



USAID | **HONDURAS**
FROM THE AMERICAN PEOPLE



Country Development Cooperation Strategy (CDCS)

2020 - 2025

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ACRONYM LIST

BEE	Business Enabling Environment
CBP	U.S. Customs and Border Protection
CDCS	Country Development Cooperation Strategy
CLA	Collaborating, Learning, and Adapting
DFC	U.S. International Development Finance Corporation
DO	Development Objective
FSR	Financing Self-Reliance
FTF	Feed the Future
GBV	Gender-Based Violence
GOH	Government of Honduras
GDP	Gross Domestic Product
ICT	Information and Communication Technology
IR	Intermediate Result
J2SR	Journey to Self-Reliance
LAC	Latin America and the Caribbean
LAPOP	Latin American Public Opinion Project
LGBTI	Lesbian, Gay, Bisexual, Transgender, and Intersex
LMIC	Low and Middle Income Country
ME and CLA	Monitoring, Evaluation, and Collaborating, Learning, and Adapting
MESCLA	Monitoring and Evaluation Support for Collaboration, Learning, and Adapting
MSME	Micro-, Small-, and Medium-Sized Enterprise
NPI	New Partnerships Initiative
OGP	Open Government Partnership
PEG	Government Strategic Plan 2018-2022 (Spanish Acronym)

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PMP	Performance Management Plan
PSE	Private Sector Engagement
U.S.	United States
USAID	United States Agency for International Development

I. EXECUTIVE SUMMARY

GOAL STATEMENT AND WHAT MISSION EXPECTS TO ACHIEVE

USAID/Honduras's goal for its new Country Development Cooperation Strategy (CDCS) is **“A more prosperous, democratic, and secure Honduras where citizens, especially youth, are inspired to stay and invest in their future.”** This goal is forward-looking, positive, and centers Hondurans in their own development. In addition, it is strongly aligned with the United States (U.S) Government priorities of security, prosperity, and governance under the Central America Strategy, the Journey to Self-Reliance (J2SR), and the Administration's focus on reducing irregular migration from Honduras to the United States.

The following Development Objectives (DO) will contribute to achieving this goal: DO1) Socio-economic opportunities improved to reduce irregular migration; DO2) Democratic governance to meet citizens' needs enhanced to reduce irregular migration; and, DO3) Justice and security improved to reduce irregular migration. These three DOs are all designed to address the multi-faceted, integrated drivers of irregular migration that also hold Honduras back on its J2SR.

COUNTRY ROADMAP ASSESSMENT

USAID/Honduras's focus on increasing access to socio-economic opportunities, supporting open and accountable governance, and improving justice and security reflects the commitment and capacity challenges evident in Honduras's Country Roadmap.

Open and Accountable Governance is among Honduras's lowest scoring indicators.¹ In addition, Honduras's Safety and Security score is below average for other low- and middle-income countries (LMIC).

While Honduras's score for Capacity of the Economy reflects relatively high government commitment around economic policy, Honduras continues to face persistently high levels of poverty and inequality,² weakening terms of trade, and a reduced ease of doing business.³ While Gross Domestic Product (GDP) per capita has been steadily increasing over the past ten years, the gap between Honduras and other countries in Central America is widening, as is income inequality.⁴ With respect to Capacity of the Citizen, quality of education has been decreasing, and Honduras experiences high drop-out rates, unemployment, and rising underemployment.

Information and communication technology (ICT) adoption is of growing relevance during the COVID-19 pandemic, yet it is Honduras's lowest score on any J2SR metric. While this is a challenge, collaborating to expand adoption of digital technologies is also an opportunity for USAID to work with the Government of Honduras (GOH) and the private sector to increase access to digital technologies for youth.

¹ World Justice Project Indicators 2019, World Justice Open Government Index, <https://worldjusticeproject.org/our-work/research-and-data/wjp-rule-law-index-2019>.

² World Bank Country Overview, Honduras, Last Modified 9 Oct 2020, <https://www.worldbank.org/en/country/honduras/overview>.

³ World Bank Group. 2019. *Economy Profile of Honduras Doing Business 2020*, <https://openknowledge.worldbank.org/handle/10986/32975>.

⁴ World Bank Databank, <https://data.worldbank.org/indicator/SI.POV.GINI?locations=HN&view=chart>.

MISSION'S STRATEGIC CHOICES

USAID/Honduras has identified three areas of Strategic Focus that highlight how this CDCS differs from the previous CDCS. These areas of Strategic Focus are: 1) Facilitate systems change—social, economic, justice and security, environmental, education; 2) Partner and co-create with the private sector to capitalize on shared values, foster innovation, and facilitate joint investment where interests align; and, 3) Generate opportunities for citizens—especially youth—to actively engage and invest in their future in Honduras.

Under the first area of focus, USAID/Honduras will expand on and deepen a shift the Mission initiated in the last CDCS towards a systems change approach. For USAID/Honduras, a systems change approach means focusing on changes in the norms, behaviors, and structures which influence how the systems function and the results they produce. This strategic choice reinforces the shift to an integrated approach, which means the Mission will focus more intently on integrated programming, recognizing that the complex interdependent development challenges in Honduras require an integrated approach across DOs, Intermediate Results (IR) and activities to realize systemic change. In addition, the Mission is taking a *facilitative approach* to development under this CDCS, which for the purpose of this strategy, means the Mission will be increasing work with and through local actors—whether they be GOH, private sector, civil society, faith-based organizations, or communities—as co-creators and co-implementers where there is mutual interest and shared benefit.

Furthering a facilitative approach and relationships with development actors, USAID/Honduras will partner and co-create with the private sector and other stakeholders to capitalize on shared values, foster innovation, and facilitate joint investment where interests align. Furthermore, in order to move Honduras along its J2SR, USAID will redefine its partnerships with the public and private sectors, supporting them in achieving their stated mandates and fulfilling their bottom lines. By meeting partners where they are instead of insisting they meet USAID where it is, the Mission can hope to achieve greater locally-led development and sustainability.

USAID's explicit focus on youth⁵ in this strategy is a shift from the previous CDCS, and is informed by an intentional focus on migration. Research shows that being a young person is the leading predictor of migration intentions, many of whom decide to attempt to migrate irregularly. Data from U.S. Customs and Border Protection (CBP) reveal that three out of four Honduran migrants apprehended at the U.S. southwest border are under age 30. Rather than viewing Honduras's growing youth population as problematic, this CDCS identifies the country's youth as a demographic and democratic dividend, representing opportunities for the country's economic growth, civic engagement, and more accountable and democratic governance. In order to take advantage of this youth dividend, USAID will increase opportunities for youth and participation of youth in democratic processes, and across USAID's portfolio.

In addition to the three strategic areas of focus, USAID/Honduras is prioritizing the integration of anti-corruption throughout the CDCS. This was not a strategic priority initially identified, but represents a major shift from the prior CDCS to this new one; rather than isolating anti-corruption in one DO (which was added after a thorough Mid-Course Stocktaking exercise midway through the previous CDCS), the Mission is incorporating it throughout all three DOs, in

⁵ Youth are individuals between the ages of 10 and 29.

addition to a DO focused on governance. The CDCS also reflects a more deliberate focus on engaging civil society, the private sector, and the GOH on addressing corruption, which affects all areas of Honduras's development.

DEVELOPMENT OBJECTIVES

USAID's work across the three DOs integrates these key strategic choices with and through local actors to address Honduras's development challenges.

DO1 (Socio-economic opportunities improved to reduce irregular migration) contributes to the CDCS goal by supporting the private sector, GOH, and communities to improve socio-economic opportunities⁶ in the country to reduce irregular migration. This DO addresses one of the most salient drivers of irregular migration: lack of economic opportunities, a motivation for migrating cited by more than 90 percent of returned Honduran migrants. By tackling socio-economic opportunities broadly, DO1 goes beyond focusing on strictly economic outcomes to include educational opportunities, youth engagement in society, and reduced vulnerability to key socio-economic shocks, including environmental shocks.

DO2 (Democratic governance to meet citizens' needs enhanced to reduce irregular migration) highlights the Mission's plan to assist the GOH on its J2SR in the core areas of Open and Accountable Governance (Liberal Democracy and Open Government), Government Capacity, and Civil Society and Media. This DO is also a clear nod to USAID's learning about the critical role of governance and service delivery in irregular migration. This DO explicitly addresses the challenges corruption poses to development and the future of Honduran youth, and demonstrates the centrality of democratic governance to achieving the CDCS goal.

DO3 (Justice and security improved to reduce irregular migration) addresses key elements of the security and justice system to reduce impunity and ensure equitable application of the law, procedural fairness, and protection of human rights for all. Included in this DO are interventions to ensure that women, youth, and members of other marginalized populations who are survivors of violence will be empowered to demand justice and receive support services. Efforts under DO3 will strengthen individual, family, and community resilience to crime and violence, enabling Hondurans to engage safely, openly, and peacefully in democratic processes, and create and take advantage of productive, socio-economic opportunities, reducing the risk of irregular migration.

ALIGNMENT WITH HIGH LEVEL STRATEGIES

USAID/Honduras's CDCS is aligned with the National Security Strategy's objectives of reducing irregular migration, and reducing crime and corruption. It is also aligned with the State-USAID Joint Strategic Plan through its efforts to strengthen citizen-responsive governance, promote healthy, educated and productive populations, and increase partnerships with the private sector and civil society organizations. The CDCS also supports the U.S. Strategy for Central America's focus on security, prosperity, and governance.

⁶ For the purposes of this CDCS, socio-economic is defined as "relating to or concerned with the interaction of social and economic factors." The Mission's view of socio-economic opportunity includes those related to employment, education, skills development and other pathways and resources which lead to a stronger, more secure economic future.

