



MCA-Honduras

Fighting Poverty through Economic Growth

GOVERNMENT OF HONDURAS

MCA - Honduras

Quarterly Report

Activities performed during the period
October 1 – December 31, 2007

Prepared by

**MILLENNIUM CHALLENGE ACCOUNT
MCA - HONDURAS**

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Compact Country: **Honduras**

Reporting Period: **October – December, 2007**

Date of Report: **01/31/2008**

Contact Person and Title: **Martín Ochoa, General Director, Tel. (504) 231 1985,
mochoa@mcahonduras.hn**

A. EXECUTIVE SUMMARY

The Millennium Challenge Account of Honduras (MCA-Honduras) is an entity ascribed to the Secretary of State of the Presidential Office, created on behalf of the Government of the Republic of Honduras (GoH) as entity responsible of managing and supervising the implementation of the Program and the implementation of projects and activities comprised in the Millennium Challenge Compact, document signed between the Government of the United States, through the Millennium Challenge Corporation and the Government of Honduras on June 13, 2005.

This quarterly report presents the main achievements to date and the outcomes of Program activities scheduled and implemented by MCA-Honduras during the period October 1 – December 31, 2007¹.

B. GENERAL PROGRAM PROGRESS

B.1 Program Management Indicators

MCA-Honduras was able to commit, by the end of this quarter, US\$ 51.3 million, equivalent to 24% of the total amount of grant resources and 78% of the goal projected to December 2007. MCA Honduras disbursed an accrued amount of US\$ 13.7 million, which is equivalent to 6.3% of the grant, nevertheless, it represents 66% of the projected disbursement goal to December 2007. The relatively low level of disbursement execution of estimated amounts was due to the fact that National Congress has not approved the reform to the MCA-Honduras Law, which would allow an expeditious execution of the resettlement process of persons affected by the expansion of the CA-5 North Highway. The proposal for the law modification was prepared by MCA Honduras in September, and submitted to National Congress through the Secretariat of the Presidency in November. On December 05, National Congress was presented the Law bill, and at the request of the President of National Congress, it was submitted to the Treasury of the Republic for an opinion. At the end of this quarter, the Treasury of the Republic declared the modification proposal unconstitutional; nevertheless, the grounds for this decision are against legal opinions of lawyers-members of congress and qualified jurists consulted by the Millennium Account. It was agreed with the SDP to request an opinion from the Ministry of the Interior and Justice, in particular with regards to the application of the legal framework established in the Property Law, approved by National Congress in 2004, and proposed by the Millennium Account as the law to govern the Transportation Project process of Acquisition of goods.

¹ First Quarter of Fiscal Year 2008 in the United States of America

MCA-Honduras Management Indicators

Level	Goal	Indicator	Measurement Date: 31/12/2007		IV Quarter (October – December 2007)		Accrued Annual Goals				
			Current	% advance based on annual goal	Projected quarterly goal	% advance based on annual goal projected	2006	2007	2008	2009	2010
Compact	USD 215 million committed to September 2010 in contracts	Amounts Accrued contracted from the total Grant (US \$ 000)	51,322	78%	65,398	100%	23,418	65,398	204,710	209,234	215,000
	USD 215 million disbursed to September 2010	Accrued amounts disbursed from the total grant (US \$ 000)	13,719	66%	20,726	100%	3,390	20,726	109,978	174,885	215,000

B.2 Compliance with Conditions Precedent during this period

Following are MCA Honduras advances in compliance with conditions precedent applied for the quarter reported and included in Schedule 1 in force of the Disbursement agreement signed between MCC and the Government of Honduras:

Condition Precedent	Status during the Period
B.1.1 The Millennium Account will carry out a workshop, acceptable to MCC, with banks and micro financial institutions, informing on the formulation of the Work Plan for Credit Access and on Proposal Requests	Workshop held on June 13th, MCC approval requested and obtained November 8.
B.1.9 MCC approves each road of the Farms to Market Activity that MCA Honduras selects for rehabilitation with MCC Funds.	53 roads that add up to a total of 635 km selected; Request for No Objection was delivered November 20, 2007. The No Objection for the roads identified in the first round was received on November 26, 2007.
B.1.10 CA-5. MCA - Honduras approves an Environmental Management Plan acceptable to MCC.	The Environmental Management Plan (EMP) was approved on December 6, 2007.
B.1.8 The Government of Honduras implements the Road Maintenance Plan agreed with MCC	Condition Complied. MCC has followed- up Fondo Vial in the compliance of the Plan and goals agreed with the Corporation.
B.1.11 Secondary Roads. MCC has approved the secondary roads MCA-Honduras selected to be build and rehabilitated with MCC Funds.	Expressions of Interest to supervise the Works of Comayagua-Ajuterique-La Paz; Sonaguera-KM 35; Choluteca-Orocuina; and, Dos Caminos-La Lima, were approved by MCC on June 26, 2007.
B.1.2 MCC is satisfied that, prior to MCC Funds disbursement for a Project or Project Activity, all necessary permits have been obtained, including any required environmental permit and any public information or consultation needed to be presented or performed.	Condition postponed. Permits will be required to expand the CA-5 Highway in the Transportation Project, but the Consultancy Contract for the resettlement, for which funds were requested this quarter, does not require permits to deliver its services (postponement approved by MCC in Letter of July 5, 2007).
B.1.3 MCC is satisfied that the Government has maintained a clear policy position against the adoption of any action that might limit or otherwise alter the original conditions of any obligations of a borrower to pay a loan obligation duly documented without the consent of the lender.	Condition complied. MCA-Honduras is not aware of any Government action breaching this condition.
B.1.4 Ongoing compliance, at MCC's satisfaction, with the methodology of the Farmer Selection Program, that will include a plan to assure the participation of women outreach workers to facilitate reaching and training female farmers..	Condition Complied. The relevant documentation is the quarterly and monthly report of the Farmer's Training and Development Assistance prepared by FTDA/Fintrac and delivered to MCC. This report describes the progress of the Technical Assistance, Training and Market Linkage activities, including a break-down of the gender and environmental impact that

	Fintrac implements towards the achievement of FTDA objectives.
B.1.5 Ongoing compliance, to MCC's satisfaction, with the environmental sustainability principles that include an adequate selection, use, storage and disposal of pesticides.	Condition Complied. Relevant documentation is the Farmer Training and Development quarterly and monthly report prepared by the implementing unit and delivered to MCC.
B.1.6 A total of 960 business plans were prepared during the previous year by Program Farmers with the assistance of the Technical Assistance Provider.	Condition Postponed. 519 plans business plans have been completed as of December 2007.

