



**IFAD**  
**INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT**  
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Rome, 25-26 April 2001

**REPORT AND RECOMMENDATION OF THE PRESIDENT**

TO THE EXECUTIVE BOARD ON A PROPOSED LOAN TO THE

**REPUBLIC OF HONDURAS**

FOR THE

**NATIONAL PROGRAMME FOR LOCAL DEVELOPMENT  
(PRONADEL)**



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### CURRENCY EQUIVALENTS

Currency Unit	=	Lempira (HNL)
USD 1.00	=	HNL 15.0
HNL 1.00	=	USD 0.06667

### WEIGHTS AND MEASURES

1 kilogram (kg)	=	2.204 pounds (lb)
1 000 kg	=	1 metric tonne (t)
1 kilometre (km)	=	0.62 miles (mi)
1 metre (m)	=	1.09 yards (yd)
1 square metre (m <sup>2</sup> )	=	10.76 square feet (ft <sup>2</sup> )
1 acre (ac)	=	0.405 ha
1 hectare (ha)	=	2.47 acres

### ABBREVIATIONS AND ACRONYMS

DINADERS	National Directorate for Sustainable Rural Development
FONADERS	National Fund for Sustainable Rural Development Project
GEF	Global Environmental Facility
HDI	Human Development Index
M&E	Monitoring and Evaluation
NRM	Natural Resource and Environmental Management
PBD	Programme Board of Directors
PMU	Programme Management Unit
PRONADEL	National Programme for Local Development
PRONADERS	National Programme for Sustainable Rural Development
RDE	Rural Development Entity
RDF	Rural Development Fund
UNDP	United Nations Development Programme

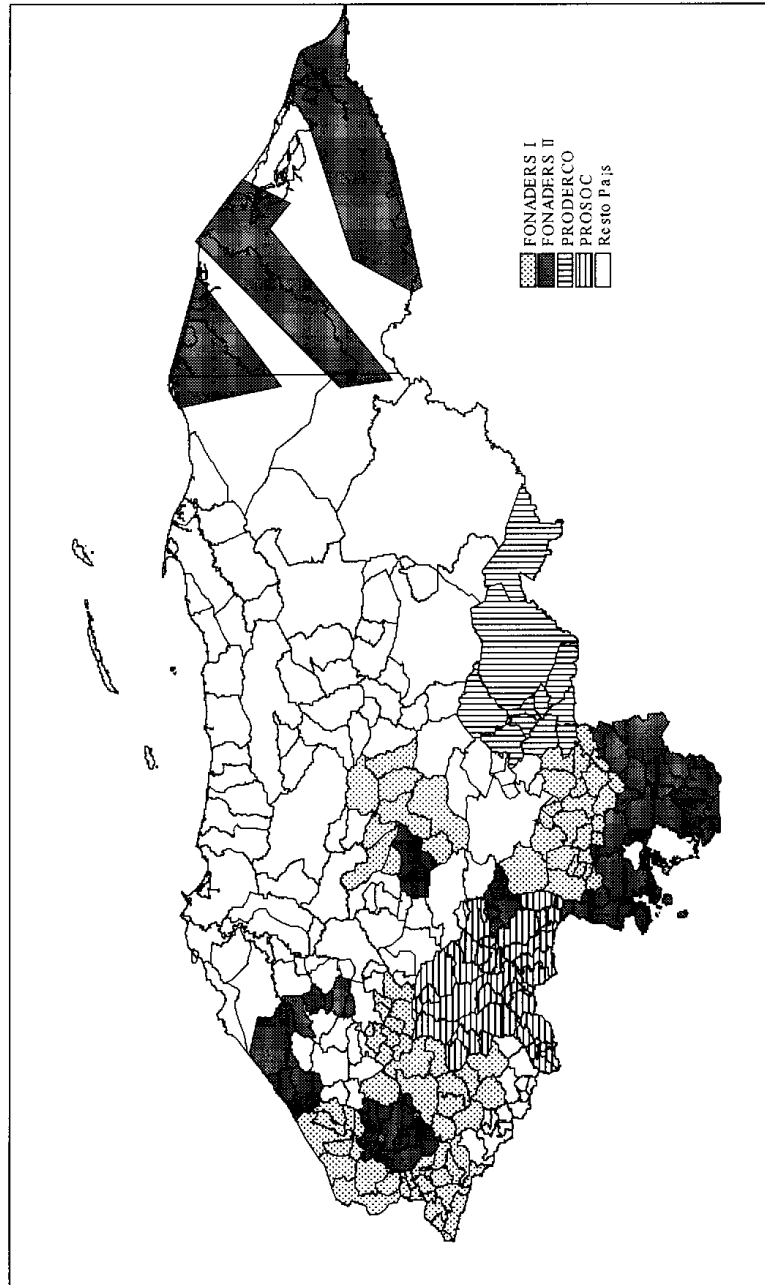
### GOVERNMENT OF THE REPUBLIC OF HONDURAS

#### Fiscal Year

1 January - 31 December



### MAP OF THE PROGRAMME AREA



**Source:** IFAD

*The designations employed and the presentation of the material in this map do not imply the expression of any opinion whatsoever on the part of IFAD concerning the delimitation of the frontiers or boundaries, or the authorities thereof.*



**REPUBLIC OF HONDURAS**

**NATIONAL PROGRAMME FOR LOCAL DEVELOPMENT  
(PRONADEL)**

**LOAN SUMMARY**

<b>INITIATING INSTITUTION:</b>	IFAD
<b>BORROWER:</b>	Republic of Honduras
<b>EXECUTING AGENCY:</b>	Ministry of Agriculture and Livestock
<b>TOTAL PROJECT COST:</b>	USD 31.3 million
<b>AMOUNT OF IFAD LOAN:</b>	SDR 15.5 million (equivalent to approximately USD 20.0 million)
<b>TERMS OF IFAD LOAN:</b>	40 years, including a grace period of ten years, with a service charge of three fourths of one per cent (0.75%) per annum
<b>COFINANCIERS:</b>	Central American Bank for Economic Integration (BCIE) Global Environmental Facility/United Nations Development Programme (GEF/UNDP)
<b>AMOUNT OF COFINANCING:</b>	BCIE: USD 5.0 million GEF/UNDP: USD 2.0 million
<b>TERMS OF COFINANCING:</b>	BCIE: to be determined GEF/UNDP: grant
<b>CONTRIBUTION OF BORROWER:</b>	USD 1.3 million
<b>CONTRIBUTION OF BENEFICIARIES:</b>	USD 3.0 million
<b>APPRAISING INSTITUTION:</b>	IFAD
<b>COOPERATING INSTITUTION:</b>	BCIE



## PROGRAMME BRIEF

### Who are the Beneficiaries?

IFAD's target groups are mostly located in the hillside areas of the country, which register the highest incidence of poverty and are affected by fragile social conditions, a vulnerable environment and low agricultural productivity, all of which limit opportunities for capitalization and development. The proposed programme will directly benefit (i) some 15 000 families of smallholders, landless farmers, poor rural women and indigenous populations from four distinct ethnic groups; and (ii) 1 000 rural microentrepreneurs. At least 30% of the direct beneficiaries will be rural women. The intended beneficiaries have family incomes below the poverty line and live in municipalities where the estimated Human Development Index (HDI) is below the national average of 0.576. The programme will expand the geographic coverage beyond the 81 municipalities covered by the National Fund for Sustainable Rural Development Project (FONADERS) approved by the Executive Board at its Sixty-Eighth Session in December 1999.

### Why are they poor?

Poor farmers in Honduras generally work small agricultural plots located on unproductive hilly land. This in turn leads to rural poverty, food insecurity, environmental degradation and vulnerability to natural disasters. Poverty among the Fund's target groups is also caused by their geographic isolation, compounded by the lack of social services and economic infrastructure, and overall exclusion from the country's social and political mainstream. The target population's household economy is based primarily on the production of basic grains, sales of minor agricultural surpluses and wage earnings. Those most affected are indigenous people and rural women participating in agricultural production, seasonal labour and commerce, who have less access to education and other development opportunities. The damage caused by Hurricane Mitch has had a more severe impact on the rural poor and other disadvantaged groups.

### What will the programme do for them?

The overall objective of the programme is to increase the access of poor rural communities to rural investments, productive activities and technical services in order to improve their food security, income and employment levels, and enhance the sustainable management of natural resources. This will be achieved by: (i) strengthening local organizations and institutions to enable them to address development needs and undertake self-management development initiatives; (ii) enhancing the quality of private rural development services and expand their geographic coverage; (iii) providing financial support for local initiatives that will lead to long-term development; and (iv) establishing effective management processes and an efficient programme management unit (PMU). Emphasis will be placed on the strengthening of local institutions, i.e. target group organizations, rural development entities (RDEs) and municipal governments; a rural development fund (RDF), through which organized groups will have access, *inter alia*, to rural technical services and community infrastructure investments; and on improving existing project implementation processes at the central and field levels (managerial, field, operational) so as to establish an enhanced institutional structure for rural poverty reduction and effective project implementation and development impact.



**How will the beneficiaries participate in the programme?**

The beneficiaries will participate in identifying problems with a gender perspective, and in microproject formulation, implementation and evaluation. Municipal governments and beneficiary groups will participate in project design and implementation, in decisions on resource allocations and in supervising the procurement of goods and services. Project implementation will be primarily demand-driven, while the direct beneficiaries will contribute to microproject financing through matching grants and in-kind contributions.