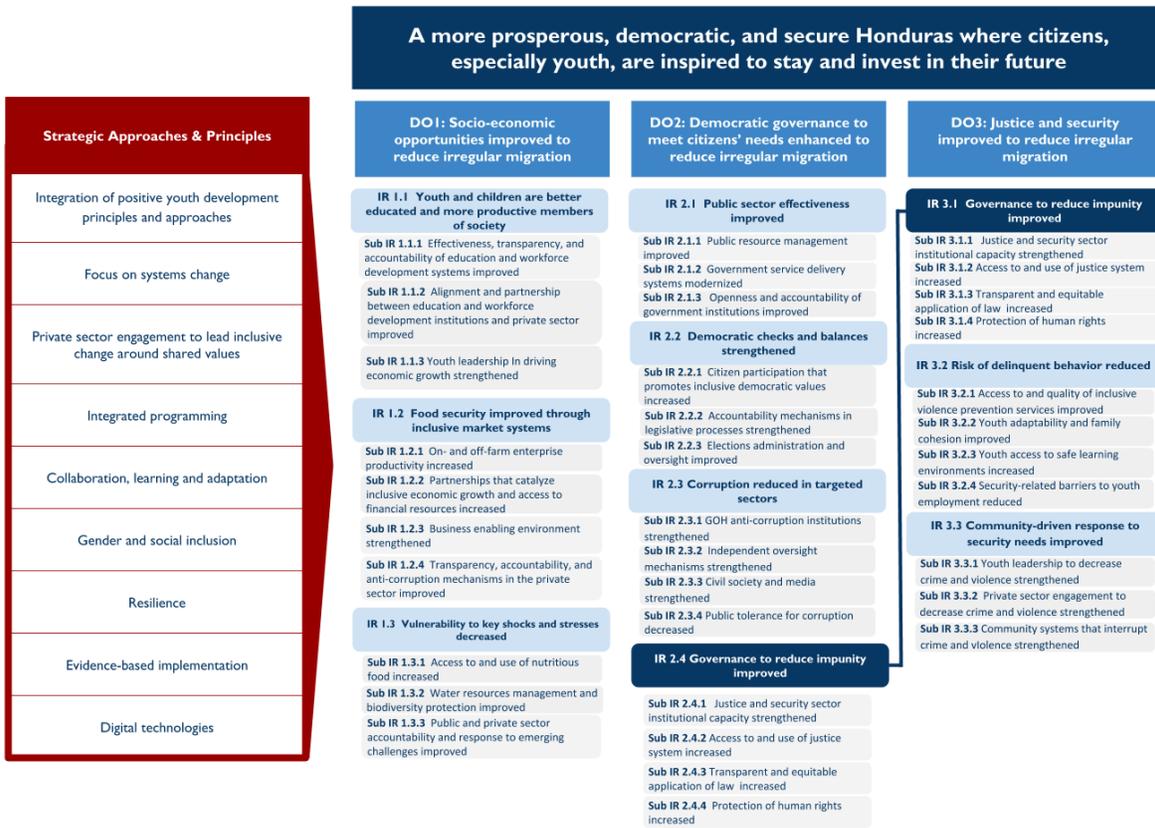
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The CDCS will contribute to América Crece by improving the overall investment climate to create new opportunities for U.S. and Honduran private sector actors to increase their investments in Honduras. Through strengthening capacity and commitment of public and private sector Honduran institutions, the Mission's work will improve enabling conditions for new business formation, growth, and investment.

The CDCS is also aligned with other USAID strategies, including the Global Food Security Strategy, USAID Education Policy, USAID Strategy on Democracy, Human Rights and Governance, USAID Gender Equality and Female Empowerment Policy, Indigenous People's Strategy, Youth and Development Policy, and Digital Strategy, among others, as well as conflict sensitivity and do no harm principles. According to the 2020 annual report from the U.S. Commission on International Religious Freedom, Honduras is neither a Country of Particular Concern nor a Special Watch List country. Although social inclusion remains a prevalent issue affecting ethnic and racial groups and women, threats to religious freedom are minimal. According to the 2020 Trafficking in Persons Report, Honduras is a Tier 2 country, meaning that it does not fully meet the Trafficking Victims Protection Act's minimum standards, but is making significant efforts to bring itself into compliance with these standards. Under this CDCS, the Mission will work to address irregular migration, including by reintegrating returned migrants, strengthening justice and security institutions, and supporting vulnerable populations to help reduce trafficking in persons.

Furthermore, the CDCS takes into consideration the need to address the long-term impacts of COVID-19, and the importance of maintaining flexibility to incorporate health system strengthening into the Mission's portfolio as needed. The CDCS also contemplates needs arising as a result of Hurricanes Eta and Iota and anticipated disaster recovery work, and recognizes the critical nature of resilience to future programming in Honduras.

RESULTS FRAMEWORK GRAPHIC⁷



⁷ For a full, landscape view of the RF Diagram, please see [Annex B](#).

II. COUNTRY CONTEXT

COUNTRY CONTEXT OVERVIEW

Irregular Migration. The number of Hondurans apprehended at the U.S. southwest border reached historic highs in Fiscal Year (FY) 2019, with more than 250,000 Honduran migrants apprehended.⁸ This marked a 230 percent increase in apprehensions over the previous year. While migration levels declined as quickly as they surged, recent trends and contextual factors in Honduras suggest that migration will likely increase again, especially given the worsening effects COVID-19 and the aftermath of Hurricanes Eta and Iota are having on drivers of irregular migration across the board.

High levels of migration have development implications for Honduras, including by entrenching poverty,⁹ despite short-term poverty alleviation associated with remittances. This is due to the loss of human capital, reduced incentives to work,¹⁰ increased exposure to violence against children left behind,¹¹ and the “morality drain” associated with the loss of Honduran voices at home to fight against corruption.¹²

To better understand the drivers of irregular migration, USAID/Honduras conducted a series of analyses at the international, national, community, household and individual levels. Consistent across these analyses is the finding that drivers generally do not exist in discrete silos. Rather, they are interconnected and inextricably linked, and interviews with migrants confirm that motivations are mixed.¹³ Addressing one driver without understanding how it interacts with the others could result in short-sighted, myopic interventions.

There are also drivers that influence irregular migration that are beyond USAID/Honduras’s sphere of influence. These include family networks in the United States, the draw of the U.S. economy, and changing border policies in the United States, Mexico, and Guatemala, among others. But even these external factors interact with the development-related drivers of irregular migration in Honduras, so the full picture is important when designing a strategic response.

The interconnectedness between drivers of irregular migration underpins the Mission’s systems change approach to development and its choice to implement an integrated strategy. Honduras faces several key development challenges that fuel irregular migration and that interact with external factors to form a “perfect storm.” These include the country’s growing youth population, limited socio-economic opportunities, environmental shocks—such as Hurricanes Eta and

⁸ U.S. Customs and Border Patrol. “U.S. Border Patrol Southwest Border Apprehensions by Sector Fiscal Year 2020”, <https://www.cbp.gov/newsroom/stats/sw-border-migration/usbp-sw-border-apprehensions>.

⁹ Chami, Ralph, et al. “Is There a Remittance Trap? High levels of remittances can spark a vicious cycle of economic stagnation and dependence” International Monetary Fund, FINANCE & DEVELOPMENT, SEPTEMBER 2018, VOL. 55, NO. 3

¹⁰ Ralph Chami, Ekkehard Ernst, Connel Fullenkamp, and Anne Oeking “Are Remittances Good for Labor Markets in LICs, MICs and Fragile States? Evidence from Cross-Country Data,” International Monetary Fund Working Paper, 2018.

¹¹ Government of Honduras, Sub-Secretariat of Security in Prevention, Secretariat of Security (2019) “Violence Against Children Survey”, Honduras 2017.

¹² Carling Jorgen, Erlend Paasche, and Melissa Siegel, “Finding Connections: the Nexus between Migration and Corruption” Migration Policy Institute, May 12, 2015, <https://www.migrationpolicy.org/article/finding-connections-nexus-between-migration-and-corruption>.

¹³ Children on the Run, UNHCR, 2014.

lota—and loss of biodiversity, persistently high levels of violence, pervasive extortion and corruption, and most recently, COVID-19.

Youth. Honduras’s growing demographic youth bulge strains the labor market, driving Hondurans to migrate irregularly and seek illegal pathways to financial resources, including through gang involvement, and drug trafficking. And the Honduran youth population (ages 15-29) will only continue growing through 2026,¹⁴ making this a critical challenge and opportunity over the course of this CDCS. The association between a large, growing youth population and increased migration is global.¹⁵ Among Hondurans apprehended at the U.S. southwest border between 2013 and 2019, three in four are young migrants (under age 30). Further, analyses of Honduran migration intentions consistently reveal that being young is the single strongest predictor of having stronger migration intentions, even above economic or violence factors.¹⁶

Economy. The vast majority of migrants cite “economic reasons” as a primary motivation for leaving Honduras. In the case of returned Honduran migrants, the share is over 90 percent. But “economic reasons” are about more than simple joblessness. As many as six in ten returned migrants in Central America had a job before attempting irregular migration.¹⁷ The economic troubles driving migration are not just employment, but also the *kind* of employment. It takes good paying, formal jobs to inspire Hondurans to stay.

Unfortunately, even when jobs are available, Hondurans are often unprepared to fulfill them. More than one in four youth ages 15-24 are youth not in employment, education or training, the highest rate in Central America.¹⁸ Further, nearly two-thirds of the population over age 15 does not have any secondary education¹⁹ and data from USAID programming indicates that many employers require a secondary education. The COVID-19 pandemic has struck the Honduran education system particularly hard. According to some estimates, almost half of the nation’s two million students are at risk of dropping out because they lack access to technology for distance learning, among other issues.²⁰ This is doubly concerning because USAID research also shows that additional years of schooling decrease Hondurans’ willingness to migrate irregularly, with particular reductions associated with completing secondary education.

These socio-economic challenges exist in a country that is among the most inequitable and impoverished in Latin America and the Caribbean. The country’s GDP per capita was just

¹⁴ UN Economic Commission for Latin America, CEPALSTAT, 2020, <https://estadisticas.cepal.org/cepalstat/portada.html?idioma=english>.

¹⁵ Michael Clemens and Jimmy Graham. “Three Facts You Haven’t Heard Much About Are Keys to Better Policy Toward Central America.” 2019, <https://www.cgdev.org/blog/three-facts-you-havent-heard-much-about-are-keys-better-policy-toward-central-america>.

¹⁶ The Americas Barometer 2018, 2014 by the Latin American Public Opinion Project (LAPOP), Vanderbilt University www.LapopSurveys.org.

¹⁷ Pan-American Development Foundation, Labor Reinsertion Study, 2020.

¹⁸ State of the Nation Program, State of the Region. “Fifth State of the Region Report on Sustainable Human Development,” 2016.

¹⁹ Ibid.

²⁰ Agencia Efe, “Unos 800.000 niños hondureños, en riesgo de abandonar sus estudios por la COVID”, 18 August 2020, <https://www.efe.com/efe/america/sociedad/unos-800-000-ninos-hondurenos-en-riesgo-de-abandonar-sus-estudios-por-la-covid/20000013-4322302>.

\$2,575 in 2019.²¹ Nearly half of the population lives in poverty and the percentage of people living in poverty in rural areas is higher than those living in poverty in urban areas (60 percent versus 38 percent).²² While the high levels of poverty in the country are critical to the country's context, it should be noted that the economic link to migration is more closely related to unemployment, underemployment, and a pervasive lack of opportunities than poverty itself.

Environmental Shocks and Stressors. Further threats to Honduras's development include persistent and unpredictable environmental shocks and stressors. Honduras is vulnerable to climate change due to its high exposure to climate-related hazards (hurricanes, tropical storms, floods, droughts, landslides) that devastate crops and critical infrastructure. For example, drought in western Honduras, as measured by satellite data on changing vegetation levels and rainfall levels, predicts increases in irregular migration to the United States, measured by apprehensions at the U.S. southwest border. Forest clearing and biodiversity loss play a key role in exacerbating water shortages and drought, and with more than 30 percent of the working population employed in the agricultural sector,²³ the impact of drought on Honduran livelihoods is extensive. Other shocks, such as coffee rust and volatile global coffee prices only add to the factors driving migration. Because of the crop's centrality to the Honduran economy, a 20 percent drop in coffee prices alone predicts a 22 percent increase in the migration rate even in non-coffee producing municipalities and a 120 percent increase in major coffee producing municipalities.

The vulnerability of the agricultural sector to both climate and price shocks only exacerbates persistent levels of food insecurity. And according to the Latin American Public Opinion Project (LAPOP), food insecurity is growing in Honduras, with 44 percent of Hondurans experiencing food insecurity in 2018, more than double the level reported in 2012.²⁴ Given that in 2018 those who experienced food insecurity were 35 percent more likely to intend to migrate than those who were not food insecure,²⁵ the impact is clear.