C. PROGRESS IN THE IMPLEMENTATION AT THE PROJECT / ACTIVITY LEVEL

C.1 Rural Development Project Progress

The four activities that make up the Rural Development Project are on going and at a significantly advanced stage. Upon closing this quarter MCA-Honduras was able to commit 35% of the estimated total amount for the Rural Development Project and expects to commit 94% of the agreement resources as of December 2008. Out of these, the Farmer Training and Development Program (FTDA) is the most advanced and is already displaying results in the field.

The combined effect of the Start up of the four activities of the Rural Development Project is growingly achieving the objectives set in the Agreement with MCC, the most advanced of which is the Farmers Training and Development Program, FTDA, that was able to incorporate 1,217 farmers into the Program, equivalent to 81% of the originally expected. Farmer's net income has substantially surpassed the net income goal of at least \$: 2,000 per Ha./per year, and has even reported incomes above US\$10,000.

The Farmers Credit Access Program (ACA) has launched its three components: (i) ACDI-VOCA already identified and even entered into technical assistance agreements or letters of intent with 9 financial intermediaries, as retailers, and with four as wholesalers (ii) the trust contract was already awarded to BAMER for the US\$ 6.0 million credit line; and (iii) the contract with the National Law Center to implement the legal reforms of the secured interests system that was signed on this past October 9th. As part of its first products, the NLC presented a map of the funding needs for the farmer's value chain, as well as the standards used locally to obtain credit and export farming products. It is expected that by the next quarter, negotiations with the financial sector will advance in terms of increasing awareness regarding the high value crop sub sector.

The Rural Roads component entered into a co-financing commitment with 33 municipalities for 53 eligible stretches that amount to a total of 635 Km. It is expected that in the next quarter the works bidding process, the hiring of the supervision firms, and the completion of the co-financing procedure with the municipalities and central government.

The Agriculture Public Goods Grant Fund awarded grants for seven projects amounting to US\$ 4.2 million to benefit around 12,962 persons. Four projects aimed at implementing irrigation water and

three at enhancing the technological base of the sector. All of them are being implemented by the NGOs established in several regions of the country.

Following is a detail of each activity.

C.1.1 Farmer Training and Development Activity (FTDA)

At the end of the year, FTDA had incorporated a total of 1,217 farmers (551 leaders and 666 beneficiaries). FTDA is now in 16 of the 18 departments of the country. At the end of the quarter, assistance had been provided for a total of 1,113 hectares with more than 45 different crops. Additionally, 263 agri-businesses (126 buyers, 94 input or service providers, and 43 partner organizations had also received assistance).



Marketing Activities: The FTDA continuously publishes electronic public price data, nevertheless, this quarter it trained the Staff of the Ministry of Agriculture and Livestock in the interpretation and use of this market information. Besides, the FTDA is looking for new markets and links producers with produce buyers, including supermarkets, wholesale distributors, processors and exporters. This quarter it provided 118 links, making a total of 634 to this date, and also assisted new potential agro-industrial investors.



Production Activities: Besides training producers, the FTDA publishes production manuals for carrots, basic practices and several technical brochures. Six small 572 squared meters greenhouses were installed, thereby reaching a total of 17 under the small grants component and also under the same Program 35 Ha. of rambutan, 91.5 Ha. of Hass avocado and 45 Ha. of coconut resilient to lethal yellowing were planted. A total of 503 technology training workshops were offered by the project, with a total of 5,868 participants, of which 583 were women.



Post Harvest and Processing Activities: The FTDA provided technical assistance to three packaging companies (sweet potato, Honeydew melon and potato) regarding the design, ordering, product flow and equipment selection; technical written material on this issue was not produced on this quarter; and also 23 post-harvest training events were provided to 504 participants; and producers were trained in the compliance with the technical requirements and specifications for sweet potatoes, jalapeño peppers and plantain.

Business Skills: With FTDA assistance, 85 producers prepared business plans, reaching to date a total of 519; 37 training programs for 699 participants. Activities started with the 10 farming higher education institutions which are the projects allies to provide agri-business training, and discount contracts were signed for farmer groups with 11 input and equipment suppliers.

Investments in the farms (Incentives to become horticulture crops producers)

The incentives to transform farms delivered by FTDA to this date are contributing to increase the productivity of the crops and to incorporate farming technologies to enhance the use of these techniques. These incentives have resulted in a greater involvement of farmers in Program Objectives, which in turn has resulted in better product quality and higher profitability.

Nevertheless, the possibility to adapt a “vouchers” system to deliver equipment is being assessed in order to emulate a market transaction, thus strengthening the sustainability of the links between equipment providers and farmers. In addition, this system could provide greater flexibility to propel the best technologies in each individual case, for example in the use of plastic beds and agri-bon.



Gender based activities:

This quarter started with the application of the 2007 Gender Plan recommendations, among which is the one related to working on flower growers, incorporating spouses in the activities and supporting the farmers market in Tegucigalpa.

C.1.2 Agriculture Credit Access Activity

Assistance to intermediary financial institutions: At the closing of the year; ACDI-VOCA was able to identify more financial intermediaries than originally stated in the contract, and also entered into technical cooperation agreements with 6 retailers (four agriculture retailers and two banks) and one wholesale bank. ACA’s strategy of promoting agricultural credit along the production chain has been the farming associations. These are developing pilot projects with own funds that increase credit terms to 150 days (originally 30 to 45 days) and without demanding the delivery of traditional collaterals, thus solving two of the most significant agriculture credit needs problems: terms and collaterals.



FTDA CLIENTS BY DEPARTMENT

Departamento	Cientes Líderes Registrados	Cientes Beneficiarios Registrados	Cientes en Proceso de Selección
Atlántida	15	18	5
Choluteca	32	22	20
Colón	12	17	7
Comayagua	91	87	32
Copán	5		
Cortés	18	27	6
El Paraíso	52	79	61
Francisco Morazán	141	221	45
Intibucá	9	2	4
La Paz	23	26	10
Lempira	14	21	
Ocotepeque	53	93	3
Olancho	24	5	2
Santa Bárbara	18	7	6
Valle	7	12	7
Yoro	38	28	20
Total	552	665	228

Agriculture Credit Fund: The Millennium Account, after an open and competitive bid process, hired the services of Banco Mercantil to manage the US\$ 6 million trust fund to provide credit to FTDA farmers, as a complement to the assistance provided to the financial intermediary institutions. The trust fund will work as a second tier, channeling the resources to the financial intermediaries, which in turn will provide services to FTDA farmers. The loan rate to intermediaries was set in 6% with an incentive for leveraging, in such a way that if the latter is 1:1 the rate falls to 3%, and if it is 2:1 it falls to 1.5%, if it is 3:1 it falls to 0.75%. The rate will be reviewed every six month to match the market. These funds will be available the first half of the next quarter.