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NATIONAL PROGRAMME FOR LOCAL DEVELOPMENT  
(PRONADEL)**

I submit the following Report and Recommendation on a proposed loan to the Republic of Honduras for SDR 15.5 million (equivalent to approximately USD 20.0 million) on highly concessional terms to help finance the National Programme for Local Development (PRONADEL). The loan will have a term of 40 years, including a grace period of ten years, with a service charge of three fourths of one per cent (0.75%) per annum. It will be administered by the Central American Bank for Economic Integration (BCIE) as IFAD's cooperating institution.

**PART I - THE ECONOMY, SECTORAL CONTEXT AND IFAD STRATEGY<sup>1</sup>**

**A. The Economy and the Agricultural Sector**

1. Honduras is located in Central America and is bordered by Nicaragua to the southeast, El Salvador to the southwest and Guatemala to the west. The country has both Atlantic and Pacific coasts, and covers a territory of 112,492 km<sup>2</sup>. The population is estimated at 6.5 million, of which approximately 53% live in rural areas, and, in terms of ethnic groups, is composed of *mestizos*, indigenous populations and Afro-Hondurans.

2. **Economic policy.** Since the early 1990s, the Government of Honduras has been implementing an economic programme aimed at balancing the external current account and improving public finances by means of comprehensive economic reforms and structural adjustment. The programme has been successful in terms of restructuring foreign debt payments, reducing inflation and increasing investments and the gross domestic product (GDP). However, the servicing of a large accumulated external debt, that in 1998 reached the equivalent of 90% of GDP, is a major obstacle to sustained development. In the rural sector, adjustments in public expenditures have led to a drastic reduction in services for the poor and small farmers. Hurricane Mitch, which hit Honduras in late 1998, caused widescale destruction of basic economic and social infrastructure, rural housing and perennial and food crops. The substantial progress made by the country in implementing economic reforms led the international donor community to support a comprehensive debt reduction package under the Enhanced Debt Initiative for Heavily Indebted Poor Countries (HIPC).

3. **Agricultural sector and rural development.** Honduras is essentially a rural economy. The agricultural sector contributes approximately 28% of GDP and more than 70% to export earnings, and employs 42% of the economically active population. Bananas and coffee alone represent about 39% of the agricultural GDP and more than half of all export earnings. Coffee production is largely in the hands of small farmers while the production and export of bananas is mainly controlled by large multinational corporations. Basic grains (maize, beans and rice) are produced for domestic consumption and represent

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<sup>1</sup> See Appendix I for additional information.



22% of agricultural GDP. These basic grains, the country's staple diet, are produced on hillsides in an advanced state of degradation, leading to food insecurity and loss of infrastructure in the rural areas.

4. **Institutional context.** The Agricultural Modernization Law of 1992 sets out the guiding principles for the Government's current rural development and agrarian policies. These policies redefine the role of the public and private sectors in the rural economy and have led to increased privatization of rural services. Accordingly, the Ministry of Agriculture and Livestock assumed responsibility for guiding and regulating the delivery of services to agricultural producers, delegating direct execution of such activities to decentralized entities or private providers. Land tenure-related policies seek to guarantee property ownership and to provide land titles for agricultural plots, taking account of the fact that almost 40% of all small peasant producers have no land titles and that 25% of them rent the land they work. In view of the reduced services provided by the national banking system, the expansion of rural credit and savings associations (*cajas rurales*) is a clear indication of the rural population's response to existing financial constraints.

5. In mid-1999, the Ministry of Agriculture and Livestock launched the National Programme for Sustainable Rural Development (PRONADERS), the overall objective of which is to contribute to improving the quality of life of rural communities through human, social, environmental and productive development, based on self-management and community participation under a sustainable natural resource and environmental management (NRM) approach. The aims of PRONADERS are to: (i) formulate the country's rural development policies and strategies; (ii) evaluate and monitor the execution of ongoing rural development projects; and (iii) seek internal and external resources in support of new sectoral projects. PRONADERS operates through two executive entities: the National Directorate for Sustainable Rural Development (DINADERS) and the National Fund for Sustainable Rural Development (FONADERS-National).

6. **Rural Poverty, social indicators and gender.** In Honduras, poverty is essentially a rural phenomenon as it affects 70% of the rural population. According to the Human Development Index (HDI) of the United Nations Development Programme (UNDP), Honduras ranks 116 among 175 countries, with an index of 0.575 (year 2000). Rural women play a critical role within the rural economy. According to the Agricultural Census of 1993, of the 1.5 million women living in the rural areas, 1.0 million are economically active and at least 30 000 are heads of households. However, their access to education and development services has been limited: the illiteracy rate among rural women is 75% compared with 44% for men. Even today, only 15% of all Honduran rural women have had secondary school education.

## B. Lessons Learned from Previous IFAD Experience

7. IFAD has financed seven interventions in the country (three completed and four ongoing) over the last 20 years (1979-99). The ongoing operations comprise: (i) Agricultural Development Programme for the Western Region (PLANDERO); (ii) Rural Development Project in the Central Eastern Region; (iii) Rural Development Project in the South-Western Region; and (iv) the National Fund for Sustainable Rural Development Project (FONADERS).

8. Lessons learned and strategic intervention concepts derived from the above projects include:

- (a) **Involvement of local organizations:** projects should seek to strengthen beneficiary and local institutions that play an intermediary role in providing public or private services, i.e. municipalities, non-governmental organizations (NGOs), etc.; and facilitate target group access to information and knowledge on technical, commercial, financial and legal matters.
- (b) **Privatization of rural support services:** the privatization of rural support services has speeded up their delivery and led to the creation of a services market, in which rural development entities (RDEs) provide technical services to groups and associations of



- peasant farmers. In this respect, the approach initially introduced in IFAD-financed projects is being replicated in other investment initiatives.
- (c) **Participation, empowerment and equity:** social work methodologies have improved, particularly with respect to the participation of local stakeholders, beneficiary ownership of project activities, and increased access of the most vulnerable groups to project services and benefits. In particular, gains have been made – and should continue to be made – both in empowering the beneficiaries and in their direct participation in project design and implementation, and in more equitable and effective allocations of resources.
  - (d) **Development funding, and rural financial services:** the strengthening of human and social capital also calls for financial support to improve the quality of rural life. Resources allocated through rural development funds (RDFs) facilitate the cofinancing of investment microprojects and other initiatives undertaken by communities and beneficiary associations, i.e. the starting up of small businesses, construction of small rural infrastructures, establishment of soil conservation structures, etc. While previous IFAD projects in Honduras have placed heavy emphasis on credit promotion, current financial services are operated by private banking and non-banking entities. In addition, the credit concept has evolved to incorporate family savings and to cover all household needs in addition to farm-related production.
  - (e) **Technology development, commercialization and NRM:** recent projects in Honduras have concentrated on supporting natural resources management, food production, crop diversification, access to new markets, and the overall strengthening of the entire production and transformation chain. While the technologies exist for application to the needs of the rural poor in marginal areas, major limitations persist with regard to technology dissemination and promotion of entrepreneurship. These issues will need to be addressed by new local initiatives.

### C. IFAD's Strategy for Collaboration with Honduras

9. **Country strategy framework.** In 1999, the Government launched a Master Plan for National Reconstruction and Transformation (PMRTN), which aimed at supporting the country's reconstruction efforts after Hurricane Mitch and at promoting structural reform geared to accelerating economic development, social equity and modernization. The Plan serves as a complementary planning tool for PRONADERS. IFAD has contributed to the design of both PRONADERS and PMRTN and, as such, its strategy for intervention in the country is fully consistent with that of the Government. Moreover, IFAD's ongoing and new activities in Honduras are to be consolidated under the heading of the IFAD V: Plan of Action (2000-2002), in terms of strategic partnership building (i.e. cofinancing, resource mobilization), knowledge management and impact assessment. Accordingly, the specific thrusts of IFAD's collaboration with Honduras are geared to: (i) supporting income-generating activities and promoting employment opportunities for the rural population in both agriculture and non-farm activities and through diversification and access to new markets; (ii) improving the NRM practices of small hillside farmers in order to reduce environmental degradation and promote sustainability; (iii) enhancing human capital resources at the family and community levels, through education and training in productive activities, marketing and management; (iv) helping to improve the nutritional status of the rural population, particularly children and women, through strategic partnerships with health- and nutrition-related institutions and increased production of basic grains and other food staples; and (v) supporting national reconstruction efforts.

10. **The poverty eradication activities of other major donors.** With the support of the donor community, the Government is engaged in promoting a number of strategies, targeted policies and institutional arrangements with a view to achieving sustainable economic growth and alleviating poverty. To that end, it has identified three main areas of action, as follows: (i) sustainable rural development, through investment policies, employment and income-generating activities. With four ongoing projects, IFAD is a leading agency in this field and is implementing other activities in



collaboration with the Food and Agriculture Organization of the United Nations (FAO), the Government of The Netherlands (South of Lempire Rural Development Project), the Inter-American Development Bank (IDB) (Programme for the Revitalization of the Rural Economy), World Bank (Rural Areas Administration Project), etc; (ii) human capital development initiatives focused on improving education and health among the marginalized populations. World Bank, IDB and the German Agency for Technical Cooperation (GTZ) are financing major health and education programmes; and (iii) social protection and compensation policies geared to the most vulnerable sectors, with funding through the Honduran Social Investment Fund and the Family Allowances Programme. The resources to be released from debt servicing under the Debt Initiative for HIPC's will be used to expand the reach of social programmes and poverty-alleviation activities.