Hurricanes Eta and Iota have had a negative impact on food security as well. As of November 27, over 40,000 cultivated hectares have been lost entirely and more than 225,000 cultivated hectares have been seriously damaged. Basic grain crops including beans and maize have been most severely impacted, leading to serious concerns about food security of smallholder farmers. Latest estimates show coffee losses reaching over 20 percent due to persistent rains and standing water in fields. This, combined with widespread destruction of rural roads and farm infrastructure, is making access to coffee difficult and is resulting in rot of both the current crop and, in some cases, entire plantations.

Government Accountability. Related to economic challenges are corruption in both the public and private sectors, and weak democratic governance. Corruption slows economic growth and investment, and also drives migration. In GDP terms, corruption cost Honduras \$2.5 billion in

²¹ World Bank national accounts data, and OECD National Accounts data files, updated October 15 2020, <https://data.worldbank.org/indicator/NY.GDP.PCAP.CD?locations=HN>.

²² World Bank Country Overview Honduras, 2020.

²³ World Bank, Employment in Agriculture - Honduras, 2020. Data retrieved June 21, 2020. <https://data.worldbank.org/indicator/SL.AGR.EMPL.ZS?locations=HN>

²⁴ The AmericasBarometer, LAPOP 2018, 2012.

²⁵ The Americas Barometer. "Honduras 2019 AmericasBarometer Special Topic Report: An Analysis of Emigration Intentions among Honduras," LAPOP 2018.

2018, or the equivalent of 12.5 percent of the country's GDP,²⁶ and the data show it is getting worse over time. With national elections coming up in 2021, these are concerning statistics. In terms of migration, the indirect impact of corruption is obvious because of its effect on economic and violence drivers. But there is evidence that corruption *itself* drives migration. One in four Hondurans were victims of corruption in 2018 (measured by having been asked for a bribe), and migration intentions were nearly 50 percent higher among corruption victims than non-victims. More broadly, corruption may impact Hondurans' view of their future, or what academics call their "opportunity horizon."²⁷ This means that Hondurans may see their life prospects as limited in a context where corruption is rampant, and hence seek livelihoods elsewhere.

Citizen Security. Corruption and weak governance enable the country's high levels of violence, persistent gang presence, and transnational criminal organizations, including narco-trafficking groups. Despite a steady decline in the national homicide rate (falling from 86.5 per 100,000 in 2011 to 45 per 100,000 in 2019),²⁸ homicides still remain at more than six times average global levels.²⁹ And beyond homicide, other crimes remain rampant, including extortion, which in Tegucigalpa alone cost the public transportation sector \$23 million in 2019.³⁰ Extortion has clear repercussions for economic growth, given that the majority of extortion victims are businesses.³¹ This persistent violence is a significant driver of irregular migration, as Honduran municipalities with higher homicide rates have higher migration rates, even when controlling for economic factors. Youth, in particular, are at a great risk of engaging in and being victims of violence. Over the last CDCS, USAID/Honduras has learned about the importance of protective factors, not only against the risk of engaging in violence and delinquent behavior, but also against irregular migration.

COVID-19. COVID-19 has already exacerbated the drivers of irregular migration in Honduras. At the time of this writing, Honduras had reported 112,175 COVID-19 cases and 2,952 deaths.³² The Honduran Private Sector Council estimates that 500,000 jobs have been lost due to COVID-19, and the non-profit Private Contribution Fund reported in September that 56 percent of its affiliated enterprises have closed.³³ It is also having devastating impacts on food security: an analysis carried out by the GOH Technical Unit for Food and Nutrition Security this year shows that over five million Hondurans are facing food insecurity due to COVID-19. The GOH has also been widely accused of corruption and the misuse of emergency funds in its pandemic

²⁶ "Organizaciones Internacionales Reconocen Labor de CNA y FOSDEH", 14 February 2020, <https://opca.cna.hn/index.php/2020/07/24/mas-de-treinta-y-cinco-organizaciones-internacionales-reconocen-los-esfuerzos-anticorrupcion-del-cna-y-fosdeh>.

²⁷ Jonathan Hiskey, et al. "Democracy, Governance, and Emigration Intentions in Latin America and the Caribbean," 2011, https://publiceconomics.files.wordpress.com/2011/09/hiskey_etal_emigrationanddemocracy_11.pdf.

²⁸ Instituto Universitario en Democracia, Paz y Seguridad (University Institute for Democracy, Peace and Security), Universidad Nacional Autónoma de Honduras, "Boletín Especial sobre Homicidios en Honduras, 2019", February 2020.

²⁹ USAID uses the United Nations Office on Drugs and Crime (UNODC)'s definitions and statistics related to intentional homicide rates. According to UNODC, global homicide rates are 6.1 per 100,000, based on a 2019 analysis of 2017 data. <https://www.unodc.org/documents/data-and-analysis/gsh/Booklet2.pdf>.

³⁰ Sonia Nazario, "Pay or Die" New York Times, July 26, 2019, <https://www.nytimes.com/interactive/2019/07/25/opinion/honduras-corruption-ms-13.html>.

³¹ Tristan Clavel, "Private sector and anti-extortion police in Honduras: perverse alliance?" Insight Crime, April 30, 2019, [es.insightcrime.org/investigaciones/sector-privado-policia-antiextorsion-honduras-alianza-perversa/](https://www.insightcrime.org/investigaciones/sector-privado-policia-antiextorsion-honduras-alianza-perversa/).

³² National Risk Management System (Sistema Nacional de Gestión de Riesgos – SINAGER). November 19, 2020, <https://covid19honduras.org/?q=Comunicado-255>.

³³ The Private Contribution Fund (or Regimen de Aportaciones Privadas in Spanish) is a non-profit entity created to administer a fund composed of contributions from the private sector and employees.

response. There has also been a disproportionate impact on women through gender-based violence (GBV) as stay-at-home orders have forced some women into vulnerable situations.

Hurricanes Eta and Iota. Within less than two weeks Honduras was struck by two of 2020's most powerful hurricanes: Eta on November 3 and Iota on November 16. To date, these hurricanes have caused the deaths of 99 people and have affected over three million Hondurans. As a result of devastating flooding, especially in northern Honduras, homes have been damaged or destroyed forcing tens of thousands into temporary shelters, and there has been significant damage to roads, bridges and other infrastructure, including the San Pedro Sula International Airport. The impacts of these hurricanes have compounded the challenges already facing Honduras due to COVID-19, and the congregation of people in shelters increases the risk for COVID transmission and violence. While the full impact of Hurricanes Eta and Iota on long-term development is not yet known, these recent events will no doubt set Honduras back on its development trajectory and worsen the drivers of irregular migration.

HONDURAS'S VISION FOR ADDRESSING DEVELOPMENT

The GOH has developed goals and plans to address several of these key development challenges over the 2018-2022 period, captured by its "Government Strategic Plan 2018-2022" (PEG, Spanish acronym).³⁴ USAID/Honduras held several stakeholder consultations to share its preliminary CDCS work and learn about the GOH's plans. The PEG has the following Strategic Objectives:

1. Prosperity and Social Development (aligned with DO1 and DO3)
2. Inclusive and Sustainable Economic Growth (aligned with DO1)
3. Infrastructure and Logistical Development (aligned with DO1)
4. A More Just, Peaceful, and Inclusive Society (aligned with DO2 and DO3)
5. Democratic Governance and Development (aligned with DO2)

The Plan also highlights the importance of enhancing the skills and abilities of the youth population in particular, most explicitly in its sectoral strategy on "inclusive and sustainable economic growth." This strategy seeks to increase employment and entrepreneurship opportunities in the formal sector of the economy, "especially for youth."³⁵ The CDCS goal statement directly aligns with this GOH strategic focus and was echoed in stakeholder conversations.

There is also broad alignment between the CDCS and PEG on the importance of migration. The PEG names migrants as a vulnerable population and highlights migration and its causes as a priority for the country.³⁶ This priority was confirmed in stakeholder consultations, where the GOH highlighted the importance of an integrated approach to addressing migration.

Stakeholder conversations also revealed a strong mutual commitment to helping the country respond to COVID-19, recover from Hurricanes Eta and Iota, and boost economic growth through key initiatives, including América Crece and the U.S. International Development Finance Corporation (DFC).

³⁴ Government of Honduras, Plan Estratégico del Gobierno 2018-2022, last modified April 2019, <http://www.scgg.gob.hn/sites/default/files/2019-06/PEG%202018-2022%20-Versio%CC%81n%20Actualizado%20abril%202019.pdf>.

³⁵ Ibid, 37.

³⁶ Government of Honduras, PEG 2018-2022, 108.

COUNTRY ROADMAP TOP-LEVEL TAKEAWAYS

Honduras's 2020 and 2021 Country Roadmaps reflect a relatively high level of government commitment on Economic Policy dimensions. Unfortunately, this is not translating into significant, real economic gains and inequality remains an enduring problem. The country's low scores on the Open and Accountable Governance dimensions rank it among the lowest in the Latin America and Caribbean (LAC) region and are concerning, especially in light of the approaching 2021 national elections. And Honduras's ICT Adoption score ranks only above Haiti in the LAC region. With respect to its neighboring countries, Honduras falls behind neighboring Guatemala and El Salvador across the J2SR dimensions overall, while showing more progress than Nicaragua. Across the larger LAC region, Honduras lags behind most other countries in both capacity and commitment metrics. COVID-19 is predicted to negatively impact many of these metrics.

STRENGTHS AND CHALLENGES ON J2SR COUNTRY ROADMAP

In assessing strengths and weaknesses, it is useful to both understand where Honduras is today and also how it has changed. Changes discussed below typically refer to Honduras's trajectory since 2013, using the 2021 Honduras Country Roadmap.

Honduras continues to backslide in several areas, most notably in its commitment to Open and Accountable Governance. In contrast, Honduras modestly improved in the Government Capacity metrics of Government and Tax System Effectiveness, though it weakened slightly in Safety and Security.

There are several indicators that are cause for optimism and that signal points of entry for USAID interventions to accelerate advancement. A particular bright spot for Honduras is the Commitment metric of Inclusive Development. It has the third highest score in LAC for Economic Gender Gap, and has led the LAC region in gains in this area. While the country's overall trajectory in female labor force participation has been positive, the gap remains concerning with just 41 percent of women participating in the labor force compared to 75 percent of men. Although it is below average for LMICs in Social Group Equality, Honduras tied with Mexico for the largest gains in this score. Honduras also has an above-average score compared to other LMICs in its Civil Society Capacity metric.

And with respect to Biodiversity and Habitat Protection, Honduras has made progress in declaring protected areas. However, it ranks low in Environmental Policy (part of the Economic Policy metric) compared to other LAC countries, and has seen no change in this score in recent years. In addition, effective management and enforcement of environmental law within these protected areas is limited or non-existent.

Shifting to Citizen Capacity metrics, Honduras is just above average in poverty rate for an LMIC, but is second lowest in LAC, after Haiti. A particular strength is Honduras's Child Health metric, which is the country's highest scoring metric and is on an improvement trajectory. And while Education Quality is below average for LMICs, the country has developed a sectoral plan to transform education with the help of donors. And finally, while Honduras's ICT Adoption score reflects challenges, the country has improved on this metric since 2016.

