation of the Environmental Cooperation Agreement (ECA) under the U.S.-Central America Free Trade Agreement (CAFTA).

### **Inputs, Outputs, Activities:**

**FY 2005 Program:** Increase Participation in Global Trade and Investment (\$3,064,000 DA). USAID's Trade, Investment, and Competitiveness (TIC) program will encourage broad collaboration in the public and private sectors to facilitate implementation of Honduras' commitments under free trade agreements such as CAFTA. In conjunction with key Honduran private sector institutions, USAID will also support Honduran efforts to enhance the quality of independent TIC policy research, analysis, and formulation. This collaboration will improve the management skills of the technical staffs in the Honduran public and private sectors; enhance coordination and communication on TIC policies and programs within the Government of Honduras (GOH) and between the GOH and Honduran civil society; improve Hondurans' understanding and awareness of the impacts on the local economy of global, regional, and national TIC policy issues and developments; support TIC policy reforms required to improve the overall investment climate in Honduras and reduce specific barriers to business expansion and sustainable natural resource management; and reinforce Honduras' efforts to accelerate its participation in the Central American economic integration process, the Free Trade Area of the Americas, and the World Trade Organization Doha Development Round of multilateral trade negotiations. USAID will assist in streamlining customs procedures and supporting regional sanitary and phytosanitary initiatives. USAID will support private sector conciliation and arbitration initiatives, and governance, ethical standards, and anticorruption practices. USAID will also engage in a crosscutting activity to promote private sector participation in initiatives to advance transparency, corporate social responsibility, and ethical conduct through joint efforts such as Global Development Alliances. Principal contractors, grantees, and local partners include Management Systems International, the Honduran Business Council, the Ministries of Trade and Agriculture, the Honduran Agricultural Research Foundation, Zamorano University, other local universities, and civil society organizations.

Increase Private Sector Growth (\$4,900,000 DA). To alleviate poverty in rural areas, USAID will provide assistance to enhance income-generating capacity of small farmers and micro, small and medium-sized enterprises (MSMEs); expand local sales and export market opportunities by linking rural producers to local and international markets; and promote value-added production and private investment in rural areas. USAID will continue to fund assistance to producers and exporters to implement systems to meet increasingly strict government export and market standards in worker safety, bio-terrorism protection, food safety, labor, product traceability, and good agricultural and manufacturing practices. USAID will also fund training and advisory services to microfinance institutions and commercial banks to expand financial services to MSMEs. Principal contractors, grantees, and local partners include a U.S. institutional contractor (prime contract to be awarded in February 2005), the Ministry of Agriculture, Zamorano University, the Honduran Agricultural Research Foundation, microfinance organizations, local universities, and farmer organizations.

Improve Sustainable Management of Natural Resources and Biodiversity Conservation (\$2,505,000 DA). USAID will implement a package of initiatives to improve the management of critical watersheds in Honduras, including protection of critical biodiversity habitats, comprised of technical assistance, training, and commodities to municipalities, communities, traditional and nontraditional academic institutions, private organizations, and environmental institutions. This support will improve participants' preparedness to combat natural disasters; increase awareness of key environmental issues; and improve income generation activities while conserving the natural resources base through environmentally sound, legal practices. Principal contractors, grantees, and local partners include International Resources Group (prime), Winrock International, Development Associates, Inc., Zamorano University, the Honduran Agricultural Research Foundation, VIDA Foundation, Madera Verde, RARE Conservation, Amagavi, and AGA & Associates.

**FY 2006 Program:** Increase Participation in Global Trade and Investment (\$1,741,000 DA). USAID plans to continue supporting CAFTA implementation and enhancing local capacity to research, analyze, and formulate TIC policy. USAID may also continue assisting private businesses to promote and implement ethical standards and anticorruption practices. Same implementers as above.

Increase Private Sector Growth (\$4,800,000 DA). USAID plans to continue supporting economic diversification and assisting producers to fully reap the benefits of freer trade by improving micro, small, and medium-sized firms' access to markets, new appropriate technologies, and innovative business and financial services. Same implementers as above.

Improve Sustainable Management of Natural Resources and Biodiversity Conservation (\$4,100,000 DA). USAID expects to continue the activities of FY 2005 and expand to additional targeted geographic areas. Planned activities include improved protected area management (to conserve biodiversity); disaster preparedness; increased market access for green products and services; clean production; and strengthened environmental policies and regulations. Same implementers as above.