## **PART II - THE PROGRAMME**

### **A. Programme Area and Target Group**

11. **Programme area.** The programme is intended to address the outstanding developmental constraints faced by the new municipalities and, as such, has been conceived (together with the ongoing FONADERS) as forming complementary components of a programme with national coverage. The project area was selected on the basis of social and economic development parameters, lack of assistance from other investment projects, and an HDI below the national average of 0.576. In addition to that covered by FONADERS, the area of intervention encompasses 54 new municipalities and 700 communities in the Departments of Choluteca, Valle, Copan, Sta. Barbara and La Mosquitia, accounting for 108 000 families (650 000 inhabitants).

12. **Target groups.** Peasant farmers with smallholdings and farmers without land constitute the main target group. Most rural households depend on subsistence production and face severe climatic risk and environmental fragility, which result in serious food insecurity. Rural women provide labour for farming and other productive and marketing activities. Recognizing the vital role of women, PRONADEL will promote their direct involvement in all programme interventions. Similarly, the development needs of the different population groups will be addressed through specifically targeted initiatives, operational modalities and budgetary resources.

### **B. Objectives and Scope**

13. The overall objective of the programme is to enable poor rural communities to gain access to rural investments, local development institutions and technical services in order to increase their food security, income and employment levels, and to ensure sustainable management of natural resources. To that end, it will: (i) strengthen local organizations and institutions to enable them to address development needs and undertake self-management development initiatives; (ii) enhance the quality of private rural development services and expand their geographic coverage; (iii) provide financial support for local initiatives that will lead to long-term development; and (iv) establish effective management processes and an efficient programme management unit (PMU). It will also promote increased collaboration with development partners at the field level; derive lessons of experience and best practices; and promote innovative intervention mechanisms for the management of natural resources and for rural development finance.

### **C. Components**

14. The programme is composed of four components: (i) strengthening of local institutions; (ii) rural development fund; (iii) support for the improvement of programme implementation processes; and (iv) programme management.



### **Strengthening of Local Institutions**

15. The objective of this component is to strengthen the technical, organizational and managerial capacity of project stakeholders to enable them to identify rural development problems with a gender perspective and find solutions thereto; formulate microprojects; implement and supervise small businesses; and facilitate access to project resources and programme-financed services offered by the public and private sectors. The execution of activities will take place through a PMU and services will be contracted to RDEs. Three main types of institutions will be strengthened to participate in development activities: (i) target group organizations (e.g. farmers' and rural women's organizations with or without legal status); (ii) municipal governments and other intermediary institutions; and (iii) RDEs, and local financial services in the rural areas (e.g. *cajas rurales*).

16. Main activities under this component comprise: (i) programme promotion, through workshops conducted in the municipalities; (ii) targeting, i.e. definition of clusters for intervention, selection of priority communities, and identification of community problems; and (iii) participatory planning, in collaboration with municipal governments, organizations and informal target population groups, and within a gender-analysis. RDEs will be contracted to train RDE professionals in the application of participative methodologies. The RDEs' first task will be to carry out local baseline studies while identifying, in a participatory manner and with a gender focus, the main problems faced by local populations. The RDEs will also: (i) prepare inventories of local partners, i.e. peasants' and rural women's groups, microentrepreneurs, landless farmers, etc.; and (ii) assist in the identification of complementary sources of finance, i.e. for investments not eligible under the IFAD intervention. Capacity-building activities will be undertaken with technical resources available in the country or elsewhere, as required.

### **Rural Development Fund**

17. The RDF will serve as a financial mechanism to ensure that beneficiary groups have access to technical services and community infrastructure investments. On a matching grant basis, the RDF will finance activities aimed at strengthening the productive capacity of rural communities and peasant groups to facilitate implementation of community-level microprojects. It will adhere to the basic principle of guaranteeing the direct participation of beneficiaries in the identification of their needs and in the formulation, negotiation, implementation and monitoring of their own projects. Investments supported by the RDF will be mainly directed to productive activities and will be distinct from – and eventually complementary to – those supported by other Government social development funds. The RDF's administrative and operational procedures will make it possible to transfer financial resources in a timely, flexible and transparent manner. Targeting, operational transparency, the transitional nature of subsidies and beneficiary cofinancing are some of the main characteristics of the RDF.

18. **Eligibility.** Eligible microprojects under RDF will be subject to a ceiling per beneficiary family and will require a cash, labour or in-kind contribution by the proposing group or organization. Such microprojects must demonstrate financial, technical and environmental feasibility, and the organizations must prove that they have the capacity to implement them. The RDF will only finance investments at the community and micro-basin levels that are expected to have a positive impact on the immediate natural environment. Intermediary organizations, *cajas rurales* and RDEs will also be eligible to apply for RDF resources, provided the proposed activities will benefit the target group. Microprojects eligible for financing will be as follows: (i) agricultural production and NRM activities (soil conservation works, reforestation, etc.); (ii) irrigation investments, drainage, etc.; (iii) rural roads and other physical infrastructures to help increase production; (iv) microenterprises of an associative nature related to artisanal handicrafts and the processing and marketing of products for sale on local and foreign markets; and (v) technical assistance (TA), training, validation of innovative technology, and pre-investment studies for microprojects.



19. **RDF Administration.** Small financing proposals that meet eligibility and other criteria will be approved at the cluster-level by a Project Approval Committee (composed of representatives of the beneficiaries, the municipality and the programme). Larger proposals will be approved by a central Project Approval Committee, composed of two ministers (or their representatives), two beneficiary representatives and two representatives of the municipalities.

### **Support for the Improvement of Implementation Processes**

20. Activities under this component will aim at improving processes for programme implementation, inclusive of: (i) programme management; (ii) fieldwork methodologies; (iii) development financing through rural investment funds; and (iv) rural financial services. The overall rationale for the component is to ensure the adoption and use of streamlined programme implementation processes leading to more predictable cause-effect results. The expected results go beyond mere 're-engineering' recommendations or a training programme for programme staff. These aims will be attained through the adoption of new methodologies and operational practices at the central (PMU) and field levels and consolidation of emerging institutional structures for rural poverty eradication and their replication in other interventions related to agriculture/rural development and NRM.

21. **Programme management processes and fieldwork methodologies.** Support will be provided for management processes that facilitate the achievement of programme objectives, including management and reorganization, human resources training and development, and selected advisory services. Attention will be paid to the following themes: (i) human resources management, monitoring and evaluation (M&E), knowledge management and organizational learning, activity programming and communications; and (ii) operational processes for social and field-level work.

22. **Processes for rural development funding.** An in-depth review will be made of the current role and operational modality of the country's various RDFs, the ultimate aim being to identify an operational niche that meets the specific needs of IFAD's target groups, while: (i) fostering the growth of sustainable systems and institutions for rural finance; and (ii) avoiding overlapping while obtaining complementarity, at the community level, with other (predominantly infrastructural) social investment funds. Principal activities will be (i) undertaken during the preparatory phase: adjustments to the programme's operational manual in terms of eligibility of investments, beneficiary contributions, gradual reduction of RDF grant contributions for technical services, etc.; and (ii) during programme implementation: a comprehensive review of the RDF concept, and development of re-engineering proposals for enhanced coverage, efficiency and relevance of all IFAD-funded RDFs.

23. **Rural financial processes.** Although the operational capability of community savings and credit organizations (*cajas rurales*) is limited, they offer a valid solution to financial constraints in the programme area. It is thus imperative to validate and improve processes to reduce the financial and operational risks of credit and savings operations. These financial activities should be implemented on the basis of market conditions and the rules governing the country's financial system. PRONADEL will support the development of a system initially targeted at about 20 *cajas rurales* of municipal standing so as to: introduce more effective financial management processes and facilitate the diversification of financial products/services; and increase the number of clients and levels of savings, while accessing external funds and increasing their credit operations. The operational capacity of these *cajas rurales* will be assessed during the second year of implementation, following which release of programme funds to them will be subject to approval by IFAD.

### **Programme Management**

24. This component has to do with management and administrative activities aimed at ensuring the achievement of programme activities, targets and field actions. The PMU will focus on budgeting and



planning, monitoring, implementation, follow-up and administration of project funds. Further details are provided in paragraphs 28-36.

### D. Costs and Financing

25. Total programme costs, including contingencies, have been estimated at USD 31.3 million (USD 28.6 million, net of physical and price contingencies.) Of the total base costs, 12% are allocated to the strengthening of local institutions component (USD 3.5 million); 73% to the rural development fund component (USD 21.0 million); 3% to the support for the improvement of implementation processes component (approximately USD 1.0 million); and 11% to the programme management component (USD 3.1 million), inclusive of management and administration costs and support to PRONADERS. The project will be implemented over a six-year period. A summary of programme costs is given in Table 1. The proposed financing plan is given in Table 2.