III. STRATEGIC APPROACH

The 2020-2025 CDCS strategic approach outlined below is informed by three strategic priorities: 1) Facilitate a systems change approach—social, economic, justice and security, environmental, education; 2) Partner and co-create with the private sector to capitalize on shared values, foster innovation, and facilitate joint investment where interests align; and, 3) Generate opportunities for citizens—especially youth—to actively engage and invest in their future in Honduras. The systems change approach provides an analytical framework for identifying key principles that form the backbone of USAID’s strategic approach: integrated programming, flexibility and adaptation, and redefining relationships with local actors. The focus on the drivers of irregular migration defines the boundaries of the systems USAID anticipates working within, as described in the results framework. USAID has determined that the only sustainable way to encourage Hondurans to stay and invest in their future is through systems change and integrated approaches. The priority of creating opportunities, especially for youth, provides a clear focus for the vision that is positive and forward-looking.

FOCUS ON SYSTEMS CHANGE

USAID/Honduras will facilitate change through a systems change approach, which the Mission defines as *“the use of a collection of approaches and principles to achieve long-term, sustainable change through development programming, which realizes fundamental changes in how interdependent parts of a system—roles, rules, relationships, resources and results³⁷—across sectors, actors, populations, and geographies, are configured and interact.”* The Mission chose to take a systems change approach because, while the Mission achieved results as intended over the previous CDCS, its success was limited to target geographies and populations and was highly dependent on USAID’s ability to invest against the problems being confronted. The Mission recognizes a need to catalyze local systems-led development if sustainable outcomes are to be achieved. Across the country, violence continues to affect large segments of the population, corruption is still prevalent, and the majority of people in western Honduras still live in poverty. The Mission has learned that to achieve broad, sustainable change in Honduras, patterns need to be broken; the systems themselves which produce these states need to change.

Integrated Programming. USAID/Honduras has been a leader in the Agency in advancing integrated programming, which the Mission defines as *“Any development initiative (program, project or activity) which proactively incorporates work across multiple sectors to achieve a shared result.”* Integrated programming can happen within a single initiative, or between multiple initiatives working together. USAID/Honduras’s approach to integrated programming is proactive in that it is the result of conscious, intentional decisions and actions. It is systematic in that it is implemented through defined structures, processes, and behaviors across DOs and offices in the formulation, design, adaptive management, and evaluation of integrated programs. USAID/Honduras views integrated programming as a key tool to design and implement development programming to achieve systemic change. This is especially relevant where the ‘shared result’ is a systemic change. In addition, USAID/Honduras has witnessed firsthand how effective integration can lead to more effective and efficient use of resources, and results achievement. USAID/Honduras’s experience with integrated programming is that it decreases

³⁷ USAID, Local Systems: A Framework For Supporting Sustained Development, April 2014.

redundancy of efforts between activities, increases reach, and can achieve results that would not be possible by focusing on one sector or actor.

Structurally, USAID/Honduras has incorporated integration from strategy down to activity levels. At the strategy level, DOs include results that are aligned with multiple sectors and dimensions. For example, DO1 includes a sub-IR under IR 1.1 that focuses on “Youth leadership in driving economic growth strengthened” as well as sub-IRs that directly address education and workforce development for youth. These are directly linked to and intertwined with sub-IR 1.2.1 “On- and off-farm enterprise productivity increased,” recognizing that good job opportunities are needed for youth when they finish their education or training, and that businesses cannot grow and expand without well-trained youth. In addition, sub-IRs under IR 3.2 illustrate USAID/Honduras’s awareness that addressing security-related barriers is critical for youth to access the education and employment they need to succeed in Honduras. At the activity level, activities may also include results aligned with multiple sectors and dimensions.

Another prominent example of USAID/Honduras’s commitment to an integrated approach under this strategy is the inclusion of shared IR 2.4/3.1 “Governance to reduce impunity improved.” This shared IR demonstrates that the achievement of the CDCS goal relies on effective integration among all the DOs, in this case between DO2 and DO3 in particular. Inclusion of this IR under DO2 recognizes that reducing high rates of impunity in Honduras is a key component of USAID’s anti-corruption efforts and paramount to effecting positive change in democratic governance. Including this IR under DO3 recognizes that reducing impunity is necessary to both decrease the violence that drives insecurity and thrives in an environment of impunity, and support effective and transparent operation of justice institutions responsible for prosecuting criminal acts.

USAID/Honduras will build the systems change approach and integrated programming requirements into awards, linking integration into key deliverables such as work plans, Monitoring, Evaluation, and Learning (MEL) and Collaborating, Learning, and Adapting (CLA) plans, and reporting. USAID/Honduras promotes and supports a culture of integration and CLA within and between teams at the DO, Office, and activity levels, and between implementing partners.

Flexibility and Adaptability. Effecting change requires working with the system “as is,” even as it is continually changing because of migration, droughts, and evolving politics in Honduras in recent years. Additionally, experience has shown that the ability to move work forward depends on the incentives and disincentives, and the willingness of different players in the system to work on those issues, which changes with political, economic, environmental, and social circumstances. Lastly, in a complex, interdependent system, how a system will respond to changes is often unpredictable. Together, these elements have driven USAID/Honduras to embrace and promote a nimble, flexible, adaptive approach to programming within the new CDCS.

One way the Mission has incorporated flexibility into the strategy is through IR 1.3 (Vulnerability to key shocks and stresses decreased), and in particular sub-IR 1.3.3 (Public and private sector accountability and response to emerging challenges improved). While Honduras is currently experiencing the COVID-19 crisis and aftermath of two hurricanes and requires assistance across multiple sectors to address their direct and indirect impacts, the Mission recognizes that

over the five-year strategy period, the country will likely face other shocks as well, be they environmental, social, economic, or political. This IR provides USAID/Honduras with the flexibility needed to implement new activities, engage new actors, and use new approaches as urgent needs arise.

REDEFINING THE RELATIONSHIP

USAID/Honduras's focus on strengthening the GOH and other stakeholders' self-reliance by shifting to a systems change approach has clear implications for the Mission's relationships. To help Honduras achieve progress on its J2SR, the Mission will put the systems change approach into practice, and as defined earlier in this document, will take a facilitative approach to development under this CDCS. USAID/Honduras will prioritize collaboration, co-creation, and co-implementation with the GOH, other local actors, and implementing partners.

USAID/Honduras will be strategic and intentional about its role as it supports Honduras on its J2SR. The Mission envisions shifting to a more facilitative approach, though its programming will fall on a continuum of direct to facilitative approaches. In this sense, USAID/Honduras will act as an observer of larger systems operating in Honduras and as a facilitator of change that moves systems actors in Honduras to act on the changes they wish to see. This means that USAID/Honduras will design programming to foster innovation and creativity among local actors by helping reduce the risk local actors face when innovating. In addition, USAID/Honduras will act as a facilitator and convener as appropriate, facilitating connections between local actors. The Mission will work with and through local actors to design programming, including to identify and understand the systems USAID/Honduras seeks to shift.

Supporting Civil Society. USAID/Honduras has worked with civil society actors to achieve social, economic, and governance progress for decades. Under this CDCS, the Mission will shift to an organizational performance approach, aligning capacity development support as a means to help organizations achieve performance goals. This includes both individual organizational performance, as well as an increased emphasis on collective performance, which refers to the ability of organizations to effectively work together to achieve shared objectives, expand and strengthen networks, with mobilization as a key measure of success.

This approach also aligns with the Agency's New Partnerships Initiative (NPI) by empowering local actors as catalyzers of Honduras's J2SR; the Mission will prioritize working with youth organizations to the extent possible. To this end, USAID will work with a variety of actors, both formal and informal. Key areas of collaboration include supporting community groups as change agents to reduce crime and violence, impunity, and corruption; increasing environmental protection including by supporting environmental defenders³⁸; and improving human rights, justice, and democratic governance.

Financing Self-Reliance (FSR). Under this CDCS, USAID/Honduras will support the pillars of FSR. Building on previous success with the Ministry of Finance in the areas of Public Financial Management and Fiscal Transparency and Accountability, the Mission will continue to push for

³⁸ The Special Rapporteur of the General Assembly of the United Nations recognizes-specific groups of human rights defenders as-at risk for violence and discrimination, highlighting those who defend civil and political rights, the human rights of indigenous peoples, and defenders of land and the environment, among others (The Inter-American Commission on Human Rights, 2019). Further, structural issues like poverty, inequality, and discrimination in Honduras contribute to repression and violence directed at those who defend land and the environment.

citizen engagement in the budget formulation process and access to budget information. USAID will also support digital solutions to improve efficient and effective budget decision making, and to increase budget transparency. While USAID will implement these efforts under DO2, interventions under both DO1 and DO2 will support the Enabling Environment for Private Investment pillar by reforming and simplifying business registration procedures, and contribute to reducing corruption that inhibits private sector growth. In addition, under DO1, USAID will support Functioning Financial Markets by engaging in dialogue with local financial institutions to improve access to finance for micro-, small-, and medium-sized enterprises (MSME) in the agriculture and other sectors.

PRIVATE SECTOR ENGAGEMENT, FACILITATION, AND CO-CREATION

USAID/Honduras will proactively engage the private sector, not only as a driver of economic growth, but also as an influential ally in the Mission's work to catalyze mutually beneficial changes in democratic governance, environmental compliance, and safety and security. The Mission will support private sector actors that seek inclusive growth and respect human rights and the environment, without sacrificing profit and business viability. The Mission will also move beyond corporate social responsibility to engage the private sector to understand their core interests and bottom lines, recognizing that only by doing so will it be able to tap into the vast resources of capital and talent that the private sector has to offer.

This approach will include using USAID/Honduras's convening power to facilitate relationship development and partnerships between the private and public sectors. Through these partnerships, the Mission will co-create socio-economic opportunities, strengthen the business enabling environment (BEE), and expand relationships and networks for economic growth and trade, a key part of the J2SR. The Mission will further promote domestic and foreign investment through the DFC by providing critical market intelligence to identify potential private sector partners. USAID/Honduras will also provide support for completing DFC requirements and the due diligence process.

América Crece. USAID/Honduras will contribute to the América Crece initiative through efforts under all three of its DOs to improve the investment environment for the private sector in Honduras. Under DO1 in particular, USAID will work to improve market systems and the BEE, and increase transparency and accountability among the private sector. In addition, the Mission will collaborate with the DFC to mobilize private sector investment. Under IR 1.3 in particular, USAID will build resilience to shocks and stresses, increasing stability and reducing investment risk. Efforts under DO2 will further support an environment that facilitates and values transparent interactions. USAID will focus on reducing corruption that can provide an unfair advantage to certain actors, and reforming burdensome procedures related to business registration and operation. By improving security under DO3, USAID/Honduras will address the disincentives to private sector investment posed by high rates of violence and crime. The Mission will also work to address the specific challenges presented by extortion, which negatively impacts businesses and inhibits growth.