**Performance and Results:** USAID mobilized critical trade capacity building support in FY 2004 on behalf of the GOH program for ratification and implementation of CAFTA. More than 11,662 small farmers and microentrepreneurs increased average annual sales by 71% and, in some cases, by up to 400%. New sales of nontraditional agricultural exports over the last 12 months reached \$18.14 million and generated 5,530 new jobs (40.7% women, 59.3% men) among participating farms. Private sector investments leveraged by USAID contributions reached \$3.5 million. In the environmental sector, 12 watershed management plans covering more than 40,000 hectares were implemented, and a comprehensive environmental law and regulation analysis is being used to address potential CAFTA-ECA vulnerabilities. In addition to strengthening radio communication capacity within the GOH Emergency Commission, USAID trained over 500 volunteers from 57 communities and municipalities to react more effectively to

natural disasters. Three regional and three municipal level emergency preparedness centers were activated, as well as 23 flood monitoring telemetric stations.

By program completion, USAID expects to see increased trade, private investment, and employment, leading to poverty reduction and a healthier environment. Honduras will be better able to manage its natural resources, particularly water, to sustain long-term growth while conserving habitat for biological diversity.

## US Financing in Thousands of Dollars

Honduras

522-022 Economic Freedom	DA	DCA
<b>Through September 30, 2003</b>		
Obligations	6,166	162
Expenditures	0	0
Unliquidated	6,166	162
<b>Fiscal Year 2004</b>		
Obligations	11,327	0
Expenditures	1,105	1
<b>Through September 30, 2004</b>		
Obligations	17,493	162
Expenditures	1,105	1
Unliquidated	16,388	161
<b>Prior Year Unobligated Funds</b>		
Obligations	0	0
<b>Planned Fiscal Year 2005 NOA</b>		
Obligations	10,469	0
<b>Total Planned Fiscal Year 2005</b>		
Obligations	10,469	0
<b>Proposed Fiscal Year 2006 NOA</b>		
Obligations	10,641	0
Future Obligations	29,735	0
Est. Total Cost	68,338	162

## Data Sheet

<b>USAID Mission:</b>	Honduras
<b>Program Title:</b>	Investing in People
<b>Pillar:</b>	Global Health
<b>Strategic Objective:</b>	522-023
<b>Status:</b>	New in FY 2004
<b>Planned FY 2005 Obligation:</b>	\$13,273,000 CSH; \$6,500,000 DA
<b>Prior Year Unobligated:</b>	\$6,000 CSH
<b>Proposed FY 2006 Obligation:</b>	\$10,853,000 CSH; \$4,000,000 DA
<b>Year of Initial Obligation:</b>	2004
<b>Estimated Year of Final Obligation:</b>	2008

**Summary:** The health and education portfolio emphasizes policy reform, improving basic education, preventing HIV/AIDS and other infectious diseases, improving family planning and maternal and child health services, and improved food security. USAID will coordinate its activities with the World Bank and Inter-American Development Bank, which have been designated by the Ministry of Health (MOH) as lead donors for a major new initiative for the decentralized provision of maternal and child health care.

All family planning assistance agreements will incorporate clauses that implement the President's directive restoring the Mexico City Policy.

### **Inputs, Outputs, Activities:**

**FY 2005 Program:** Improve Maternal Health and Nutrition (\$1,240,000 CSH). USAID will fund technical assistance for the implementation of standards to improve the quality of obstetric care and mass media programs to prevent maternal and child mortality. Principal contractor and grantees are Johns Hopkins University, Academy for Educational Development (AED) (sub), and University Research Co.

Support Family Planning Programs (\$4,200,000 CSH). USAID-funded technical assistance will assist the MOH to institutionalize family planning in government facilities, and support the Family Planning Association of Honduras (ASHONPLAFA), a local nongovernmental organization, to expand service provision in rural areas. USAID will purchase contraceptives on a declining scale, design a contraceptive security strategy for future contraceptive needs, expand contraceptive social marketing, and support mass media activities to promote family planning. Principal contractors and grantees are EngenderHealth, John Snow, Inc., Population Services International (PSI) (sub), Johns Hopkins University, and AED.

Build Health Systems Capacity (\$1,935,000 CSH). USAID-funded technical assistance will advance design and implementation of decentralized systems for information, quality control, service delivery, and supervision. USAID will also fund a national survey to assess changes in health status as well as activities to monitor the impact of this program on the quality and use of health services. Principal contractors are ORC Macro, University Research Co., and the U.S. Centers for Disease Control (CDC).

Prevent and Control Infectious Diseases of Major Importance (\$740,000 CSH). USAID will train 150 additional environmental health technicians (the first line of defense against dengue, malaria and Chagas Disease), as well as health and community personnel in tuberculosis diagnosis and treatment. Activities will be implemented by the MOH.

Reduce Transmission and Impact of HIV/AIDS (\$5,200,000 CSH). USAID will fund prevention and care programs for high-risk groups, private sector provision of condoms, mass media

education programs, as well as HIV prevalence and behavior monitoring activities with an emphasis on high-risk groups. Principal contractors and grantees are Johns Hopkins University, AED (sub), PSI, and CDC.