**TABLE 1: SUMMARY OF PROGRAMME COSTS<sup>a</sup>**  
(USD '000)

	Local	Foreign	Total	% Foreign Exchange	% Total Base Costs
A. Strengthening of local institutions	3 394	129	3 523	4	12
B. Rural development fund	17 671	3 285	20 956	16	73
C. Support for the improvement of implementation processes	958	18	976	2	3
D. Programme management					
1. Management Units					
a. Strengthening of local institutions	922	161	1 084	15	4
b. Administration	1 120	104	1 224	8	4
c. Planning, monitoring and evaluation	205	48	253	19	1
<b>Subtotal</b>	2 247	313	2 560	12	9
2. Support to PRONADERS	525	9	534	2	2
<b>Subtotal</b>	2 772	322	3 094	10	11
<b>Total BASELINE COSTS</b>	24 796	3 754	28 550	13	100
Physical contingencies	381	34	414	8	2
Price contingencies	2 020	316	2 336	14	8
<b>Total PROGRAMME COSTS</b>	<b>27 196</b>	<b>4 104</b>	<b>31 300</b>	<b>13</b>	<b>110</b>

<sup>a</sup> Discrepancies in totals are due to rounding up of the figures.

**TABLE 2: FINANCING PLAN<sup>a</sup>**  
(USD '000)

	IFAD		BCIE		GEF		Govt		Beneficiaries		Total		For. Exch.	Local (Excl. Taxes)	Duties & Taxes
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%			
A. Strengthening of local institutions	2 801	71.6	-	-	330	8.4	783	20.0	-	-	3 914	12.5	140	3 353	421
B. Rural development fund	12 902	56.6	5 000	21.9	1 670	7.3	254	1.1	2 977	13.1	22 803	72.9	3 572	18 977	254
C. Support for the improvement of implementation processes	936	89.2	-	-	-	-	113	10.8	-	-	1 048	3.3	18	917	113
D. Programme management															
1. Management Units															
a. Strengthening of local institutions	1 163	93.9	-	-	-	-	76	6.1	-	-	1 239	4.0	186	977	76
b. Administration	1 342	95.6	-	-	-	-	61	4.4	-	-	1 403	4.5	123	1 219	61
c. Planning, monitoring and evaluation	256	89.3	-	-	-	-	31	10.7	-	-	287	0.9	55	201	31
<b>Subtotal</b>	2 761	94.3	-	-	-	-	168	5.7	-	-	2 929	9.4	363	2 397	168
2. Support to PRONADERS	601	99.1	-	-	-	-	5	0.9	-	-	606	1.9	11	590	5
<b>Subtotal</b>	3 361	95.1	-	-	-	-	173	4.9	-	-	3 535	11.3	374	2 987	173
<b>Total Disbursement</b>	<b>20 000</b>	<b>63.9</b>	<b>5 000</b>	<b>16.0</b>	<b>2 000</b>	<b>6.4</b>	<b>1 323</b>	<b>4.2</b>	<b>2 977</b>	<b>9.5</b>	<b>31 300</b>	<b>100.0</b>	<b>4 104</b>	<b>26 235</b>	<b>9 61</b>

<sup>a</sup> Discrepancies in totals are due to rounding.







## **E. Procurement, Disbursement, Accounts and Audit**

26. **Procurement.** The Government will draw up an administrative services contract with an international organization that will administer contracts for the procurement of goods and services, inclusive of: (i) local contracting by beneficiaries of services such as technology transfer; (ii) infrastructure development, natural resources conservation, etc.; and (iii) procurement needed for project execution. The selected organization will follow procurement guidelines in line with the requirements of the loan agreement. Procurement of goods and technical services by PMU will be as follows: contracts for goods and services valued at over USD 200 000 will be procured through international competitive bidding (ICB); contracts valued at between USD 30 000 and USD 200 000 will be procured through national competitive bidding; contracts valued at between USD 3 000 and less than USD 30 000 will be procured through limited national competitive bidding, based on at least three eligible bidders; and purchases valued at less than USD 3 000 will be made through direct contracts by the programme's procurement committee. Similarly, the contracting of consultants will be guided as follows: contracts for services valued at over USD 100 000 will be procured through ICB; contracts valued at between USD 50 000 and USD 100 000 will be procured through national competitive bidding; contracts valued at between USD 3 000 and less than USD 50 000 will be procured through limited national competitive bidding, based on at least three eligible bidders; and contracts valued at less than USD 3 000 will be directly arranged by the programme's procurement committee.

27. **Disbursements, accounting, audits and reporting.** Disbursements against the loan will be made in accordance with the procedures of the cooperating institution. For the purpose of facilitating programme implementation, a special account in United States dollars with an authorized allocation of USD 1.5 million will be opened and maintained in the Central Bank of Honduras. Replenishment to the special account will be made in accordance with the procedures established in the IFAD General Conditions. All institutions that receive programme funds will maintain separate accounts. Records will be consolidated at the PMU level. The programme accounts will be audited on an annual basis in line with international auditing procedures and standards. The programme will submit annual audit reports to IFAD and the cooperating institution no later than six months after the end of the fiscal year.

## **F. Organization and Management**

28. The Government of Honduras will be responsible for programme implementation through the Ministry of Agriculture and Livestock, for which it will establish a programme management structure with technical, financial, and administrative autonomy. An operations manual will guide programme operations. FONADERS and PRONADEL will be consolidated under the direction of a single Programme Board of Directors (PBD) and the PMU. To this effect, and to harmonize programme objectives and activities, the necessary legal adjustments will be made to the IFAD loan agreement for the earlier project (FONADERS). The management structure will include a PBD, a PMU based in Tegucigalpa, and 13 field coordination units strategically located in selected clusters of municipalities.

29. **Programme Board of Directors.** The PBD will be the highest-level programme authority, responsible for defining policies, strategies and priorities. It will approve all operational norms and rules; annual work programmes, budgets and audited financial statements. The PBD will be chaired by the Minister of Agriculture, and comprise representatives of the Ministries of International Cooperation and Finance; and of the user organizations and municipalities.

30. **Programme Management Unit.** The programme will be administered by a PMU, the main responsibilities of which will be to ensure the achievement of programme objectives and targets, and to



implement activities in accordance to the loan agreement, the operational manual and the annual work programmes. The PMU will consist of management units responsible for: (i) strengthening of local institutions; (ii) management of the rural development fund; (iii) planning and M&E; and (iv) administration. The PMU will manage a budget with full autonomy and in accordance with national norms. In particular, it will administer programme resources and arrange for the procurement of goods and services.

**31. Programme implementation/NRM approach and Global Environmental Facility (GEF)/UNDP cofinancing.** IFAD has signed an agreement with GEF/UNDP for the incorporation of NRM approaches and activities to be executed through PRONADEL's management units and components. Tentative GEF grant-based financing of USD 2.0 million will be directed to: (i) technically support for environmental-impact screening of microprojects; (ii) training of PMU staff, municipalities and selected RDEs; (iii) the formulation and implementation of municipal-level norms and regulations for sustainable NRM; and (iv) the RDF. The corresponding GEF/UNDP project will be formulated/appraised during the preparatory phase of PRONADEL.

**32. Strengthening of local institutions.** The component dealing with the strengthening of local institutions will be mainly executed by RDEs contracted to provide technical services and training. In the Mosquitia region, activities will be executed through suitable organizations specialized in NRM, biodiversity conservation and indigenous group development.

**33. Rural development fund.** Management of the RDF will be guided by PRONADEL's operations manual. At the end of the second year of operations, PRONADEL will evaluate the operational capacity of FONADERS-National in order to decide whether or not to transfer responsibility for the management of the RDF to the latter entity.

**34. Improvement of implementation processes component.** PRONADERS will be responsible for the implementation of this component under the terms of an agreement with the programme. It will provide technical support and ensure coordination with other projects and institutions and will take the lead in seeking additional financial resources.

**35. Implementation agreements.** The programme will be executed through the following agreements/contracts: (i) with an international or national administration agency, for the procurement of goods and services; (ii) with PRONADERS, for the improvement of implementation processes component; and (iii) with one or more qualified NGOs for the implementation of programme activities under each component.

**36. Programme planning, monitoring, evaluation and learning.** PRONADEL will establish a strengthened planning and M&E unit to ensure: (i) proper execution of programme activities at the field level; (ii) implementation of the programme's crosscutting intervention approaches (participation, gender mainstreaming, environmental sustainability, etc.); and (iii) generation of lessons from implementation experience and best practices. Under the new programme, the unified components/activities of FONADERS and PRONADEL will be implemented in accordance with an enhanced system of processes, annual programmes of work and capacity-building results; and, for the purpose of assessing development impact, contacts will be maintained with the IFAD TA grant-funded Programme for Strengthening the Regional Capacity for Monitoring and Evaluation of Rural Poverty-Alleviation Projects in Latin America and the Caribbean (PREVAL).



## G. Economic Justification

37. **Preparatory activities/Special Operations Facility grant.** Programme implementation will commence with a preparatory phase of approximate four months, financed by an IFAD Special Operations Facility (SOF) grant. The objectives will be to: (i) fulfil conditions for loan effectiveness; develop enhanced operational mechanisms to be reflected in a more comprehensive operations manual; validate intervention methodologies (e.g. surveys of community demands); consolidate the PMU, undertake a baseline study and improve the existing set of M&E indicators; and (ii) facilitate the effective start-up of RDF operations in the programme area. The terms of reference for the improvement of implementation processes component will also be prepared during this initial phase.