CROSS-CUTTING APPROACHES AND PRINCIPLES

In addition to the DOs and IRs that comprise the CDCS Results Framework, USAID/Honduras will apply a number of cross-cutting strategic approaches and principles to the entire strategy. Some of these, such as the systems change approach, integrated programming, and private

sector engagement, are discussed above. Below are some of the additional principles that span the Results Framework.

Positive Youth Development.³⁹ Across programming, USAID/Honduras will promote the principles, values, and approaches of the Positive Youth Development framework. This approach centers youth as agents and leaders for economic and social change. More explicitly, programming under this CDCS will engage individual youth, youth networks, and youth organizations throughout the Program Cycle and across sectors.

Evidence-based Implementation. USAID/Honduras will continue to invest in its robust system for generating, capturing, and using information to inform programming. Under the previous CDCS, the Mission's work with its monitoring, evaluation, and collaborating, learning and adapting (ME and CLA) mechanism generated critical information in real time to respond to the emerging migration crisis and to assess and adapt its programming. The Mission will continue to promote excellence within and among implementing partners and local stakeholders in designing and implementing formative studies, assessments, and evaluations.

Collaborating, Learning and Adapting. CLA is core to USAID/Honduras's continued shift to a systems change approach and integrated programming. CLA refers to flexibility and adaptability in programming from the strategy down to the activity level. USAID/Honduras has integrated CLA within the Mission's structures, processes, and behaviors and in its coordination with implementing partners and local stakeholders. The Mission embraces CLA as an integral part of monitoring and evaluation, and will incorporate the Agency's new ME and CLA focus under this CDCS.

Gender and Social Inclusion. Gender equity, and inclusion of vulnerable populations including lesbian, gay, bisexual, transgender, and intersex (LGBTI) persons, indigenous and Garífuna Hondurans, and persons with disabilities will be applied across the CDCS. In addition, the Mission will pay particular attention to the integration of returned migrants as a vulnerable population. Empowerment of women and the inclusion of vulnerable populations are crucial to Honduras's development under each DO; this includes, but is not limited to: 1) ensuring that women have equitable access to educational and economic opportunities, 2) supporting and strengthening LGBTI civil society organizations and advocates, and 3) preventing GBV.

Resilience. Resilience is intimately linked to USAID/Honduras's systems capacity development work with local actors. USAID/Honduras includes a specific IR in DO1 that refers to strengthening resilience to emerging shocks and stresses, such as COVID-19, hurricanes, droughts, and price shocks. However, resilience will feature across all programming, especially with respect to strengthening systems capacity to prevent backsliding and promote sustainable results.

Digital Technologies. Digital technologies feature as a cross-cutting theme given their importance in Honduras's J2SR, and a key means of engaging youth. As outlined by USAID's Digital Strategy, digital technology has the power to spur economic growth, improve development outcomes, and lift millions out of poverty. In addition, COVID-19 has elevated the

³⁹ For more on the Positive Youth Development framework please visit <https://www.youthpower.org>.

importance of increasing access to and use of digital technologies for distance learning, providing online and mobile phone platforms for businesses, and access to information.

GEOGRAPHIC APPROACH

Because of the interrelatedness and systemic nature of the drivers of irregular migration, defining and delimiting the geographic areas of interventions under the new CDCS requires rigorous analysis. To this end, USAID/Honduras developed an evidence-based CDCS Migration Geotargeting Model to select territories with higher impact potential to reduce the drivers of irregular migration. The model uses a diverse and robust dataset that allows for scenario and cross-variable analysis.

The dataset is composed of available numeric quantitative georeferenced migration data, and data on the known drivers of irregular migration, including socio-economic, governance, demographic, health, education, agricultural, security, and environmental variables. This data has been prioritized, normalized, and weighted based on the CDCS Goal and DOs.

Key approaches to this new geographic strategy are flexibility and integration. The Migration Geotargeting Model will help identify priority areas under the three DOs and highlight areas with greater potential for integrated work. To remain flexible, the Model will be updated as the Mission's learning on migration evolves, additional datasets become available, and the implementing mechanisms generate new information. In the following DO sections, the Mission will expand on the specifics of its findings and geographic focus.

DONOR COORDINATION

USAID is the largest bilateral donor in Honduras and foresees retaining this status and responsibility under this CDCS. The Mission will continue playing an active role within the G-16 donor coordination structure at the Mission Director level and as a leader in the various sector-specific groups, such as Food Security and Gender. USAID plans to continue coordinating with multilateral investment banks, United Nations entities—especially in the context of disaster relief and recovery in the aftermath of Hurricanes Eta and Iota, and other regional and bilateral donors.

IV. RESULTS FRAMEWORK NARRATIVE

A. GOAL STATEMENT AND NARRATIVE

The goal of the 2021-2025 CDCS is “**A more prosperous, democratic, and secure Honduras where citizens, especially youth, are inspired to stay and invest in their future.**” The development challenges that have led to increasing rates of irregular migration from Honduras are complex, layered and inter-connected within Honduras's diverse and dynamic social, political, economic, and natural environments. The highly interconnected nature of these factors requires an approach reflecting the complex context. At the highest level of the CDCS, USAID/Honduras intends to facilitate systems change that yields educational and employment opportunities for youth, accountable and transparent governance with respect to services and use of resources, and security for citizens living in areas with historically high rates of violent crime. Together, these outcomes will lead to an increase in the number of Hondurans who see a promising future for themselves and their families in Honduras rather than outside the country.

B. DEVELOPMENT OBJECTIVE RESULTS STATEMENTS AND NARRATIVES

DEVELOPMENT OBJECTIVE 1 (DO1): Socio-economic Opportunities Improved to Reduce Irregular Migration

Hypothesis Statement

If (a) youth become more constructively engaged in society through improved education, skills, and linkages to opportunities created by the public and private sectors; and (b) food security for focus populations is improved through more competitive, inclusive, and resilient market systems; and (c) individuals, households, communities and systems strengthen their capacity to mitigate and adapt to shocks and stresses; then socio-economic opportunities, especially employment, will be improved for youth and other populations, therefore reducing irregular migration.

Rationale for DO1 and its Contribution to the CDCS Goal

DO1 contributes to the CDCS Goal by supporting the GOH, private sector, civil society, and communities to improve socio-economic opportunities in the country to reduce irregular migration. This DO addresses one of the most salient drivers of irregular migration: the lack of economic opportunities, a motivation for migrating cited by more than 90 percent of returned Honduran migrants.⁴⁰

DO1 is informed by decades of experience and lessons learned promoting economic growth in Honduras, and by recent learning on the situation and aspirations of youth in Honduras. In the context of DO1, USAID/Honduras defines socio-economic opportunities broadly because findings from recent studies on youth at-risk for migration indicate a more complex and nuanced perception of economic opportunity. Youth not only view economic opportunity in terms of better jobs and employment, but also more broadly as social, economic, and political pathways and resources that lead to a stronger, more secure economic future for them and their families. Further, nearly half of Honduran parents in a recent study stated that a better education for their children was the main reason they would send their children to another country,⁴¹ underscoring the critical role of education quality. Acknowledging that the root causes that compel an individual to want to migrate are complex and interrelated, DO1 will incorporate learning from the previous CDCS on integrated approaches to holistically support the private sector, GOH, and communities to create and improve socio-economic opportunities.

Under DO1, USAID/Honduras will apply an integrated approach by partnering with and supporting local actors in: 1) improving education and workforce development opportunities to enroll and keep children and youth in schools and to better prepare them for jobs; 2) facilitating inclusive, private-sector led economic growth in key market systems to generate more and better jobs and improve food security; and 3) strengthening the capacity of people, communities, and systems to adapt to shocks and stresses. Threaded throughout each IR is a focus on improving the transparency and accountability of the systems that generate

⁴⁰ National Information Center for Social Sector (Centro Nacional de Información del Sector Social -CENISS). Microdata from January 2016 through December 2019.

⁴¹ February 2018 nationwide survey in Honduras. "Central American Child Migration Driven by Violence, Need." May 14, 2018

socio-economic opportunities. The use of digital technologies under this DO is even more salient in the context of COVID-19. USAID/Honduras will support the use of these technologies for education during school closures, which have starkly highlighted the disparity in internet access across the country, and to assist MSMEs in shifting to digital platforms for transactions to boost productivity and sustainability.

Further, in alignment with the J2SR, USAID/Honduras will continue to shift from direct assistance to a facilitative approach to increase capacity and commitment to FSR. This approach supports local actors, in partnership with the support of USAID and other donors, to identify, plan and fund solutions to their own development challenges. USAID/Honduras is committed to partnering with the GOH, the private sector, civil society, and other local actors to sustainably improve socio-economic opportunities for individuals at risk of migration.

Linkages to América Crece and Private Sector Engagement (PSE). In support of América Crece, DO1 interventions will focus on the priority economic sectors of infrastructure, energy, agriculture, and tourism that align with the GOH's priorities for economic development and large-scale job creation. Further, USAID/Honduras's economic growth programming will address critical barriers to trade, investment, and access to capital by utilizing and building upon other U.S. Government tools, networks, and relationships to mobilize Honduran and international private sector investment in key sectors, particularly through the DFC. In addition, USAID/Honduras will implement interventions that address FSR. For example, USAID/Honduras is partnering with the Honduran National Investment Council, a public entity aimed at the promotion and development of private investment.

Weak rule of law and corruption remain significant barriers to attracting investment and affect the ability of U.S. firms to compete on a level playing field. Efforts to improve transparency, reduce corruption, and strengthen the rule of law are fundamental to the ultimate success of América Crece in Honduras. Specifically, DO1 will invest through various activities to: 1) prevent and detect corruption cases; 2) build the capacity of specific GOH ministries to improve transparency, accountability, and internal controls; and, 3) enhance the ability of civil society to advocate for greater transparency and reforms that will improve educational outcomes and facilitate employment generation and economic growth in Honduras. Where appropriate, corruption cases detected in DO1 will be linked to DO2 interventions for investigation and prosecution.

A critical aspect of the Mission's private sector engagement strategy is partnering with businesses whose ability to grow and thrive aligns with USAID/Honduras's DOs. This means that their core interests and ability to turn a profit are inclusive, respectful and sustainable regarding human rights, social issues, and the environment. This issue is especially relevant to conflicts around water access, land tenure, and human rights violations, particularly of indigenous peoples. USAID/Honduras has increased its due diligence and vetting of private sector partners, and has worked with local communities to better inform its programming around land and water rights issues. The due diligence process entails many different aspects, which include whether firms have engaged in offenses, including land tenure and/or human rights violations. In addition, the Mission will build on the findings and recommendations from several assessments that were carried out in 2018 and examined issues related to indigenous populations and organizations representing indigenous Hondurans.

Redefining the Relationship. USAID/Honduras has extensive experience engaging with the private sector through various modalities, and has partnered directly with over 60 Honduran and U.S. private sector companies since 2016. The Mission will expand and enhance its private sector-led approach in DO1 by making sure work with the private sector uses market-based and facilitative approaches. The Mission will also engage the private sector through co-creation and good relationship management.

However, in sectors where land and human rights violations are endemic, identifying viable partners has been extremely challenging. In response, the Mission has stepped back from these areas. The Mission will continue commissioning studies through local actors to inform and adapt its strategies to address issues like land and water conflicts and the impact on indigenous populations.