Signing of the Trust management contract with BAMER.

Implementation of the Secured Interests Law (Movable Property Law): The “National Law Center” (NLC) was hired this quarter to provide the technical assistance for the implementation of the Secured Interests Law reform. As a result of the map prepared throughout this period, the NLC will submit next March a gamut of standard document proposals to be used by the various stakeholders involved throughout the value chain to record secured interests loans at the Registry that is also being supported by the NLC in its design and implementation. Additionally, the NLC in a close association with the Asociación Hondureña de Instituciones Bancarias (AHIBA) (the Honduran Banking Institutions Association) are organizing the First Regional Conference on Secured Interests Funding and the opportunities provided by this type of funding in FACE of the Free Trade Agreement with the United States (CAFTA). This Conference will take place at the end of February with the participation of international bankers, the local financial sector, representatives of international cooperation agencies and representatives of governmental entities in the region. Finally, the Secured Interests Bill sent to National Congress in September, was sent to the Supreme Court of Justice for its final judgment, and it is expected that by the end of the next quarter it will have been passed.

C.1.3 Farm to Market Roads Activities

A total of 2,263 Km. of roads of the participant municipalities that requested road improvements were inspected. Field information collected on all inspected roads allowed to run the Return Rate Estimation Model based on the Assessment Model founded on the low traffic volume roads Economic Decision Model (RED), resulting in a list of profitable roads amounting to more than 635 Km located in 15 departments of the country.

This list of rural roads was submitted for the approval of the Rural Roads Consultative Committee (CCCR, in Spanish) comprised of SOPTRAVI, SAG, FHIS, AMHON and SERNA on October 17, 2007 and received MCC's no Objection on November 26, 2007.

In November and December the formulation of the 53 profitable road trenches was finalized, in order to find out the amount of works and the estimated budgets for each road, and this way agreeing with the majors the necessary matching funds. The municipalities will have to commit the required amount up to 20% to initiate the improvement of the selected road, this is considered a key factor to be defined before the bidding of the works.



Signing of Municipal co funding Municipal Agreement in Marcovia



Attendants to the Signing of the Municipal Agreements in Siguatepeque

MCA-Honduras will prepare the final designs, final budgets and bidding documents for each group/package of rural roads according to Compact criteria. MCA-Honduras will contract a firm to supervise the implementation of the Works. The Supervisor will verify the in-kind contributions, implementation arrangements, environmental and social requirements of the municipal commitments, and will also supervise the selected contractors.

C.1.4 Agriculture Public Goods Activity

The DPA Fund received a total of 129 project profiles to fund US \$ 56.9 millions. 23 of these profiles qualified and seven were approved by the Program Grant Committee. These seven amount to US\$ 4.2 million, which will be disbursed in a period of 18 months, the average implementation term of this type of grants. The approved grants and first disbursements are the following:



Signing of Grant Agreement with Aldea Global.

Organization	Project
ADRA de Honduras	Community irrigation systems in Santa Bárbara
Aldea Global	Celaque, Belén Gualcho and Ocotepeque Producers marketing and competitiveness
El Zamorano	Small and medium-scale farmers biological control for horticulture production
El Zamorano	Productivity of micro, small and medium-sized agri-industrialists
Hermandad de Honduras	Economic strengthening of small horticulture producers in Ocotepeque
IHCAFE	<i>Coffea arábica</i> in vitro clone production
CHF de Honduras	Development of new crops fit for conditions prevailing in the municipalities of the Department of Valle

C.2 Transportation Project Progress

C.2.1 Transportation Project Preliminary Arrangements

Performance of the Transportation Project Outside Manager (TPOM).

Among the main activities that the Louis Berger Group developed during the period from September to December the following can be highlighted: the review, updating and optimization of the designs for the Works of projects of the two CA-5 North Highway trenches going from Tegucigalpa – Beginning of the Comayagua Valley and Beginning Comayagua Valley – Detour to Villa de San Antonio.

On the other hand, with regards to the activities as procurement agent, the TPOM assessed the proposals for the supervision of Segment II of CA-5, and finished the bidding documents for the Works of this segment, and also finalized the pre-qualification the companies for the implementation of pavement Works of secondary roads and rehabilitation of rural roads.

C.2.2. Activity: CA-5 Highway Implementation

The PMU, through the Project Outside Manager, reviewed, updated and optimized the designs of the two segments of the CA-5 North Highway going from Tegucigalpa to the Beginning of the Comayagua Valley (segment I) and the End of the Comayagua Valley to Taulabe (Segment II), including a new four lane design of the segment Tegucigalpa to the Beginning of the Comayagua, that was originally designed for three lanes. The design also contemplated specifications for hydraulic and asphalted concrete, which originally, had been only considered for asphalted concrete.

Given the deficient information prepared by SOTRAVI's administration in the previous government, the review included the recollection of topographic data.

Transportation Project Management Indicators

Level	Goal	Indicator	Measurement Date: 31/12/2007		Accrued as to IV Quarter December 2007		Accrued Annual Goals				
			Actual	% advance based on annual goal	Projected Annual goal	% advance annual projected	2006	2007	2008	2009	2010
Transportation Project	USD 127.2 Million committed to December 2009 in Transportation Project contracts	Total accrued contracted amounts (US \$ 000)	5,046	33%	15,420	100%	-	15,420	124,165	127,208	127,208
		By component									
		CA-5	1,510	14%	10,588	100%	-	10,588	97,920	97,920	98,244
		Secondary Roads	-		1,807	100%	-	1,807	21,280	21,280	21,280
		Weight Control System Peso Outside Project Manager	-		70	100%	-	70	2,010	4,730	4,730
			3,536	120%	2,955	100%	-	2,955	2,955	2,955	2,955
	USD 127.2 Million disbursed to September 2010 in transportation Project advances	Total accrued disbursed amounts (US \$ 00)	1,930	43%	4,506	100%	-	4,506	46,998	101,058	127,208
		By component									
		CA-5	742	25%	2,965	100%	-	2,955	30,406	72,685	98,244
		Secondary Roads	-		313	100%	-	313	15,302	21,280	21,280
		Weight Control System Peso External Project Manager	-		55	100%	-	55	1,761	4,730	4,730
			1,188	100%	1,182	100%	-	1,182	1,773	2,364	2,955
	Upgrading of 109 Km. of the CA-5 North Highway	Km of roads upgraded, extended and habilitated	-		-		-	-	-	-	109
		50 km segment I, Sections 1 and 2, "Tegucigalpa-Beginning Comayagua Valley";	-		-		-	-	-	-	50
		59 Km segment II Construction Segment II, Sections 3 and 4, End Comayagua Valley - Taulabe	-		-		-	-	-	-	59
Paving of 4 stretches of secondary roads	Number of secondary road stretches extended and habilitated	-		-		-	-	-	4	4	
	Sonaguera- Km 35	-		-		-	-	-	1	1	
	Comayagua - La Paz	-		-		-	-	-	1	1	
	Choluteca - Orocuina	-		-		-	-	-	1	1	
	Dos Caminos - La Lima	-		-		-	-	-	1	1	
Construction of 8 stations for an effective vehicle weight control system	Number of weight control stations built/equipped and operating	-		-		-	-	-	8	8	