38. **Intervention strategy and programme benefits.** The proposed programme will support action to improve income generation, increase employment opportunities and expand production, based on the following: (i) increasing yields of existing food crops (maize, beans); (ii) expanding the programme area and increasing coffee yields while promoting diversification into higher-value crops (e.g. irrigated vegetables) and livestock in suitable areas; (iii) increasing the productivity of natural resources through reduced erosion and rational use of forest resources; (iv) improving storage facilities, handling, processing and marketing of agricultural produce; (v) using water resources for micro-irrigation; and (vi) organizing and improving the management of microenterprises for the processing of local agricultural production. The economic benefits of institutional capacity building will be manifested in enhanced implementation of rural development and poverty alleviation initiatives.

39. **Benefits and beneficiaries.** The programme is expected to directly benefit some 15 000 rural households and 1 000 microenterprises, for a total of approximately 96 000 persons comprising: (i) smallholders, landless farmers and indigenous populations from four distinct ethnic groups; and (ii) at least 30% of rural women in the programme area. Overall, agricultural production will increase over the life of the programme, mainly as a result of more intensive use of land, increased yields and rational development of forestry resources. Family income from agriculture is expected to increase by USD 1 900, reaching USD 2 600 annually. Income from microenterprise activities should also increase by USD 890, representing a significant boost to household incomes. Returns on family labour are expected to rise to USD 5.0 per day compared to the without-programme situation of USD 2.5. The expected increases in family income will contribute to greater food security and enhanced nutrition.

40. **Economic analysis and feasibility.** The economic analysis reflects an internal rate of return (IRR) of 18.3% and a net present value of USD 36.5 million, resulting in a benefit/cost ratio of 1.39 at full development. A sensitivity analysis indicates that, with a 10% reduction in benefits, the IRR will decrease to 15.1%, whereas, with a 20% reduction in benefits, the IRR will drop to 11.5%, which is still above the opportunity cost of capital (of 8%). An increase in costs will have less of an impact: with a 20% increase in costs, the IRR will go down to 12.7%.

## H. Risks

41. The programme aims at the strengthening of local capacities and the achievement of a self-managed development process on the part of the rural communities and their organizations. The principal risk relates to the possible low degree of commitment on the part of some Honduran politicians, government officials, local authorities and providers of services to the new intervention strategy fostered by the programme. This risk will continue throughout implementation, but should be minimized by: (i) continuous dialogue with the Government and other development partners; (ii) timely provision of support for the improvement of implementation processes component; and (iii) close supervision and implementation follow-up on the part of IFAD.



### **I. Environmental Impact**

42. Most programme activities will have a positive impact on the environment, especially those aimed at reducing erosion (improved tillage, increased organic content, use of live fences, etc.). Other activities that will have a positive environmental impact include promotion of sustainable exploitation of forest resources and support to communities for the reforestation of small watersheds, with a micro-basin planning approach. Some of these activities will be based on the role that rural women play as preservers of natural resources while making use of the ecosystem. No contamination of surface or subterranean water by pesticides or fertilizers is anticipated. In addition, the programme does not contemplate the construction of any physical infrastructures that would have a negative impact on the environment. Microprojects for financing under the RDF will be environment friendly and subject to prior screening. These microprojects will be designed with full beneficiary participation at the municipal and community levels, taking account of the fragility of some areas and the bio-diverse richness of others supported by municipal environmental units. The programme will set up an M&E system, with particular focus on environmental management indicators.

### **J. Innovative Features**

43. Programme innovations comprise: (i) mechanisms that will be introduced to improve and strengthen programme implementation processes and based on activities defined and executed as implementation proceeds; (ii) expanded implementation through specialized co-executing RDEs, with the programme devoting considerable attention and resources to building up the capacity of such enterprises; and (iii) an extended partnership with GEF/UNDP that goes beyond parallel financing of selected activities, to incorporate local ownership of the programme by grass-roots indigenous organizations and specific arrangements with specialized NGOs and local think-tanks for enhanced NRM at the municipal level.

## **PART III - LEGAL INSTRUMENTS AND AUTHORITY**

44. A loan agreement between the Republic of Honduras and IFAD constitutes the legal instrument for extending the proposed loan to the borrower. A summary of the important supplementary assurances included in the negotiated loan agreement is attached as an annex.

45. The Republic of Honduras is empowered under its laws to borrow from IFAD.

46. I am satisfied that the proposed loan will comply with the Agreement Establishing IFAD.

## **PART IV - RECOMMENDATION**

47. I recommend that the Executive Board approve the proposed loan in terms of the following resolution:

RESOLVED: that the Fund shall make a loan to the Republic of Honduras in various currencies in an amount equivalent to fifteen million five hundred thousand Special Drawing Rights (SDR 15 500 000) to mature on and prior to 15 February 2041 and to bear a service charge of three fourths of one per cent (0.75%) per annum, and to be upon such terms and conditions as shall be substantially in accordance with the terms and conditions presented to the Executive Board in this Report and Recommendation of the President.

Lennart Båge  
President



## SUMMARY OF IMPORTANT SUPPLEMENTARY ASSURANCES INCLUDED IN THE NEGOTIATED LOAN AGREEMENT

(Loan negotiations concluded on 29 March 2001)

1. **Availability of loan proceeds.** For the purpose of financing execution of this programme, the Government of Honduras will make the loan proceeds available to the Ministry of Agriculture and Livestock (SAG) in accordance with the annual plans of work (POWs) and at the request of the PMU, through fund transfers from the special account to the programme account. Similarly, the PMU, through the Ministry of Finance, may request that loan disbursements be deposited directly into the programme account.

2. **Availability of additional resources.** In addition to loan proceeds, SAG will make counterpart funds, facilities, services and other resources available to the PMU, promptly as needed, to implement the project in accordance with the loan agreement. Without limiting the general application of the preceding, the Government will make counterpart funds available to SAG from its own resources, during the programme implementation period, for an amount in Honduran lempiras totaling the equivalent of approximately USD 1 323 000, in accordance with the usual national procedures regarding development cooperation. To this end, the Government will replenish the programme account annually in advance, at the request of the PMU, by depositing the counterpart funds called for in the POW for the respective fiscal year.

3. **Retroactive financing.** Funds may be withdrawn from the loan account for a total not greater than the equivalent of USD 300 000 for expenditures related to demand-mapping activities carried out before the date of effectiveness of the loan agreement but after 1 July 2000 or to improvements in implementation processes carried out before the date of effectiveness but after 1 March 2001. In both cases, the expenditures must correspond to contracted services or operational costs. Said expenditures will be considered admissible for financing under the loan.

4. **Equal access.** The Government will ensure that equal access to programme benefits is guaranteed to weaker, more marginal groups such as the landless, indigenous peoples, women and youth. Similarly, activities will be implemented that favour equal access to benefits for various communities, diverse families within the communities and certain members of family groups.

5. **Cooperation with other rural development projects.** The Government will ensure that programme activities will take place in a framework of cooperation and coordination with other projects sharing common objectives in Central America – in particular as regards the incorporation of successful experiences and methodologies and support for the implementation of other projects through the RDF. This cooperative effort should be particularly intense among IFAD-financed projects in Central America. Without limiting the general application of the preceding, the Government will ensure that the programme maintains close coordination with activities of PRONADERS and with other public and private institutions such as the Honduran Corporation for Forestry Development (AFE-COHDEFOR), the Honduran Coffee Institute (IHCAFE), the National Agrarian Institute (INA) and the Ministry of Public Works, Transport and Housing (SOPTRAVI).

6. **Gender focus.** The Government will make sure that the programme contributes to gradually reducing existing gender inequalities in its area of influence. To that end, the Government will ensure that, among others, the following activities and strategies are implemented:

- (a) gender focus will be built into all programme activities;

- (b) training activities will include a gender sensitivity programme at the levels of the PMU, all programme personnel, RDEs, municipal governments and grass-roots organizations; and
- (c) the target for women beneficiaries of RDF financing will be at least 30%.

7. **Environmental impact.** In order to conform to the provisions of the General Conditions regarding the application of adequate environmental practices, and without limiting the general application of this responsibility, the Government will ensure that:

- (a) programme parties adopt appropriate pest-control methods and, to this end, the Government will ensure that pesticides procured under the programme do not include any proscribed by the International Code of Conduct on the Distribution and Utilization of Pesticides of the Food and Agriculture Organization of the United Nations (FAO), as amended from time to time, or listed in Tables 1 (extremely hazardous) and 2 (highly hazardous) of the World Health Organization (WHO) Recommended Classification of Pesticides by Hazard and Guidelines to Classification, 1996-1997, as amended from time to time;
- (b) the programme does not finance community microprojects that would have a negative impact on the environment; environmental issues are being addressed through the promotion and financing of microprojects, in a territorial progression as the programme is implemented, linking the actual use of resources to the potential capacity in order to improve the sustainability of productive processes and the conservation of the environment;
- (c) programmes be supported, in the forestry sector, of sustainable exploitation of forest resources, discouraging activities such as burning that provoke their degradation, and supporting reforestation initiatives through support to forest-nursery microenterprises and to communities for the reforestation of small watersheds.