Improve the Quality of Basic Education (\$4,000,000 DA). USAID will fund training and technical assistance for 40,000 (74% women) school supervisors, principals, and teachers to implement the Ministry of Education's (MOE) Education for All - Fast Track Initiative (EFA-FTI), which also receives support from nine other donors. Technical assistance and training for 275 MOE staff will help improve management; develop a decentralization plan; develop standards and tests for primary education; use data on enrollment, retention, and completion to improve education quality and efficiency; and assess the feasibility of expanding the EDUCATODOS curriculum, which provides instruction for out-of-school youth, to grades 10 and 11. USAID-funded technical assistance for the EDUCATODOS program will help improve its quality, efficiency, and coverage. USAID will also facilitate policy dialogue between the MOE and civil society organizations. Principal contractors and grantees are AED, the American Institutes for Research (sub), and a local nongovernmental organization.

Increase Food Security of Vulnerable Populations. P.L. 480 Title II resources will be used to increase and diversify food production, improve market infrastructure and practices, increase transparency and effectiveness of local governments, and provide preventive health care and supplementary food for vulnerable mothers and children in 52 of Honduras' 298 municipalities. Principal grantees are CARE, Save the Children, World Vision International, and the Adventist Relief and Development Agency.

**FY 2006 Program:** Improve Maternal Health and Nutrition (\$1,048,000 CSH). USAID plans to continue funding mass media communication programs and improvements in the quality of obstetric care. Same partners as above.

Support Family Planning Programs (\$2,583,000 CSH). USAID plans to continue expanding availability of family planning services at government facilities and maintain service delivery by ASHONPLAFA in rural areas. USAID expects to procure contraceptives on a declining scale, assist the implementation of the national contraceptive security strategy, and expand social marketing activities. Same partners as above.

Build Health Systems Capacity (\$2,783,000 CSH). USAID plans to continue funding decentralization and program monitoring activities. Same partners as above.

Prevent and Control Infectious Diseases of Major Importance (\$389,000 CSH). USAID will continue to fund TB activities and provide minimal support to the Environmental Health Technicians program. Same partners as above.

Reduce Transmission and Impact of HIV/AIDS (\$4,100,000 CSH). USAID plans to continue funding prevention and support programs for high-risk groups; an expanded contraceptive social marketing program; mass media programs for HIV prevention; and surveillance to monitor HIV prevalence and related behavior change. Same partners as above.

Improve the Quality of Basic Education (\$4,000,000 DA). USAID plans to continue funding training, technical assistance and the development of standards and tests under EFA-FTI, as well as support for activities related to MOE/civil society policy dialog and EDUCATODOS. Same partners as above.

Increase Food Security of Vulnerable Populations. It is expected that P.L. 480 Title II resources will continue to support the same goals as above. Grantees will not change.

**Performance and Results:** In 2004, pilot implementation of obstetric care standards reduced maternal mortality from infection by 60%. ASHONPLAFA established 92 new community

distribution posts in remote rural areas (for a total of 1,771) and exceeded its target for contraceptive use by 6%. In target municipalities, the P.L. 480 program has reduced malnutrition for children under two years of age by 33%, increased corn yields by 67%, and increased municipal revenues by 35% in the last four years. In 2004 the vocational education program surpassed its target with 3,000 graduates and 2,751 employed. EDUCATODOS has provided nearly 405,000 person-years of 1st through 9th grade education since 2000, resulting in an estimated \$400 million in additional income for participants.

By program completion, basic education and workforce development programs will be more efficient, equitable, and financially sustainable and increased numbers of children will complete primary school; the health system will be more efficient and decentralized; the HIV infection rate will have stabilized; and infant mortality and total fertility rates will be reduced.

## US Financing in Thousands of Dollars

Honduras

522-023 Investing in People	CSH	DA
<b>Through September 30, 2003</b>		
Obligations	0	3,750
Expenditures	0	0
Unliquidated	0	3,750
<b>Fiscal Year 2004</b>		
Obligations	13,771	5,794
Expenditures	5,789	2,113
<b>Through September 30, 2004</b>		
Obligations	13,771	9,544
Expenditures	5,789	2,113
Unliquidated	7,982	7,431
<b>Prior Year Unobligated Funds</b>		
Obligations	6	0
<b>Planned Fiscal Year 2005 NOA</b>		
Obligations	13,273	6,500
<b>Total Planned Fiscal Year 2005</b>		
Obligations	13,279	6,500
<b>Proposed Fiscal Year 2006 NOA</b>		
Obligations	10,853	4,000
Future Obligations	28,777	13,956
Est. Total Cost	66,680	34,000