The two previous activities caused a seven month delay in the original Project Schedule, nevertheless, due to the lack of relevant studies for the resettlement of persons affected and environmental management plans, a reduction of L.60 million in compensations projected by the original road design was achieved, as well as a reduction in traffic risk and road unsafe sites, as well as the prevention of significant environmental and social damage.

In support to SOPTRAVI, and with grant resources, a design was prepared for the stretch Beginning Comayagua Valley – Detour Villa de San Antonio, including the Feasibility Study and the design of the San Jose Bridge, which will be funded with resources from the Inter American Development Bank (IDB).

The Bidding documents were prepared under FIDIC international standards, approved by MCC, and the documentation related to Segment II was delivered to the pre-qualified firms on December 21, 2007. It is expected that bids will be submitted on February 20m 2008 and the contracts will be awarded in the month of May.

The Table of Cooperation agencies comprising SOPTRAVI, IDB, World Bank CABEI and MCC supervised the implementation activities of the project. Supervision relates to standards, specifications, and implementation timeframes between cooperation agencies that support the Inter-Oceanic Corridor in Honduras.

Bidding documents include the hydraulic concrete option as a construction alternative. The decision on the type of pavement will be made based on the on the lowest bid evaluated, submitted by the contractors.

The total estimated amount of these stretches amounts to US\$150 million dollars, and besides the works, it includes supervision costs, resettlement, intersection with the Tegucigalpa peripheral ring road and the supplementary social works resulting from the resettlement plans for affected persons. This amount is significantly above the one originally allocated in the MCC Compact.

The Honduras Government and MCC are willing to agree to have grant resources leveraged with CABEI resources, requesting through the Ministry of Finance the possibility of a co-funding of US\$ 50 millions from CABEI, which together with MCC funds could be granted to Honduras at a preferential rate. At the beginning of January 2008, the Millennium Account, in coordination with the Ministry of the Presidency, SEFIN, and SOPTRAVI, will submit, the information requested by CABEI, to the consideration of its Board during the meeting that is programmed for February 2008.

According to the Compact, the Works will initiate once the rights of way have been cleared in conformity with the resettlement guidelines established by the Millennium Corporation.

800 cases of houses and business along the two CA-5 segments have been identified and analyzed. From these cases, 120 are critical and require expropriation of the land, houses or buildings in order to accommodate the road alignment.



Technicians of the Resettlement Plan implementing Firm, during

Once the compensations have been paid, the contractors will be able to start the works in the stretches that have been cleared.

Coordination with CA-5 North cooperation agencies

The seventh meeting of the Cooperation Table of the Inter-Oceanic Corridor was held on December 13, 2007. During this meeting, SOPTRAVI, through Fondo Vial, reported the compliance of the financial goals established to November 2007 in 91%. It also informed on the advances related to the proposal to modify the Fondo Vial Law, in order to implement the Weight Control System operations contracts. On the other hand, the Roads Directorate reported the limited advances and problems faced in the clearing of the right of way of the CA-5 stretches financed by IDB and CABEL.

C.2.3 Activity: Secondary Roads

The Millennium Account prepared proposal requests for the supervision of the construction, from which the following stretches are pending MCC approval:

Sonaguera-Km. 35	(26.6 Km)
Comayagua-Ajuterique-La Paz	(15.9 Km)
Choluteca-Orocuina	(23 Km)



Part of the Comayagua-Ajuterique-La Paz road.

From these stretches, the works that will be financed first are the ones from Comayagua – Ajuterique – La Paz, which design was contracted by the beneficiary communities, through an alliance among agro-export companies in the zone, the municipalities, National Congress, and Fondo Vial. The final design submitted by the Firm contracted was reviewed and approved by MCA-Honduras.

The remaining stretches need to be reviewed by the supervising firms that will be hired for such purpose, given that the designs are incomplete and present all invasions in the right of way that need to be solved before initiating the Works. With regards to environmental licenses, MCA Honduras started the environmental authorization procedure for the stretches Comayagua – La Paz y Choluteca – Orocuina.

C.2.3 Activity: Weight Control System

The Weight Control System implementation is subject to having a decentralized management system through Fondo Vial, which in turn depends on National Congress approving the reform of the Fondo Vial, which will be submitted at the beginning of 2008.

The Government of the Republic confirmed MCC the need and importance of implementing the Weight Control System. The Ministry of the Presidency agreed to deliver a detailed Implementation Plan, including the WCS funding mechanism, before February 2008.

C.2.4 Multi-Annual Road Maintenance Plan

Fondo Vial submitted its third Quarterly Report on physical and financial execution of road maintenance on November 19th. According to this plan it has complied the goals proponed in the Road Maintenance Plan, which was accepted, to MCC's satisfaction, through the approval of the disbursement of funds of the Transportation Project.

C.3 Performance of the MCA-Honduras PMU Administrative and Financial Direction

During the period reported the main results obtained are the following:

- The Audit, on MCC Funds managed by MCA-H, for the period from January 1 to June 30, 2007 was completed. The Auditing Firm, Price WaterhouseCoopers did not report any findings.
- Resources by the amount of US\$ 4.7 million were executed
- The Multi-annual MCA-H program information was completed in SIAFI, at sub-project, activity and work levels.
- The services of the firm “DPK Consulting” as Fiscal Agent supervisor and of the Fiscal Agent SEFIN, were monitored through a review of the reports.
- The seventh Disbursement Request, for US\$ 3.5 millions, corresponding to the quarter from January 1 to March 31, 2008, was prepared and submitted to MCC and to the Board of Directors.
- 294 payment transactions were performed through SIAFI, and 55 transfers were carried out in the account of Banco de Honduras.
- The monthly reports on the use of purchase orders, having sales taxes exoneration, used by the Program Management Unit during October and November were submitted to DEI.