Risks

1. Variability in international prices for certain goods, such as coffee, etc.
2. COVID-19 threats to economic development and access to education, which present risks for programs to achieve their desired results.

Assumptions

1. Honduran private sector is committed to partnering with USAID/Honduras to achieve shared objectives.
2. Droughts, floods, hurricanes, and other climatic shocks and stresses continue to occur regularly.
3. Irregular migration will surge again as COVID-19 travel restrictions ease and drivers of irregular migration, including the impact of Hurricanes Eta and Iota, worsen.

DO1 INTERMEDIATE RESULTS

IR 1.1 Youth and children are better educated and more productive members of society.

IR 1.1 focuses on strengthening education and workforce development for children and youth with the primary focus being improving the effectiveness, inclusiveness, transparency, and accountability of education and workforce development systems. The IR focuses on building educational opportunities and skills development of children and youth so they are able to fill the jobs that are available in the labor market, constructively contribute to a democratic society, and meet their economic needs at home in Honduras.

A paradox in Honduras is that while the lack of decent⁴² economic opportunities is cited as the primary reason for wanting to migrate, employers report being unable to fill positions because applicants, and especially youth, do not have the necessary skills to fill those jobs. A labor market assessment conducted in 2018 showed that a significant number of companies believed that the absence of skills in youth presented a limitation for business growth.⁴³ Employers identified soft skills in particular as one area that needs to be developed in order to expand job

⁴² In Honduras, participants in focus groups defined decent work as including social benefits, medical insurance, a good salary, safety, good treatment by their employers, flexible and fair hours, a fixed monthly income, access to facilities (in the case of people with disabilities), the ability to generate income within their community, and feeling good about the job and free to express who they are in the workplace, ACDI/VOCA Transforming Market Systems Activity Honduras, "Gender and Social Inclusion Analysis", July 13, 2018, 10.

⁴³ Banyan Global, Empleando Futuros Activity Honduras. "Empleando Futuros: Estudio Del Mercado Laboral," 2017.

opportunities for youth. To address this issue, USAID/Honduras will help key actors within the education system—including schools, the Ministry of Education, the private sector, civil society, parents and communities—work together to improve education and workforce development systems, resulting in increased access, enrollment, retention, graduation, and learning quality. Programming will target, but not be limited to, the primary, secondary, and technical/vocational levels. Programming will also include pre-school as a means to give better opportunities to youth, particularly women with children, to enter the labor market and therefore strengthen rootedness and community attachment.

USAID/Honduras will also specifically foster partnerships between the GOH, education, and workforce development service providers, and the private sector to improve training and employment opportunities for youth. This includes improved alignment and connections between education and workforce development institutions and employers. In addition, USAID/Honduras will increase opportunities for co-creation between USAID/Honduras, the private sector, workforce development service providers, and the GOH.

A vibrant MSME sector is a vital ingredient for a healthy market economy. MSMEs account for more than 60 percent of total employment in Latin America and are noted globally as significant creators of jobs.⁴⁴ USAID/Honduras will strengthen Honduran youth's ability to drive economic growth through their own entrepreneurship initiatives and MSMEs. Although this work is housed primarily in IR 1.1, it will be closely integrated with IR 1.2 recognizing that some of the barriers youth face when starting a business are the result of systemic issues in the Honduran economy. Recognizing that women and girls may face particular challenges when starting a business or becoming an entrepreneur, interventions will address those barriers. However, since men often serve as gatekeepers to women's participation in the economy, interventions will also engage men and boys to create new forms of gender-equitable and non-violent masculinity.

Work under IR 1.1 will focus most directly on high out-migration communities with low school enrollment rates and poor educational results. Climate risk will be addressed in this IR through actions such as the inclusion of climate mitigation and resilience in school curricula and engaging youth in profitable climate-smart agriculture/agribusiness, clean energy technologies, sustainable tourism, and other "green" industries.

IR 1.2 Food security improved through inclusive market systems. IR 1.2 describes an approach towards developing partnerships that leads to the creation of jobs for focus populations, with a particular emphasis on youth. This approach places co-creation and co-implementation with partners at the heart of efforts to drive the sustained creation of better jobs. The goal is for these jobs to serve as alternatives to migrating for at-risk populations. Success in this IR is predicated in large part on the creation of incentives and new models in which private sector actors are incentivized to take on roles traditionally held by the GOH and donors, driven by the intersection between development goals and core business interests. Food security is fundamental to achieving DO1 through both IR 1.2 and IR 1.3 (Vulnerability to key shocks and stresses decreased).

⁴⁴ Gonzales, E., Hommes, M., & Mirmulstein, M. "MSME Country Indicators 2014. Towards a Better Understanding of Micro, Small, and Medium Enterprises". International Finance Corporation, December 2014, and ACDI/VOCA Transforming Market Systems Activity Honduras, Honduran Council of Private Enterprise, National Autonomous University of Honduras, INCAE Business school "Diagnosing Honduras Market Systems", 2018.

Through private sector partnerships, USAID/Honduras will help improve the BEE under IR 1.2. Targeted BEE investments include the development of market systems infrastructure, such as irrigation systems, agro-parks, logistics value chains, and digital infrastructure, and the development of the energy sector. An additional BEE focus is streamlining burdensome regulations and complicated registration, licensing, certification, permitting, and taxation processes. As with IR 1.1, IR 1.2 also includes a focus on strengthening transparency and accountability within the private sector in relation to the generation of economic opportunity. To this end, the IR will put anti-corruption mechanisms in place to ensure private sector resources meet their intended objectives.

Work in this IR, particularly that relates to food security, will be focused in the Feed the Future (FTF) Zone of Influence⁴⁵, with an emphasis on high out-migration regions within that zone. Much of the BEE and private sector strengthening work will be implemented at the national level, benefiting, but not limited to, the FTF Zone of Influence. Since agricultural production and food security are intimately linked to changing climatic conditions, all IR 1.2 interventions will be implemented in accordance with the Climate Risk Management Analysis and incorporate the actions described in that analysis. Some examples of those actions include mapping crops to identify current and future locations for various productive systems, creating economic incentives for private sector participation in sectors that experience medium to high risk of climate impacts, and using construction materials that mitigate or reduce greenhouse gas emissions and are better adapted to changing temperatures.

IR 1.3 Vulnerability to key shocks and stresses decreased. IR 1.3 represents a notable shift from the previous CDCS in explicitly focusing on reducing vulnerability to key shocks and stresses at the IR level across different sectors. Honduras's vulnerability to environmental shocks is high due to a combination of high exposure to climate-related hazards and low adaptive capacity. This IR also addresses the ability of the GOH to respond to emerging challenges, including COVID-19, and allows for flexibility in including activities to address unexpected disasters such as hurricanes, droughts, and other shocks that may arise over the course of the CDCS. IR 1.3 will support the disaster recovery response to Hurricanes Eta and Iota and will also support disaster preparedness at the central level to ensure that the GOH is better prepared to respond to future disasters in a transparent, efficient, and effective manner.

Under IR 1.3, USAID/Honduras will work to increase the ability of individuals, households, communities and systems to mitigate, adapt to, and recover from shocks and stresses, with the goal of increasing resilience and decreasing vulnerability to migration pressures. Priority areas of focus under this IR include increased access to and use of nutritious food, improved water resources and biodiversity conservation and management, improved public and private sector accountability, and better response to emerging challenges. USAID/Honduras's work to increase access to and use of food is directly linked to work under IR 1.2, which aims to increase access to food through improved investment, productivity, and resilience of on- and off-farm enterprises. USAID will also support local and national entities to strengthen water management capacities. Water management is critical to building the absorptive and adaptive capacities of economic and social systems and is particularly essential to supporting livelihoods, including in agricultural work, and to sustaining key services, such as domestic water

⁴⁵ The Feed the Future Zone of Influence is composed of six departments in western Honduras: Santa Bárbara, Copán, Ocotepeque, Lempira, Intibucá, and La Paz

distribution. USAID/Honduras will partner with relevant private sector actors to increase access to water, while also improving conservation and sustainable management efforts in key areas.

Honduras's forests and biodiversity also provide ecosystem services that enable and sustain key economic sectors like agriculture and tourism, which serve as the primary income source for many Hondurans. To protect these critical resources, USAID/Honduras will tackle environmental crimes like illegal logging and wildlife trafficking by strengthening the judicial sector, continuing to support local institutions that are addressing threats at the local level, increasing knowledge management for decision making in the biodiversity and forestry management sectors, promoting successful conservation models in protected areas, and strengthening conservation financing mechanisms to become more attractive for private investment.

USAID/Honduras will strengthen the public and private sector entities that are charged with responding to shocks and stresses, ranging from natural disasters to pandemics such as COVID-19. Work will specifically focus on increasing the accountability and transparency of these institutions in terms of resource management. Recognizing that COVID-19 will continue to affect the Honduran public health care system for years to come, interventions may focus on health systems strengthening and increasing laboratory capacity, funds permitting. COVID-19 highlights the importance of this IR and the need for flexibility within the CDCS to be able to respond to unanticipated events over the next five years. Work will be implemented within the FTF Zone of Influence, as well as areas of biological significance; yet, institutional strengthening for increased resilience and response to shocks and stresses will be a nationwide effort.

DEVELOPMENT OBJECTIVE 2 (DO2): Democratic Governance to Meet Citizens' Needs Enhanced to Reduce Irregular Migration

Hypothesis Statement

If (a) key GOH public institutions commit to adopting modern and accountable public resource management practices and strengthen their institutional capacity; and (b) democratic checks and balances are strengthened through state practices that promote increased accountability and legitimacy, improved elections administration, and in which, civil society and the media participate constructively; and (c) corruption is reduced through an effective state response that increases transparency and accountability in response to public demands; and (d) justice and security institutions commit to improving the equitable application of the law and the protection of human rights; then governance will be more democratic and more responsive to citizens' needs, which will build their confidence in their future in Honduras.

Rationale for DO2 and its Contribution to the CDCS Goal

DO2 outlines the Mission's strategy to assist the GOH on its J2SR in the core areas of Open and Accountable Governance (Liberal Democracy and Open Government), Government Capacity, and Civil Society Capacity. The rankings of the Open and Accountable Governance sub-dimensions of Liberal Democracy and Open Government are the country's lowest commitment rankings. These low rankings align with events in Honduras in recent years, including the 2017 elections, in which the Organization of American States found widespread irregularities and that led to weeks of unrest across the country; the GOH's failure to renew the mandate of the Mission to Support the Fight against Corruption and Impunity in Honduras

(MACCIH) in January 2020; and ongoing accusations and investigations of corruption in the wake of the country's COVID-19 response. This DO also incorporates Mission learning about the critical role of poor governance as a driver of irregular migration to the United States, as well as learning on what makes people stay and feel rooted in their communities. Hence, it is also tied to the goal statement, most obviously to a democratic Honduras, but also with clear impacts on prosperity and security and a Honduras where citizens, especially youth, want to stay and invest in their future.

The GOH has made limited progress in recent years toward improved democratic governance to meet citizens' needs. USAID/Honduras has gathered evidence that underscores the relationship between democratic governance and a decreased likelihood of irregular migration to the United States. Specifically, Hondurans who express dissatisfaction with their democracy are more likely to intend to migrate, even when controlling for other factors such as age, education level, and feelings of insecurity.