8. **Tax exemption.** The importation, acquisition and provision of all goods, works, constructions and financial services charged to the loan will be exempt from taxes. The value of these exemptions will be credited to the Government's responsibility to provide counterpart funds to the programme.

9. **Insurance of programme personnel.** SAG will insure programme personnel against risks of disease and accident to the extent consistent with customary commercial practice.

10. **FIDAMERICA network.** The Government will facilitate programme access to the FIDAMERICA network, which links – via the Internet – all IFAD-financed programmes in Latin America and the Caribbean. To this effect, the Government will use programme resources allocated for operating costs.

11. **Agricultural Development Programme for the Western Region (PLANDERO) credit fund.** Once the activities of PLANDERO have ceased, the Government will ensure that all credit assets of that programme continue to be used in the same area of influence and to the benefit of the same target population.

12. **Conditions precedent to effectiveness.** Effectiveness of the loan agreement will be subject to fulfilment of the following conditions precedent:

- (a) the composition and structure of the PMU have been duly established;



ANNEX

- (b) the Government has duly opened the special and programme accounts;
- (c) IFAD has given its non-objection to a substantive revision of the administrative services contract between the Government and the contracting agency to modify the programme in accordance with the loan agreement; and this revision has been duly signed by the parties;
- (d) the present loan agreement has been duly signed, and the Government's signature and performance of its obligations thereunder have been duly authorized and ratified through all the administrative and governmental procedures necessary; and
- (e) the Government has presented IFAD with a favourable opinion, issued by the legal counsel of the Ministry of Finance, or other legal counsel approved by IFAD, in form and substance acceptable to IFAD.

## COUNTRY DATA

### HONDURAS

<b>Land area (km<sup>2</sup> thousand) 1997 1/</b>	<b>112</b>	<b>GNP per capita (USD) 1998 2/</b>	<b>740</b>
<b>Total population (million) 1998 1/</b>	<b>6.2</b>	<b>Average annual real rate of growth of GNP per capita, 1990-98 2/</b>	<b>1.4</b>
<b>Population density (people per km<sup>2</sup>) 1998 1/</b>	<b>55</b>	<b>Average annual rate of inflation, 1990-98 2/</b>	<b>20.6</b>
<b>Local currency</b>	<b>Lempira (HNL)</b>	<b>Exchange rate: USD 1 =</b>	<b>HNL 15.0</b>
<b>Social Indicators</b>		<b>Economic Indicators</b>	
Population (average annual population growth rate), 1980-98 1/	3	GDP (USD million), 1998 1/	5 371
Crude birth rate (per thousand people), 1998 1/	33	Average annual rate of growth of GDP 1/	
Crude death rate (per thousand people), 1998 1/	5	1980-90	2.7
Infant mortality rate (per thousand live births), 1998 1/	36	1990-98	3.6
Life expectancy at birth (years), 1998 1/	69	Sectoral distribution of GDP, 1998 1/	
Number of rural poor (million) (approximate) 1/	1.6	% agriculture	20.3
Poor as % of total rural population 1/	51	% industry	30.9
Total labour force (million), 1998 1/	2.3	% manufacturing	18.3
Female labour force as % of total, 1998 1/	31	% services	48.8
<b>Education</b>		Consumption, 1998 1/	
Primary school gross enrolment (% of relevant age group), 1997 1/	111	General government consumption (as % of GDP)	10.3
Adult literacy rate (% of total population), 1997 3/	70.7	Private consumption (as % of GDP)	66.2
<b>Nutrition</b>		Gross domestic savings (as % of GDP)	
Daily calorie supply per capita, 1996 3/	2 368	<b>Balance of Payments (USD million)</b>	
Prevalence of child malnutrition (height for age % of children under 5), 1992-98 1/	38.9	Merchandise exports, 1998 1/	2 017
Prevalence of child malnutrition (weight for age % of children under 5), 1992-98 1/	25.4	Merchandise imports, 1998 1/	2 340
<b>Health</b>		Balance of merchandise trade	
Health expenditure, total (as % of GDP), 1990-98 1/	8.3	- 323	
Physicians (per thousand people), 1990-98 1/	0.79	Current account balances (USD million)	
Percentage population without access to safe water, 1990-97 3/	24	before official transfers, 1998 1/	
Percentage population without access to health services, 1981-92 3/	38	after official transfers, 1998 1/	
Percentage population without access to sanitation, 1990-97 3/	26	Foreign direct investment, 1998 1/	
<b>Agriculture and Food</b>		84	
		<b>Government Finance</b>	
Food imports as percentage of total merchandise imports, 1998 1/	16	Overall budget surplus/deficit (including grants) (as % of GDP), 1997 1/	
Fertilizer consumption (hundreds of grams per ha of arable land), 1995-97 1/	598	Total expenditure (% of GDP), 1997 1/	
Food production index (1989-91=100), 1996-98 1/	113	Total external debt (USD million), 1998 1/	
<b>Land Use</b>		5 002	
Arable land as % of land area, 1997 1/	15.1	Present value of debt (as % of GNP), 1998 1/	
Forest area (km <sup>2</sup> thousand), 1995 1/	41.2	Total debt service (% of exports of goods and services), 1998 1/	
Forest area as % of total land area, 1995 1/	36.8	18.7	
Irrigated land as % of cropland, 1995-97 1/	3.6	Nominal lending rate of banks, 1998 1/	
		30.7	
		Nominal deposit rate of banks, 1998 1/	
		18.6	

n.a. not available.

Figures in italics indicate data that are for years or periods other than those specified.

1/ World Bank, *World Development Report*, 2000

2/ World Bank, *Atlas*, 2000

3/ UNDP, *Human Development Report*, 1999



## PREVIOUS IFAD LOANS AND GRANTS TO HONDURAS

Project Name	Initiating Institution	Cooperating Institution	Lending Terms	Board Approval	Loan Effectiveness	Current Closing Date	Loan/Grant Acronym	Currency	Approved Loan/ Grant Amount	Disbursement (as % of approved amount)
Rural Development Project for the Western Region	IFAD	IDB	HC	19 Dec 79	02 May 80	31 Dec 87	G - I - 19 - HO	SDR	270 000	100%
Rural Development Project for the Western Region	IFAD	IDB	HC	19 Dec 79	02 May 80	31 Dec 87	L - I - 29 - HO	SDR	7 700 000	99.1%
Santa Barbara Rural Development Project	IFAD	BCIE	I	14 Sep 82	03 Feb 84	31 Mar 90	L - I - 99 - HO	SDR	10 850 000	22.7%
Intibucá-La Paz Rural Development Project	IFAD	IDB	I	29 Apr 87	19 Aug 88	31 Dec 97	L - I - 203 - HO	SDR	4 850 000	67.4%
Agricultural Development Programme for the Western Region (PLANDERO)	IFAD	BCIE	HC	15 Sep 93	28 Nov 94	30 Jun 01	L - I - 336 - HN	SDR	5 500 000	96.8%
Rural Development Project in the Central Eastern Region	IFAD	BCIE	HC	29 Apr 97	18 Feb 98	30 Jun 04	G - I - 28 - HN	USD	95	100%
Rural Development Project in the Central Eastern Region	IFAD	BCIE	HC	29 Apr 97	18 Feb 98	30 Jun 04	L - I - 446 - HN	SDR	8 900 000	40.6%
Rural Development Project in the South-Western Region	IFAD	CAF	HC	03 Dec 98	30 Jun 99	31 Dec 05	G - I - 71 - HN	USD	65	100%
Rural Development Project in the South-Western Region	IFAD	CAF	HC	03 Dec 98	30 Jun 99	31 Dec 05	L - I - 497 - HN	SDR	13 750 000	16.9%
National Fund for Sustainable Rural Development Project (FONADERS)	IFAD	BCIE	HC	08 Dec 99	03 Jul 00	31 Mar 07	G - I - 85 - HN	USD	200 000	100%
National Fund for Sustainable Rural Development Project (FONADERS)	IFAD	BCIE	HC	08 Dec 99	03 Jul 00	31 Mar 07	L - I - 519 - HN	SDR	12 000 000	15.4%