For this quarter, and according to the financial Schedule of the period’s disbursement request, an execution of US\$5.5 million had been estimated, and US\$4.7 million were executed, which represents an execution of 86% of the value programmed compared to the value executed. The differential of the non-executed amount corresponds to Transportation Outside Manager (LBG) services for the amount of US\$ 0.5 millions and Credit Access (ACDI/VOCA) services for US\$ 0.2 million, and other minor, outstanding in the farmer training and development activity for subsidies, all of which are due to a rescheduling of deliverables submitted by the contractors and MCA-Honduras.

C.4 Environmental and Social Management Program

C.4.1 Transportation Project Environmental and Social Management:

The following activities were performed during this period:

- The Modification of the MCA-Honduras Law was formulated and submitted to National Congress for its approval in order to expedite and facilitate processes to purchase movable property required for the acquisition of the land in the different Transportation Program Projects, in particular those related to the CA-5 North.
- The Resettlement Action Plans for Sections 4, 3, and 2 were finalized, as well as the Resettlement Action Plan specific for the Zambrano Sector, preceded by the respective review process, and observations and comments to the same.

-
- The Resettlement Action Plan for Section 1 is still being prepared, partly due to changes in the designs, leading to initiating census tasks, socio-economic assessments, community infrastructure inventories, as well as cadastre tasks and assessment of real estate in sectors of the road that were originally not affected.
 - The census activities and socio-economic survey for the Resettlement Action Plan for Section 1, according to the updated Work Plan for Section 1, were initiated. Likewise, topographic information gathering tasks were initiated to determine the new polygons of the affectations that will be performed as a result of the changes in the designs.
 - The value of the assessment criteria and parameters were reviewed and updated as technical instruments to establish the values to be paid and to formulate the respective ranks, specially related to updating market value in the rural zone of sections 3 and 4.
 - An assessment commission was established. This commission is responsible of establishing ranges of compensation values and of the negotiation tasks. The commission comprises representatives of the Accounts Superior Tribunal and the Property Institute and is coordinated by MCA-Honduras.
 - With regards to negotiating with the authorities of the National School of Forestry Sciences (ESNACIFOR, in Spanish) , as owner of the School Forest in sectionS 3, the approval of ESNACIFOR Board was obtained so that the plots identified as necessary to resettle the persons affected by the project, and can be used to relocate the houses and business of SectionS 3.
 - Likewise, continuing with the information, communication and public participation several community meetings were held with affected groups in communities such as el Carrizal, Puente La Curva and Taulabé in Comayagua; Amarateca and the community of Zambrano in the Central District (Tegucigalpa).

Regarding the formulation of the CA5 Environmental Management Plan, the works started on August 13, 2007, and ended in November with the final documents for the Environmental Management plan for each one of the sections.

With respect to the licences, the MMC Mitigation Measures Contracts were signed with the Ministry of the Environment and Natural Resources (SERNA) to renew the Environmental Licences that comprise the North and South segments of the CA5 highway. Likewise, the Contract for Mitigation Measures for the Project to Pave the Highway Choluteca – Orocuina was signed.

A Regional Workshop was organized and developed as a result of the commitments agreed upon during the First Regional Workshop of the Millenium Accounts in the Region, on the application of Resettlement Policies - PR O.P.4.12 and the experience developed by MCA Honduras to this date. The representatives of FOMILENIO in El Salvador and the Millennium Challenge Account of Nicaragua attended this workshop. A series of recommendations resulted from this meeting, which were addressed to the MCA and MCC personnel in charge regarding the management of population resettlement to be considered in the ongoing and future projects.

C.4.2 Rural Development Project Environmental and Social Management:

The experts of the grant component of the Rural Development Project helped to review the Project profiles regarding the environmental and social considerations and criteria that should

be incorporated into the proposals. In addition, the potential environmental requirements of each project were reviewed to assure compliance with the local legislation and MCC's environmental guidelines. It was verified and requested that a gender approach be incorporated into the planning and implementation. Projects selected have complied with this request.

D. PROGRAM MANAGEMENT AND GOVERNANCE

D.1 Additional implementation arrangements during the reported period

D.1.1 Selection and hiring of additional MCA-Honduras PMU staff

The hiring process of an official to perform as an Agri-Business Expert was started. This person will be responsible for the implementation of the Farmer Training and Development Activity (FTDA). The candidates' résumés' were received on December 6, 2007 and it is expected that the hiring of the expert will conclude in January 2008.

D.1.2 MCA Honduras Communication and Social Organization Strategy

Publications: The sixth, seventh and eighth edition of the MCA-Honduras e-bulletin were drafted, as well as 18 notes to feed the Website. This implies the coverage of almost an equal number of events. The FTDA monthly summaries of September, October and November were printed as a roll-out strategy and six releases were drafted for their timely distribution; three important information advances on the rural road activity were prepared; the annual report was also Publisher in the domestic newspapers displaying the progress in each component; and the articles of the second edition of the Transformemonos Magazine were edited.

Information Materials: The MCA-Honduras information documents mostly distributed during these months were "*Cartilla No. 1*" and the Resettlement inductive brochure.

The award process of the first round of the Public and Quasi Public Goods Grant Fund was started, and the first draft was reviewed; the process to hire an Assistant for the MCA-Honduras Communications Area was also initiated; the technical specs for several corporative image articles were provided; the contract of the MCA-Honduras education-information guide was signed, and the Action Plan for the two month project was approved; the text and design of the MCA-Honduras 2008 calendar was worked on as well as six pictures (murals) on Rural Development Project processes was designed; and, the banners for the Grant Fund were also designed.

Support was provided for edition of the FTDA Program documentary, and steps were taken for it to be edited in English as well; a field trip to the region of Olancho was carried out; and a total of five MCC success stories were edited.

Key Stakeholders: The Picture base has grown and there are new e-bulletin readers that have become members of this base, with about 800 contacts to date. The relationship with the main media of the country, as well as the support to provide a better coverage of the MCA Honduras note is ongoing. Communication with the implementing firms technicians regarding gender, environment, integral development and Information, Communication and Education strategies implementation is enriched and facilitated with MCA-Honduras' coordination.

Events: MCA – Honduras participated in the Zamorano fair; and also in the annual FTDA event to celebrate the first year of implementation. It carried out a workshop with SAG key

stakeholders and launched the new market strategies at the Farmers Markets with FTDA technicians; it carried out six regional events to sign the agreements between the Millennium Account and 33 Majors. All events had press coverage. Internally, there was an information meeting of IAIP staff on the implementation of the Transparency Law.