The DO is composed of four key IRs, one of which is shared with DO3, which are interrelated and rely on a network of actors, primarily: the GOH, independent anti-corruption organizations, civil society, the media, the private sector, and youth. The geographic focus for this DO is national, as many targeted institutions are national in scope. However, while policies are set at the national level, they are implemented at the departmental and local levels, so working with sub-national actors is necessary to link national level policy to implementation and adequate resources. For this reason, targeted interventions in high out-migration communities (as measured by a combination of CBP data and returned migrant data) are contemplated.

Linkages to América Crece and PSE. DO2 provides a clear link to América Crece given its focus on reducing the corruption that inhibits private sector growth and investment. Under both DO1 and DO2, USAID/Honduras will address current ineffective and burdensome procedures, which are often linked to patronage and corruption, and the corruption that negatively affects competitiveness and creates an unfair playing field for the private sector.

Risks

1. Lack of independent power and checks and balances threatens progress.
2. Political instability due to COVID-19 or other stresses causes backsliding in democratic governance.
3. Due to COVID-19, and/or Hurricanes Eta and Iota, the GOH has to rely on external debt for budgetary support; Honduras increases its risk of external debt distress.

Assumptions

1. There will be continued political will in targeted institutions to implement anti-corruption reforms and initiatives.
2. New anti-corruption bodies continue to be strengthened and are not dismantled.
3. Irregular migration will surge again as COVID-19 travel restrictions ease and drivers of irregular migration, including the impact of Hurricanes Eta and Iota, worsen.

DO2 INTERMEDIATE RESULTS

IR 2.1 Public sector effectiveness improved. Under IR 2.1, USAID/Honduras will support the GOH in improving the overall effectiveness of the public sector by emphasizing public financial resource management, helping modernize public service delivery systems (including through the use of digital technologies), and promoting the openness and accountability of government institutions as key contributors to a healthy system of democratic governance that meets the needs of Hondurans. Improved public service delivery is even more important in the context of COVID-19 when there is increased demand on health service delivery in particular.

In terms of the J2SR, USAID/Honduras recognizes the need to focus on the GOH's commitment to improving public financial management and fiscal transparency and accountability. USAID/Honduras will build on existing opportunities to support modernization of government, efficient processes, digital technologies, and decentralization. USAID/Honduras will work with relevant entities to devolve additional authority and resources to sub-national institutions for more efficient service provision that meets citizens' needs and increases rootedness. Modernizing service delivery—including through use of appropriate digital technologies—is also in line with reducing climate risks for Honduras.

Among other tools, the Mission will continue to rely on the Open Government Partnership (OGP) for tracking the GOH's commitment to transparency and accountability while fostering good governance and democratic practices. USAID/Honduras will also work with OGP on access to information, open data, e-governance, open procurement, and citizen participation as the *Secretaría de Coordinación General de Gobierno* and the *Alianza de Gobierno Abierto de Honduras* define and implement the 2020-2022 plan.

IR 2.2 Democratic checks and balances strengthened. Under IR 2.2, USAID/Honduras will work closely with civil society groups, targeted GOH electoral administration bodies, key branches of the GOH, and youth to strengthen democratic checks and balances. These checks and balances are an integral component of improved democratic governance and meet citizen aspirations for participatory, democratic governance, which, when unmet, drive irregular migration. USAID/Honduras will also help ensure that women have opportunities to participate as agents of change. This IR directly tackles the Liberal Democracy Commitment component of Honduras's Country Roadmap by centering on elections, rule of law, and accountability. Proposed approaches include building on USAID/Honduras's past experience working with national and local-level non-governmental organizations and civil society organizations. USAID will also support grassroots approaches to complement other efforts and build coalitions.

The Mission will continue to seek innovative ways to incentivize all three branches of government to prioritize needed changes in order to consolidate democratic gains and mitigate backsliding.

This IR emphasizes strengthening Honduras' Electoral Management Bodies and improving their ability to communicate with citizens in order to maximize participation in the democratic process.

IR 2.3 Corruption reduced in targeted sectors. Under IR 2.3, USAID/Honduras will work with key actors to reduce corruption, which undermines democratic governance as well as economic growth, job creation, wealth distribution, energy sector reform, educational opportunities, disaster response, and the health and wellbeing of Hondurans. The targeted sectors under this IR correspond with DO1 and DO3, highlighting the integrated nature of anti-corruption programming in the CDCS. These sectors are likely to include education, water and natural resource management, and the justice and security sectors. The importance of this IR is heightened as Honduras battles COVID-19, and as the country considers additional infusions of donor assistance following Hurricanes Eta and Iota..

Key partners in reducing corruption include the GOH's anti-corruption mechanisms, independent anti-corruption mechanisms, civil society (with an emphasis on the role of the media, which can also help to ensure accurate and conflict-sensitive reporting), and the public. Sustainably reducing corruption is not only the responsibility of GOH institutions, but it is also on the citizens, who must demand accountability. Thus, under this IR, USAID/Honduras will help develop strategies to galvanize the public against corruption.

USAID/Honduras also recognizes that corruption affects men and women and youth differently, and that change agents need to be empowered distinctly, considering the barriers that each gender and age group dimension faces. Therefore, the Mission will seek to secure analyses that take into account these differentiated barriers.

IR 2.4/3.1 Governance to reduce impunity improved. This shared IR aligns with USAID's Rule of Law Framework, where order and security are key elements of rule of law, and the justice system is a key component of the effective application of the law. USAID support provided to the justice system will focus on strengthening anti-corruption jurisdiction to increase the proportion of cases—including high-profile cases, such as those pursued under MACCIH—that are resolved. Going forward, USAID/Honduras plans to support the GOH through technical assistance to develop strategic and operational plans, incorporate project management tools, and adopt digital technologies to monitor progress of judicial processes. On the security side, USAID/Honduras will strengthen the effectiveness, transparency, accessibility, and equitability of the criminal justice and security sector.

DEVELOPMENT OBJECTIVE 3 (DO3): Justice and Security Improved to Reduce Irregular Migration

Hypothesis Statement

If (a) capacity of state institutions and service providers is strengthened to implement and coordinate proven, differentiated approaches to crime prevention and security, and to more efficiently, transparently, and accountably carry out procedural justice; and (b) local actors are engaged as partners to catalyze change and strengthen local systems that interrupt crime and violence; then, crime prevention and security services will be more responsive, effective, and credible, risk of delinquent behavior among youth will decrease, levels of crime and impunity will decrease, and Hondurans' trust, confidence, and engagement in crime prevention and security systems and criminal justice processes will be strengthened, ultimately reducing irregular migration to the United States.

Rationale for DO3 and its Contribution to the CDCS Goal

The theory of change behind DO3 builds on proven methodologies, successful interventions, and experience-based lessons learned in preventing and responding to crime and violence, improving delivery of justice, and strengthening community social cohesion in high-crime, urban areas. Over the past CDCS, USAID/Honduras's work to prevent crime and violence contributed to a 70 percent reduction in homicides in targeted locations, a reduction that was 20 percent greater than the national average, partly owing to differentiated approaches for youth at different risk levels, and whole-of-government collaboration with the Department of State's Bureau for International Narcotics and Law Enforcement Affairs. These differentiated approaches included intentional efforts to reduce delinquent behavior in high-risk youth, build trust and coordination between target communities and justice and security actors, build social cohesion, and generate community resilience. But with homicides still at more than six times global levels, much work remains to be done, especially with respect to building sustainable programming.

USAID/Honduras recognizes that citizen security and human rights are intertwined. The GOH has the ultimate responsibility to protect Honduran citizens and to ensure basic guarantees of safety and well-being. Citizen engagement is necessary to hold the state accountable, and it is increasingly important to also foster positive engagement between the justice and security actors and the population they are mandated to protect and serve. Working alongside communities, civil society, the private sector, and local and municipal GOH stakeholders, and in coordination with DO2, the DO will address key elements of the security and justice systems to reduce violence and ensure equitable application of the law, procedural fairness, and protection of human rights for all. DO3 aims to strengthen individual, family, and community resilience to crime and violence, enabling Hondurans to engage safely, openly, and peacefully in democratic processes, and to create and take advantage of productive, socio-economic opportunities.

DO3 activities will have a direct impact on the Safety and Security sub-dimension of Government Capacity on the J2SR Country Roadmap by helping Hondurans improve their own safety and security conditions. USAID/Honduras will support this sub-dimension by helping the GOH to become more responsive to citizen security needs and allocate adequate resources to both the prevention and interdiction of crime and violence. To advance this work, the Mission will build on progress in urban areas where USAID/Honduras has developed strong working relationships and replicate this work in new areas using the aforementioned Geotargeting Model. The Mission will use the successful local systems perspective, pioneered under the previous CDCS, to facilitate adaptation, innovation, and the adoption of approaches among local actors that best fit and respond to local violence dynamics as well as drivers of irregular migration. Using digital technologies, USAID/Honduras will develop mobile location-based apps--and build on existing apps--to connect youth in high-crime areas to a wide array of services, ranging from police stations to training opportunities to psychosocial and health services.

Gender is also an important factor in this DO. While the male homicide rate is higher than the female homicide rate, the percentage of homicides that are related to gang violence is higher for

women than it is for men.⁴⁶ And women are also more likely to experience GBV,⁴⁷ which has a notoriously low judicial resolution rate. Given the rise in violent crimes against women during the stay-at-home orders imposed during the COVID-19 pandemic,⁴⁸ combating GBV is even more imperative.

Progress under DO3 will build individual, family, and community resilience to crime and violence, and will foster a conducive, safe enabling environment for productive socio-economic growth. DO3 is necessary for achievement of DO1 and DO2, and it also relies on those DOs for its own success. For example, without open and transparent governance, crimes such as extortion can continue unabated. Relatedly, crime and theft are among the most problematic factors for doing business in Honduras,⁴⁹ meaning that socio-economic opportunities cannot be improved (DO1) without a corresponding improvement in security (DO3). And, without opportunities for a better future, youth are more likely to turn to irregular migration and illicit economic activities, including gang involvement, and drug dealing and trafficking. Together with the other DOs, DO3 enables Hondurans to engage safely, openly, and peacefully in democratic processes, and to create and take advantage of productive socio-economic opportunities, enabling them to thrive in their home communities. This work to increase the effectiveness of justice and security systems, and build social cohesion also helps decrease the influence of organized crime.

Given Honduras's vulnerability to climate-related shocks, this DO can support development of security plans or incorporate into existing plans recommendations for addressing extreme weather events in order to reduce the overall impact to security when such events occur. DO3 can also identify local stakeholders, including youth and/or other marginalized groups, who can serve as community responders in cases of extreme weather events.

Linkages to América Crece and PSE. DO3 efforts will support PSE by prioritizing a shift from philanthropy and corporate social responsibility to shared value programs with private sector partners, and co-creation processes that include the private sector. This DO will also work to eliminate structural barriers within the private sector that prevent youth from vulnerable communities from accessing quality jobs. Through efforts under DO3 to reduce extortion and other violent crimes that negatively impact the investment climate in Honduras and inhibit private sector growth, USAID/Honduras will contribute to América Crece.