## LOGICAL FRAMEWORK

OBJECTIVES	INDICATIVE TARGETS	INDICATORS	MEANS OF VERIFICACIÓN	ASSUMPTIONS/ RISKS
<b>DEVELOPMENT OBJECTIVE</b>				
Contribute to improving the quality of life of rural populations through social, human and productive development actions, and the sustainable management of natural resources (PRONADERS objective).				
<b>PROJECT OBJECTIVE</b> Promote the access of poor rural communities to rural investments, productive activities and technical services, in order to improve food security, increase income and employment levels, and enhance the sustainable management of natural resources.	<ul style="list-style-type: none"> <li>15 000 smallholders, landless farmers, poor rural women and indigenous populations; and 1 000 microentrepreneurs from 540 rural communities of 54 municipalities have access to programme investments and services.</li> <li>At least 30% of the beneficiaries will be rural women.</li> </ul>	<ul style="list-style-type: none"> <li>Agricultural and non-agricultural production increases and diversifies, i.e. for local consumption and the market.</li> <li>Family income increases, and the family basic food basket improves.</li> <li>Employment possibilities in the communities improve.</li> <li>The environmental situation of the communities improves.</li> </ul>	<ul style="list-style-type: none"> <li>Baseline study.</li> <li>IFAD mid-term and final evaluations</li> <li>Government and PRONADERS evaluations</li> <li>Supervision mission reports</li> </ul>	<ul style="list-style-type: none"> <li>Government commitment to consolidate rural poverty strategies and programmes.</li> <li>Political and macroeconomic stability.</li> </ul>
<b>COMPONENT 1: STRENGTHENING OF LOCAL INSTITUTIONS</b>				
<b>Output 1:</b> Local organizations/institutions, strengthened, i.e. to present demands and propose and implement rural development initiatives (includes: grass-roots organizations, rural development entities, municipal governments, and other intermediary organizations).	<ul style="list-style-type: none"> <li>540 rural communities will have the opportunity to improve the managerial and operational capacity of their organizations: associations, cooperatives, rural savings associations (<i>cajas rurales</i>), etc.</li> <li>30 second-level organizations improve their action capacity: <i>cajas rurales</i> at the municipal level, association of cooperatives, etc.</li> <li>54 municipalities will be strengthened in their rural development and natural resources management activities.</li> </ul>	<ul style="list-style-type: none"> <li>Number of peasant and indigenous organizations created and/or strengthened</li> <li>Increase in the organizational capacity of organizations</li> <li>Involvement of rural women in decision-making and community bodies (associations, committees, etc.)</li> </ul>	<ul style="list-style-type: none"> <li>Participative rural diagnostics and community development plans.</li> <li>PMU reports</li> <li>Case studies and special reports on the systematization of implementation experience</li> </ul>	<ul style="list-style-type: none"> <li>Programme implementation (i.e. approach and scope) adopted under the new institutionality of SAG</li> <li>Direct actors and stakeholders understand the programme's objectives and implementation approach.</li> </ul>
<b>Output 2:</b> Quality of local supply of rural development-related services improves; and geographic coverage increases	<ul style="list-style-type: none"> <li>Number of rural development entities, individual consultants and innovative rural producers trained and operatively consolidated.</li> </ul>	<ul style="list-style-type: none"> <li>Number and type of RDEs organized and strengthened, by type of speciality</li> <li>Assessment indicators of the quality of services offered.</li> </ul>	<ul style="list-style-type: none"> <li>IFAD mid-term and final evaluations</li> <li>Government and PRONADERS evaluations</li> <li>Supervision mission reports</li> <li>Programme management reports</li> </ul>	
<b>COMPONENT 2: RURAL DEVELOPMENT FUND</b>				
<b>Output 3:</b> Implementation of local and municipal initiatives supported financially.	<ul style="list-style-type: none"> <li>540 communities will present local initiatives for financing, based on community development plans. Indicatively, 2 700 microprojects will be formulated and approved for financing in: agricultural production, agro-processing, microenterprises, micro-irrigation, environmental management, etc..</li> </ul>	<ul style="list-style-type: none"> <li>Volume of resources managed by local organization, communities and municipalities.</li> <li>Volume of resources contributed by organizations, communities and municipalities.</li> <li>Number of projects executed by type of intervention (agricultural production, micro-enterprises, etc.).</li> </ul>	<ul style="list-style-type: none"> <li>Reports prepared by the beneficiaries with assistance of RDEs</li> <li>IFAD mid-term and final evaluations</li> <li>Government and PRONADERS evaluations</li> <li>Supervision mission reports</li> <li>Project management reports</li> </ul>	