Management: It was agreed with the technicians of the grant fund to include the Information and Communications plan as a deliverable for each one of the seven projects to be financed with the MCA-Honduras grant funds.

E. MAIN MONITORING AND EVALUATION ACTIVITIES

E.1 Design and Implementation of the MCA-Honduras Evaluation Program

MCA-Honduras approved the Program Evaluation design report on November 1st. The evaluation component of the MCA-Honduras M&E Plan was updated in accordance with the final evaluation design and the number of simple surveys.

The terms of reference to hire supervisors and consultants to identify farmers were drafted, and the publication for January 2008 was prepared. Discussions of the terms of reference for the household, price and products surveys were initiated with the National Statistics Institute and the Memorandum of Understanding draft document was agreed on. Likewise, the terms of reference to contract the companies to gather the data for the transportation project were drafted. These include: traffic surveys, vehicle weight measuring, and, business surveys. The drafts of the RFP for the transportation survey were prepared.

The review of the ex ante rate of return estimate was reviewed, as well as the grant agreement Monitoring and Evaluation Indicators Charts.

E.2 Follow-up

The sixth program quarterly report was completed. It included the annual supplementary report at the end of the 2007 fiscal year, approved by the Board of Directors on November 16, 2007.

MCA-Honduras submitted to the MCA-Honduras Program Board the monthly program management indicators updates of October, November and December.

The 09/26/07 institutional goals matrix was submitted to UNAT-SDP.

F. IMPLEMENTATION OBSTACLES AND MITIGATION MEASURES

Activities reported as well as the status of each one of the conditions precedent described in the previous sections reflect the corrective measures adopted by the PMU to expedite the Program's aggressive implementation. MCA-Honduras reports the following in addition to these:

F.1 Rural Development Project

The Rural Development Project has operated without any major obstacles. Nevertheless, problems could be envisioned regarding the contribution of the municipality matching funds for rural roads. All the municipalities committed themselves in November, notwithstanding during the follow-up visits or calls it was detected that some of them have not yet defined the

internal mechanisms to fund their corresponding contribution. To this end, an internal MCA support group was set up, to support the municipalities for their matching funds management.

There is also a problem to reach the credit goals established for Program farmers, since the training process does not render them eligible to be granted a loan, until several months after receiving the FTDA services. Besides, the working agendas of FTDA and ACA implementers do not coincide. Nevertheless, alternative reforms to the contract are being analyzed to assure that the final goal of making credit flow in a dynamic and sufficient manner for Program Farmers is reached.

F.2 Transportation Project

The performance of Louis Berger as Outside Manager and Procurement Agent of the Transportation Project continues being less than expected. This situation has been reported to LBG as well as to MCC and several corrective measures have been agreed, being one the substantial improvement of the evaluation panels proponed by LBG, and the substantial improvement of the document quality control presented for MCC's approval, greater ownership of the different activities comprised in the project, performing the role as project manager, and not as a project advisor.

Several actions arose during the period which made it impossible to expedite the application of Legislative Decree No. 72-2007, particularly regarding the responsibilities assigned to the Treasury of the Republic as an institution part of the appraisal commission to determine the amount to pay to the persons affected by the CA-5 works.

In addition, there have also been difficulties with the Honduran Property Institute in facilitating the respective certificates and/or Statements of tax payment of the properties to be acquired by the GoH for the CA5 project.

F.3 Monitoring and Evaluation

There have been no major obstacles to carry out the evaluation; nevertheless, it has been necessary to review the Rural Development Project evaluation in greater detail regarding the coordination and role among the evaluating firm, the FTDA and ACA implementers and the firm in charge of data collection and surveys.

G. OTHER DOCUMENTS

Transportation Project

- Feasibility study and design of the stretch Beginning Comayagua Valley (Las Flores) – Detour to Villa de San Antonio
- Review of the prefeasibility of the four lane option for the CA-5 sections
- Review of the Design of the Interchange between the Tegucigalpa Peripheral Ring-Road and CA-5, prepared by CINSA at SOPTRAVI's request
- Review and update of the Study and Design of Sections 3 and 4 of the CA-5, drawings, specifications, estimates and Report of the Updated Study
- Review and update of the Study and Design of Sections 1 and 2 of the CA-5, drawings, specifications, estimates and Report of the Updated Study
- Review of the secondary roads study
- Fondo Vial Road Maintenance Quarterly Report 11/19/07
- Resettlement Decree approved by National Congress on 05/31/07
- MCA Honduras Law Modification Decree Draft
- PGR Report on opinion related to the Law Modification.

Rural Development Project

- FTDA Monthly Bulletin October, 2007
- FTDA Monthly Bulletin November, 2007
- FTDA Monthly Bulletin December, 2007
- FTDA Quarterly Report October-December, 2007
- Minute of Grants Committee meeting for the approval of 7 grants
- Document on evaluation procedure for grant applications and qualification matrix to September, 2007

Monitoring and Evaluation

- MCA-Honduras Program Evaluation Design Report, November, 2007
- NORC Quarterly Activity Report, December, 2007.
- Institutional goals matrix to 12/15/07 to UNAT-SDP

Administration

- Budget execution to December, 2007 (SIAFI Report)

Governance

- Minutes to MCA- Honduras Board meeting No.25
- Minutes to MCA- Honduras Board meeting No. 26

Social and Environment

- Resettlement Action Plan for CA-5 North Sections 2, 3 and 4
- Resettlement Action Plan for CA-5 North Zambrano Sector.

ANNEX A

Indicators Follow-up Chart

Indicator	Goals																					
	Year/ Period end																					
	2006	2007	2008		2009		2010		2011		2012		2013		2014		2015		2020		2025	
	Sep-30	Sep-30	May-01	Sep-30	May-01	Sep-30	May-01	Sep-30	May-01	Sep-30	May-01	Sep-30	May-01	Sep-30	May-01	Sep-30	May-01	Sep-30	May-01	Sep-30	May-01	Sep-30
Goal																						
Income Increase of beneficiaries (annual US\$ million) ²	n/a	2.1																				
Measured by																						
Benefits from CA-5 Road Improvement: ³	n/a	n/a																				
Benefits from improvement of Secondary Roads ⁴	n/a	n/a																				
Income Increase of Farm resulting from the Rural Development Project ⁵	n/a	1.3																				
Employment increase resulting from the Rural Development Project ⁶	n/a	0.8																				
Benefits of Farm to Market Roads ⁷	n/a	n/a																				

² Disaggregated by level of income, gender, and age, where appropriate

³ Beneficiaries: CA-5 Road users, employees and businesses using the road

⁴ Beneficiaries: Paved secondary road users and employees and businesses using these roads.