Redefining the Relationship. The Mission will build on existing partnerships with the GOH at the national and local levels to advance shared citizen security goals. The Mission will work with GOH partners to pilot interventions jointly and promote co-investment, while enhancing GOH capacity to take evidence-based actions to tackle crime and violence with community input.

⁴⁶ Instituto Universitario de Paz, Democracia y Seguridad (IUDPAS). (2018). Observatorio de muertes violentas de mujeres y femicidios. Resultado del análisis de enero a diciembre 2017. Tegucigalpa: National Autonomous University of Honduras

⁴⁷ "Violencia Contra la Mujer las Mujeres 2018", InfoSeguro/UNDP, <https://infosegura.org/2019/10/31/violencia-contra-las-mujeres-honduras-2018/>.

⁴⁸ "Análisis sobre la Situación de Violencia y Seguridad Ciudadana, 1er Semestre 2020", InfoSegura UNDP, <https://infosegura.org/2020/09/18/analisis-sobre-la-situacion-de-violencia-y-seguridad-ciudadana-1er-semester-2020>.

⁴⁹ World Economic Forum 2020, The Global Risks Report 2020. <https://www.weforum.org/reports/the-global-risks-report-2020>.

Risks:

1. Political instability and general unrest due to COVID-19, Hurricanes Eta and Iota, or other stresses result in increased insecurity and threaten gains made in fighting corruption and addressing impunity.

Assumptions:

1. The GOH will continue to expand its violence observatories. Local level crime statistics are not readily available outside the municipalities with a municipal violence observatory.
2. Irregular migration to the United States will surge again as COVID-19 travel restrictions ease and drivers of irregular migration, including the impact of Hurricanes Eta and Iota, worsen.

DO3 INTERMEDIATE RESULTS

IR 2.4/3.1 Governance to reduce impunity improved. This is a shared IR with DO2, given its clear link to both DOs. Impunity is both a significant driver of crime, violence and corruption in Honduras and a key part of governance. Gangs and other organized criminal groups depend on impunity to conduct illegal activities, and individuals take advantage of the same system, knowing they won't be brought to justice. For violent crimes, including homicides, extortion and GBV, in addition to environmental crimes, governance to reduce impunity translates to higher case resolution rates. Case resolution refers to the whole process, including the initial police report, the police investigation, prosecution in the courts, and judicial outcome.

A priority focus of IR 2.4/3.1 is supporting effective, efficient, and credible security and justice systems to foster increased access to, use of, and trust in security and justice systems. USAID/Honduras will work with and through local actors to lead change in key strategic justice and security system elements to build credibility and trust. This includes expanding access to security and justice services that treat individuals with respect and dignity, transparent and equitable application of key safeguards such as due process for both victims and perpetrators of crime, and protection of human rights. By strengthening these institutions, USAID/Honduras will reduce impunity rates and deter human rights violations, especially violations against environmental activists and indigenous peoples, that continue to threaten safety and security in Honduras.

USAID/Honduras will support improvements to administration and management systems within the criminal justice system to improve the sector's capacity to respond to, investigate, and adjudicate criminal offenses in a timely, respectful, and transparent manner. Increased commitment and capacity of the security and justice providers will lead to more successful criminal investigations and adjudication, improve trust in the system, and deter criminal behavior, thereby reducing impunity and drivers of irregular migration. In light of Honduras's large youth population, the disproportionate impact of violence on young people, and an antiquated juvenile justice system, rehabilitation services and restorative justice are key to reducing recidivism by effectively re-engaging youth in conflict with the law as productive members of society.

IR 3.2 Risk of delinquent behavior reduced. Under IR 3.2, USAID/Honduras will build on its pioneering work implementing risk-differentiated approaches proven to increase protective

factors against violence for youth while reducing risk factors for delinquent behavior. These interventions target individuals, families, and communities. This IR links to IR 1.1 through the importance of providing youth with a safe education, safe recreational spaces, and the socio-economic opportunities to decrease delinquent behavior. To achieve results, USAID/Honduras will apply a public health model approach to violence, building on its previous strategy. This approach increases access to differentiated risk services for youth and their families from relevant state and non-state service providers, with the goal of ensuring trauma-informed prevention and other services reach the populations most susceptible to violence and migrating irregularly to the United States. These approaches will increase resilience to crime and violence among youth, their families and communities.

Under IR 3.2, USAID/Honduras will work with state and non-state actors to expand pathways to positive youth development, targeting the populations that have been most impacted by insecurity and that are most prone to irregular migration. Interventions will focus on lowering individual and community risk factors and increasing protective factors, which strengthen resilience. The Mission emphasizes reducing the risk of delinquent behavior rather than the delinquent behavior itself. This is a strategic decision because USAID/Honduras has demonstrated that by addressing the risky behaviors that lead to delinquent behavior, not only are these delinquent behaviors reduced, but other associated risks (e.g., negative peer influence, poor parental supervision) are reduced and broader ranging outcomes (e.g., mental and physical health, family attachment, pro-social involvement, and school retention) are achieved.

Approaches supported under IR 3.2 will mitigate the structural factors and reduce the behaviors associated with youth delinquency, gang association, and violence. Promoting safer, more supportive learning environments at home, at school, and in the community is one approach to support these goals. More broadly, the IR seeks to reduce the structural barriers, stigma, and social exclusion that prevent or inhibit youth, particularly those in vulnerable communities, from obtaining opportunities for education, employment, rehabilitative juvenile justice, and other services. These services are critical because they can build up protective factors for deterring youth from engaging in delinquent behavior and from taking the risk to migrate irregularly to the United States.

IR 3.3 Community-driven response to security needs improved. IR 3.3 addresses crime and violence from a community-level systems change approach. This approach engages the private sector and supports youth as leaders in improving their communities. USAID/Honduras made significant progress strengthening social and community cohesion in the previous CDCS. The new CDCS will make this work more sustainable by supporting local actors to create more secure and prosperous conditions in their home communities. As local systems are identified in target locations, USAID/Honduras will support strategies to mobilize key stakeholders to use their social capital and financial resources to advocate for and create more secure and just communities.

This work will include identifying and developing shared value objectives with private sector partners. For example, the private sector needs security in order to thrive. By identifying areas of mutual benefit with the private sector, USAID will help create the conditions necessary for new business opportunities and local economic development.

IR 3.3 will help empower communities to identify the resources they can contribute for improved community security. An experience USAID/Honduras will build on under this IR is its work supporting small-scale, community-run infrastructure projects to mitigate crime and violence. Through these and other efforts, USAID/Honduras will support local actors and stakeholders to create sustainable change within local systems that includes responsive security and justice systems, and reduced youth delinquency, and that increases the engagement of key stakeholders to mobilize resources to improve justice and security and reduce irregular migration to the United States.⁵⁰

V. MONITORING, EVALUATION AND COLLABORATING, LEARNING, AND ADAPTING

As USAID/Honduras transitions into the new CDCS, it is committed to helping increase the self-reliance of GOH entities, local partners, the private sector, and academia to jointly achieve sustainable development outcomes. Through its ME and CLA practice, USAID/Honduras will measure, evaluate, and report its progress advancing Honduras on its J2SR. Moreover, USAID/Honduras will further strengthen ME and CLA efforts to monitor its performance to support evolving U.S. Government strategic priorities, such as reducing irregular migration, implementing *América Crece*, and the U.S. Strategy for Engagement in Central America, among others.

In alignment with its transition to a systems-based development approach, USAID/Honduras will explore complexity-aware monitoring approaches and evaluations to track change and program impacts.⁵¹ Simultaneously, USAID/Honduras will closely monitor the extent to which USAID/Honduras-supported digital technologies increase access to public services among target populations. USAID/Honduras will further validate its development hypotheses and theories of change that inform program design and implementation by conducting assessments, evaluations, studies, and ongoing analyses in the following key thematic areas.

- Determinants of irregular migration to the United States and effective interventions to reduce irregular migration to the U.S. Determinants of interest include, but are not limited to, socio-economic opportunities, governance, quality of democracy, crime and violence, and personal and demographic characteristics.
- Capacity strengthening to increase the performance of committed GOH entities, local partners, targeted private sector actors, and academia.
- The role of youth in development and in contributing to development outcomes, including how best to engage youth for maximum results.
- Contributions of inclusive market systems, private sector engagement, and targeted development outcomes in achieving overall development progress in Honduras.
- Ability of a multi-sectoral and integrated approach to lead to bigger, better, and more sustainable outcomes.
- Contribution to COVID-19 response addressing critical national healthcare needs and socio-economic recovery.

⁵⁰ Muggah, *The Rise of Citizen Security*, 291-322.

⁵¹For more information on Complexity Aware Monitoring please visit: https://usaidlearninglab.org/sites/default/files/resource/files/cleared_dn_complexity-aware_monitoring.pdf.

Key themes overlap with USAID's Self-Reliance Learning Agenda, specifically on questions assessing capacity and commitment of targeted local partners for increased self-reliance, private sector engagement on shared values for locally-led development, and the use of metrics and data to understand progress toward self-reliance. USAID/Honduras will refine this learning agenda when developing the Performance Management Plan (PMP).

To implement the Mission's ME and CLA Agenda, USAID/Honduras will: 1) use its ME and CLA platform to design and implement high-quality and timely evaluations, assessments, and studies; 2) strengthen the ME and CLA capacities of USAID/Honduras staff for evidence-based decision making and adaptive management; 3) continue using in-house Geographic Information System mapping skills to analyze primary and secondary data to inform programmatic decision making and monitor U.S. Government priorities; 4) roll out the USAID Development Information Solution for uniform monitoring and reporting; and 5) strengthen the ME and CLA capacity of local actors to transition to locally-sourced ME services in the future. Further, the Mission will institutionalize its CLA working group, which has fostered a learning culture and will facilitate and contribute to the achievements of the DOs.

In alignment with best practices and Automated Directives System 201 principles, USAID/Honduras will continue using its evaluations, assessments, and studies to build evidence for programmatic decision making and adaptive management. The Mission will develop a learning agenda that will examine its integrated and multi-sectoral approach at the activity level, and possibly the project level, to determine whether and how integration leads to improved outcomes and the costs and benefits of implementing an integrated approach. The Mission will also emphasize increased methodological rigor in its evaluation processes.

Building on lessons learned from the previous CDCS, USAID/Honduras will monitor and evaluate capacity building efforts for GOH institutions and local partners on an ongoing basis to ensure sustainability and improved performance. USAID/Honduras will more aggressively partner with local actors, including academia, to develop strong ME and CLA capacity to implement rigorous evaluations and context and performance monitoring. Moreover, USAID/Honduras will identify indicators in its PMP to measure its integrated programming approach, including under shared IR 2.4/3.1 (Governance to reduce impunity improved).

Increasingly, ME and CLA practices are embedded at all levels of the Program Cycle within USAID/Honduras. Leading by example, USAID/Honduras will continue promoting ME and CLA practices within the Mission and also among implementing partners, local partners, academia, and the private sector to promote a more integrated, systems-based, and facilitative approach that can lead to more effective and agile programming.

VI. ANNEXES

- A.1 [Journey to Self-Reliance 2021 Country Roadmap](#)
- A.2 [Journey to Self-Reliance 2020 Country Roadmap](#)
- B. [Results Framework Diagram](#)