⁵ Estimation based on Compact design ex ante assumptions of technical assistance since the beginning of FTDA and number of farmers assisted to date. To date more than 1000 farmers have been assisted and at least 600 will graduate in May, 2008.

⁶ Beneficiaries: Employees of Program Farmers

⁷ Beneficiaries: Communities surrounding Farm to Market Roads

		Goals Years											
			2006		2007		2008		2009		2010		2011
Indicator	Baseline	Sep-30	May-01	Sep-30	May-01	Sep-30	May-01	Sep-30	May-01	Sep-30	May-01	Sep-30	May-01
Rural Development Project	Objective												
	No. of Program Farmers harvesting high value horticulture crops at year end		n/a	n/a	n/a								
	No. of hectares harvesting high-value horticulture crops at year end		n/a	n/a	n/a								
	Outcome												
	No. of business plans prepared by Program Farmers with assistance of implementing unit (total for year)		n/a	289	434								
	Value of loans to Program Farmers (year end US\$ million)		n/a	n/a	n/a								
	% of MCA-Honduras loan portfolio at risk		n/a	n/a	n/a								
No. of Liens registered		n/a	n/a	n/a									

Code: n/a = arrangement preparation period..

		Outcomes																			
		Year 1: Quarter				Year 2: Quarter				Year 3: Quarter				Year 4: Quarter				Year 5: Quarter			
	Indicator	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
Rural Development Project Activities	Indicator				n/a	2,062	6,010	9,798	13,565	20,250											
	# of Technical Assistance visits to Program Farmers				n/a		n/a	n/a	n/a	0 ⁸											
	Funds lent by MCA Honduras to financial institutions				n/a	n/a	n/a	n/a	n/a	0 ⁹											
	Hours of Technical Assistance to financial institutions				n/a		n/a	n/a	n/a	n/a ¹⁰											
	Lien Registry equipment installed				n/a	n/a	n/a	n/a	n/a	0 ¹¹											

Code: n/a = arrangement preparation period.

⁸Contract to manage the credit access funds that are in a trust fund awarded on December 6, 2007, and it is expected to have disbursements as from 2QR2008.

⁹ Contract with implementing unit of technical assistance to financial intermediaries, signed on May 28,2007. Work Plan modified with regards to the M&E Plan. This indicator will be subject to a review of the Plan in order to reflect the deliverables established in the contract based on payment by performance.

¹⁰ Subject to the approval of the Secured Interests Law, as Condition Precedent established in the Compact

¹¹ Request for Proposal and Bidding Documents prepared and coordinated with the municipalities favored in the first round, according to innovative guidelines established in the Roads Guide approved by MCC in May 2007.

		Goal			
		Year			
	Indicador	Road	Baseline	FY 2008	FY 2010
Transportation Objective	Objective				
	Freight shipment cost from Tegucigalpa to Puerto Cortes	CA-5	n/a		
	Price of Basic goods basket	Farm to Market Roads	n/a		
	Number of days a Year the road is transitable		n/a		
	Average daily traffic volume in segments financed with MCC Funds	CA-5: T1	n/a		
		CA-5: T2	n/a		
		CA-5: T3	n/a		
		Secondary Roads	n/a		
		Farm to Market Roads	n/a		
	Outcome				
	Time Travel per journey	CA-5: T1	n/a		
		CA-5: T2	n/a		
		CA-5: T3	n/a		
		Secondary Roads	n/a		
Time Travel per journey	Farm to Market Roads	n/a			
Proportion of overweight vehicles on main highway network	CA-5	n/a			

ANNEX B

Infrastructure Project Technical Report Infrastructure Project: CA-5 Highway and Secondary Roads

1. Studies

CA-5 Highway

- **Sections 3 and 4 design review and updating**
The final deliverable corresponding to the review and update of segment II was received August 28th, and the drawings on July 25. Specifications of the review by the PMU, Soptravi and the MCC EI corrections have been implemented in the respective documents.
- **Las Flores – Detour to Villa de San Antonio stretch feasibility study and design**
LBG finalized the design alternative that minimizes the resettlement and affectation of persons in the zone of Las Flores. It consists in placing four lanes on the current right of way of the road, by adding one lane on each side and eliminating the medium section of 6 meters of the original design. This proposal will be submitted to Soptravi for a procurement process with IDB Funds.
- **Review of pre-feasibility four lane option for CA-5 sections**
LBG submitted a feasibility evaluation Report for the Tegucigalpa – Comayagua Highway, ruling out this initiative and recommending the extension of a fourth lane in the existing route. This alternative was negotiated with the LBG Firm as additional work, which will be incorporated to the segment I final designs.
- **Interchange CA-5 – Anillo Periférico**
LBG prepared a analysis report on the design of the interchange Peripheral Ring-Road – CA-5, which was submitted to SOPTRAVI to correct certain deficiencies in the overpass bridge design. In addition the TPOM presented a design alternative for the interchange at a conceptual level, so it can be analyzed and later fully developed, at the same time the RAP shall be adjusted into the new design.
- **Design update Sections 1 and 2**
LBG finished updating the design of sections 1 and 2, based on the topographic data collection finalized by the CINSA – TECNISA consortium hired by the PMU. Several adjustments have been implemented in the design of these two sections, especially, in section 1 in order to avoid the affectation of important structures. Additional intersections are being proposed to meet the needs of the communities that have been developed along these stretches.

Secondary roads

- **Design review and update**
The ACI Firm, hired by the communities around the prioritized Project Comayagua – Ajuterique – Lejamaní – La Paz, completed the road pavement study, including the Qualitative Environmental Assessment for this road. The designer has proposed an overpass between the cities of Ajuterique and Lejamaní in order to avoid passing through the center of these two communities; As a result of this variation, the cost increase derived from the construction of 3 bridges and the purchase of land, as well as the implementation of the resettlement, to open approximately 4 Km. of road, associated to the additional period required for these tasks, will hinder the implementation of the complete stretch, therefore, a procurement process has been considered for the stretches from Comayagua – Ajuterique y Lejamaní – La Paz.

2. Civil Works

2.1 Civil Works Progress

Sub-Project	Studies (1)	Physical Progress during Quarter % Actual/programmed	Physical Progress to date % Actual/programmed	Financial Progress during this quarter – IPC Certificates (2) US\$/(% of contract)	Financial Progress to date – IPC Certificates (2) US\$/(% of Contract)
Total					

Notes: (1): Indicate status, such as completed, underway, starting program date, not initiated, etc. (2): IPC = Interim Payment Certificates

2.2 Civil Works(s) Contractor Contract Breakdown and Progress Summary

Name of Contractor	
Contract original amount	
Contract amount reviewed	
Date starting note	
Starting date	
Initial Contract Period (in calendar days)	
Contract Period reviewed (in calendar days)	
Original finalization date	
Finalization date reviewed	
Time elapsed since initiation (calendar days)	
Time elapsed since initiation (% of contract period)	
Progress programmed to date (%)	
Real progress to date (%)	
Slippage (%)	
Work scope	
Value of IPC Certificates for the quarter (amount)	
Value of IPC Certificates to date (amount)	
Value of IPC Certificates for this quarter (amount)	
Payments to date (% of contract amount)	
Withholdings to date (amount)	

2.3 Physical Works completed to date, main problems, and comments

Physical Works completed to date	Main problems encountered	Actions taken or proposed	Comments

3. Construction Works Supervision Consultants

Contract Details and Progress Summary

Name of Contractor	
Contract original amount	
Contract amount reviewed	
Date starting note	
Starting date	
Original finalization date	
Finalization date reviewed	
Time elapsed since initiation (calendar days)	
Time elapsed since initiation (% of contract period)	
Payments in this quarter (amount)	
Payments to date (amount)	
Payments to date (% amount of contract)	

3.1 Comments

2. Civil Works

2.1 Civil Works Progress

Sub-Project	Studies (1)	Physical Progress during Quarter % Actual/programmed	Physical Progress to date % Actual/programmed	Financial Progress during this quarter – IPC Certificates (2) US\$/(% of contract)	Financial Progress to date – IPC Certificates (2) US\$/(% of Contract)
Total					

Notes: (1): Indicate status, such as completed, underway, starting program date, not initiated, etc. (2): IPC = Interim Payment Certificates

2.2 Civil Works(s) Contractor

Contract Breakdown and Progress Summary

Name of Contractor	
Contract original amount	
Contract amount reviewed	
Date starting note	
Starting date	
Initial Contract Period (in calendar days)	
Contract Period reviewed (in calendar days)	
Original finalization date	
Finalization date reviewed	
Time elapsed since initiation (calendar days)	
Time elapsed since initiation (% of contract period)	
Progress programmed to date (%)	
Real progress to date (%)	
Slippage (%)	
Work scope	
Value of IPC Certificates for the quarter (amount)	
Value of IPC Certificates to date (amount)	
Value of IPC Certificates for this quarter (amount)	
Payments to date (% of contract amount)	

Withholdings to date (amount)	
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2.3 Physical Works completed to date, main problems, and comments

Physical Works completed to date	Main problems encountered	Actions taken or proposed	Comments

3. Construction Works Supervision Consultants

Contract Details and Progress Summary

Name of Contractor	
Contract original amount	
Contract amount reviewed	
Date starting note	
Starting date	
Original finalization date	
Finalization date reviewed	
Time elapsed since initiation (calendar days)	
Time elapsed since initiation (% of contract period)	
Payments in this quarter (amount)	
Payments to date (amount)	
Payments to date (% amount of contract)	

3.2 Comments

ANNEX C

Rural Development Project Technical Report

1. Farmer Training and Development

1.1. Studies (Gender, Markets)

1.2. Technical Assistance Activities

1.2.1 Technical Assistance Progress to December 31, 2007

Participants of the FTDA Program by gender

Male Farmers	1171
Female Farmers	46
Total	1217

Participants by participation time

Farmers participating in the program more than 6 months	688
Farmers participating in the program 6 months or less	434
Total	1122 ¹²

1.2.2 Market Activities

No. of business plans	No of Comercial contracts
519	634

2. Credit Access

2.1 Institutions participating and granting credits of rural FTDA Clients

Month	Institution
Nov-06	BANADESA: Directorate of Agencies
Jan-07	BANCO OCCIDENTE: Directorate of Agencies
Feb-07	Cooperativa Mixta Ocotepeque - Directorate of Agencies
May-07	Hermandad de Honduras - Directorate of Agencies
May-07	Cooperativa La Guadalupe - Directorate of Agencies

¹² According to farmers with full records in the FINTRAC M&E CIRIS system, form a total of 1217 farmer participants

3. Rural Development Project: Public and quasi-public goods

3.1. Studies / progress documents

- MCA Honduras Grant Agreement- ADRA de Honduras
- MCA Honduras Grant Agreement- Aldea Global
- MCA Honduras Grant Agreement- El Zamorano
- MCA Honduras Grant Agreement- El Zamorano
- MCA Honduras Grant Agreement- Hermandad de Honduras
- MCA Honduras Grant Agreement- IHCAFE
- MCA Honduras Grant Agreement- CHF de Honduras

3.2. Civil Works/research/projection

Progreso de obras civiles _____

Grants	Studies (1)	Physical Progress during Quarter % Actual/programmed	Physical Progress to date % Actual/programme d	Financial Progress during this quarter – IPC Certificates (2) US\$/(% of contract)	Financial Progress to date – IPC Certificates (2) US\$/(% of Contract)
Total					

Notes: (1): Indicate status, such as completed, underway, starting program date, not initiated etc.

3.3 Grants advance detail

Organization	Project	Total Amount US\$	No. of direct Beneficiaries
ADRA de Honduras	Community irrigation systems in Santa Bárbara	761,861	270
Aldea Global	Celaque, Belén Gualcho and Ocotepeque Producers marketing and competitiveness	748,750	300
El Zamorano	Small and medium-scale farmers biological control for horticulture production	695,635	4,550
El Zamorano	Productivity of micro, small and medium-sized agri-industrialists	452,306	500
Hermandad de Honduras	Economic strengthening of small horticulture producers in Ocotepeque	191,094	72
IHCAFE	<i>Coffea arábica</i> in vitro clone production	424,308	6,690
CHF de Honduras	Development of new crops fit for conditions prevailing in the municipalities of the Department of Valle	894,045	580
	Total	4,167,999	12,962

4. Farms to Market Roads

4.1. Studies

4.2. Civil Works/research/projection

Civil Works progress _____

Road	Studies (1)	Physical Progress during Quarter % Actual/program med	Physical Progress to date % Actual/programm ed	Financial Progress during this quarter – IPC Certificates (2) US\$/(% of contract)	Financial Progress to date – IPC Certificates (2) US\$/(% of Contract)
Total					

Notes: (1): Indicate status, such as completed, underway, starting program date, not initiated etc.