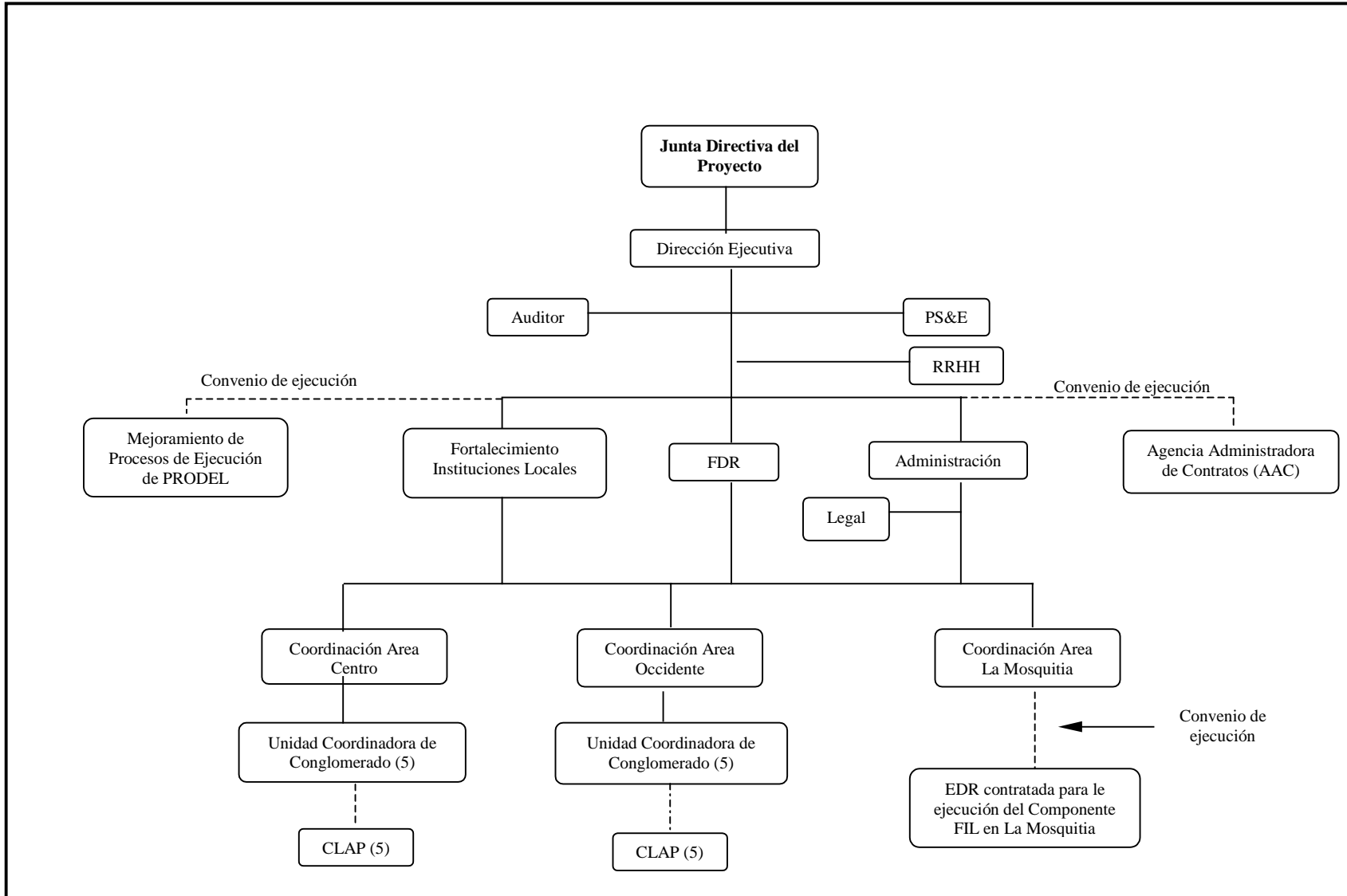




APPENDIX III

<b>COMPONENT 3: SUPPORT TO THE IMPROVEMENT OF IMPLEMENTATION PROCESSES</b>			
<p><b>Output 4:</b> Programme implementation processes (at the central and field levels) reorganized, strengthened and improved. Processes comprise: (a) programme management; (b) methods and mechanisms for social and field work; (c) operation of rural development funds; and (d) rural financial services.</p>	<ul style="list-style-type: none"> <li>The target is to effectively develop capacities and efficient operational processes in the four primary themes of rural development: (a) programme management; (b) methods and mechanisms for social and field work; (c) operation of rural development funds; and (d) rural financial services.</li> </ul>	<ul style="list-style-type: none"> <li>Main capacities and abilities developed and applied by theme.</li> <li>Methodologies and processes developed and adopted in practice</li> </ul>	<ul style="list-style-type: none"> <li>Baseline study.</li> <li>IFAD mid-term and final evaluations</li> <li>Government and PRONADERS evaluations</li> <li>Supervision mission reports</li> </ul> <ul style="list-style-type: none"> <li>Agreements of institutional mechanisms of new SAG</li> <li>institutionality foster the expected re-engineering and innovation that is sought</li> </ul>
<b>COMPONENT 4: PROGRAMME MANAGEMENT</b>			
<p><b>Output 5:</b> Project management unit, efficient and effective; management bodies and mechanisms, established and operative (e.g., project approval committees).</p>	<ul style="list-style-type: none"> <li>Management bodies and PMU established prior to loan effectiveness, and fully operative during the first year of operations.</li> </ul>	<ul style="list-style-type: none"> <li>Rolling assessment of PMU capability</li> <li>Rolling assessment of management systems (administrative, M&amp;E, communication, etc.).</li> </ul>	<ul style="list-style-type: none"> <li>Baseline study.</li> <li>IFAD mid-term and final evaluations</li> <li>Government and PRONADERS evaluations</li> <li>Supervision mission reports</li> </ul>
<b>ACTIVITIES</b>			
<p><b>Output 1: Strengthening of local institutions/ organizations</b></p> <p>1.1 Promote and disseminate information on programme objectives among target group organizations and other organizations and institutions.</p> <p>1.2 Support the formulation of participatory community diagnostics</p> <p>1.3 Strengthen municipalities to enable them to assume specific tasks with respect to rural development and NRM, etc.</p> <p>1.4 Undertake activities to strengthen organizations and institutions</p>	<p><b>Output 3: Financial support to local development initiatives</b></p> <p>3.1 Target communities through baseline work and promote programme activities</p> <p>3.2 Support formulation of community development plans.</p> <p>3.3 Analyse and prioritise local development demands and support the formulation of specific microprojects (supply and demand approaches).</p> <p>3.4 Review microproject proposals (technical, financial, environmental dimensions, etc.).</p> <p>3.5 Project approvals at CLAP or CAP levels.</p> <p>3.6 Contract RDEs for microproject execution</p> <p>3.7 Monitor the execution of projects</p> <p>3.8 Evaluate the implementation of microprojects and their results.</p>	<p><b>Output 4: Improvement of implementation processes</b></p> <p>4.1 Formulate proposals for re-engineering of the existing process for rural development project execution.</p> <p>4.2 Identify improved methodologies and mechanisms for social work and development promotion</p> <p>4.3 Formulate training programmes (M&amp;E, knowledge management, organizational learning, communications, etc.)</p> <p>4.4 Analyse the current operational modality of RDFs (financed by IFAD), and identify their comparative advantage vis-à-vis other funds.</p> <p>4.5 Undertake same analysis for current rural financial services.</p> <p>4.6 Directly support 20 <i>cajias rurales</i> and assess their capacity after two years.</p>	<p><b>Output 5: Programme management and programme management unit</b></p> <p>5.1 Establish operational agreements, operational manuals, etc. (preparatory phase)</p> <p>5.2 Establish the PMU</p> <p>5.3 Develop an effective M&amp;E Unit</p> <p>5.4 Undertake the baseline study</p> <p>5.5 Establish the implementation mechanisms and bodies (PBD, project approval committees, etc.)</p> <p>5.6 Support the mid-term/ terminal and ad hoc evaluations.</p>
<p><b>Output 2. Strengthening the capacity of rural development service providers</b></p> <p>2.1 Promote and disseminate information on the objectives and modality of programme execution among rural development entities.</p> <p>2.2 Create an inventory of RDE capacity, by type of technical speciality (agricultural support, microenterprises, M&amp;E, methods of social work, etc.)</p> <p>2.3 Select and contract RDEs with capability for promoting the formulation and execution of microprojects</p> <p>2.4 Develop training programmes, for the: - promotion and identification of local-level demands, - monitoring of project implementation and technical support to local and municipal projects. - systematization of existing and new undertakings.</p> <p>2.5 Create the norms for qualification of graduated RDEs.</p> <p>2.6 Support the training of RDEs for the provision of specialized services in biodiverse regions</p>			

## ORGANIGRAMA (ORGANIGRAM)



## ANÁLISIS FINANCIERO Y RENTABILIDAD

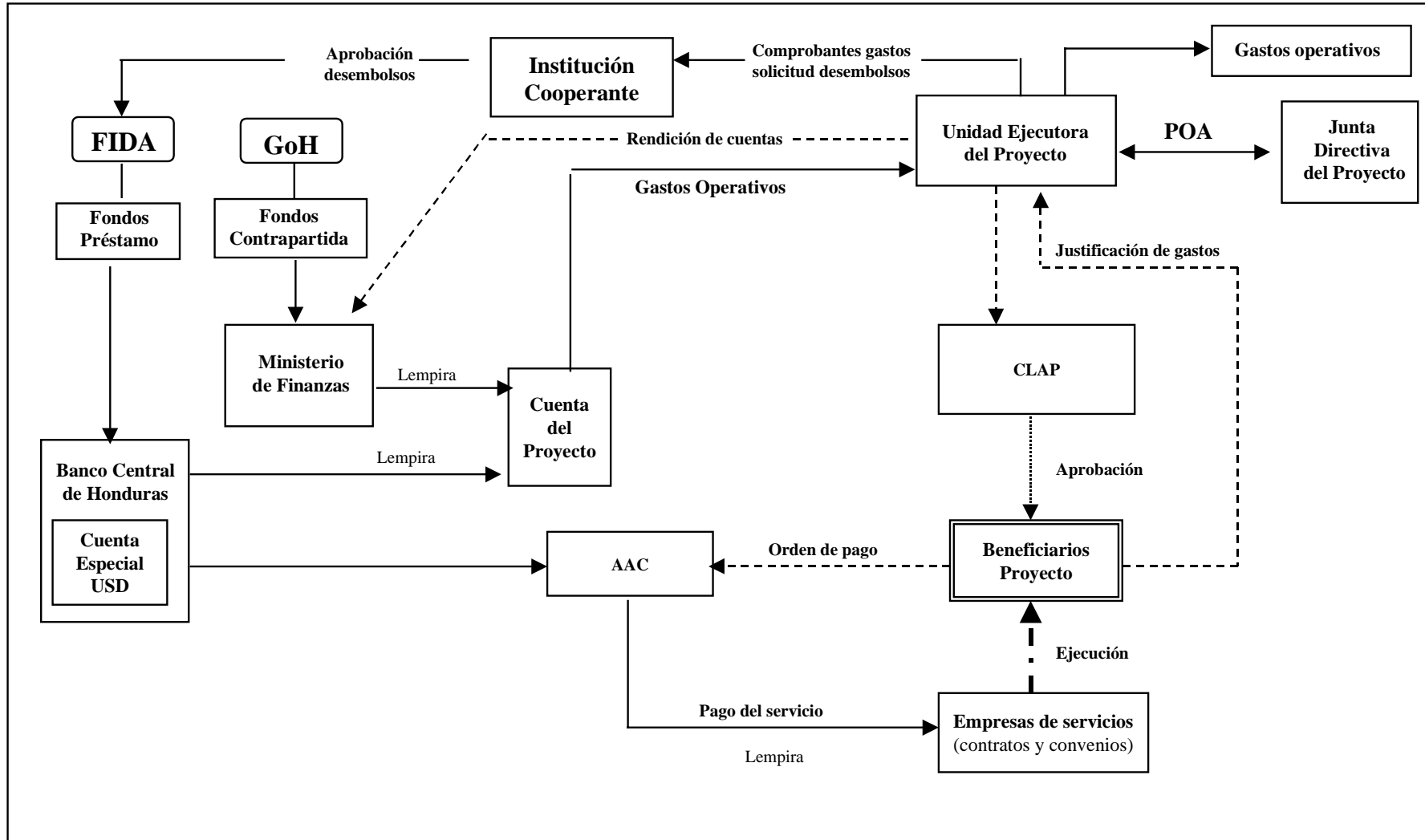
### (FINANCIAL ANALYSIS AND PROFITABILITY)

Años	Valor de los Beneficios Incrementales	Inversiones en Fincas	Insumos Agropecuar.	Costos de la Mano de Obra Familiar	Costos Totales del Proyecto	Costos Recurrentes Años 7-20	Beneficios Netos Incrementales
1	54	129	146	201	2,216	-	-2,638
2	405	422	637	1,049	3,926	-	-5,629
3	1 306	870	1,463	2,102	5,905	-	-9,035
4	3 007	1 108	2 279	3 242	6 824	-	-10 446
5	5 695	855	2 878	3 798	5 215	-	-7 051
6	9 571	583	3 376	4 155	3 013	-	-1 556
7	13 810	336	3 804	4 285	-	255	5 130
8	17 660	142	4 205	4 408	-	255	8 649
9	20 740	0	4 604	4 589	-	255	11 292
10	22 603	0	4 810	4 612	-	255	12 926
11	23 231	0	4 877	4 587	-	255	13 512
12	23 886	0	4 975	4 669	-	255	13 988
13	25 173	-	5 089	5 127	-	255	14 701
14	26 649	-	5 255	5 598	-	255	15 540
15	27 125	-	5 317	5 802	-	255	15 751
16	26 098	-	5 267	5 435	-	255	15 141
17	24 723	-	5 148	4 984	-	255	14 335
18	23 643	-	4 946	4 657	-	255	13 785
19	23 383	-	4 965	4 577	-	255	13 585
20	25 254	-	5 325	4 572	-	255	15 102
					<b>Tasa Interna de Retorno</b>		18,3%
					<b>Tasa de Actualización</b>		8,0%
					<b>Valor Presente Neto</b>		36 547
					<b>Relación Costo/Beneficio</b>		1,39
<b>Análisis de los Valores Críticos</b>							
	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>Costo Total</b>
<b>VPN</b>	129 375	3 209	32 489	35 236	20 570	1 325	92 828
<b>COEF</b>	71,8%	1 239,0%	212,5%	203,7%	277,7%	2 858,7%	139,4%
<b>C-V</b>	-28,2%	1 139,0%	112,5%	103,7%	177,7%	2 758,7%	39,4%

### Análisis de Sensibilidad

	TIR	VPN (USD '000)	B/C
<b>1. Proyecto Pleno</b>	18,3%	36 547	1,39
<b>2. Reducción de Beneficios en:</b>			
10%	15,1%	23 609	1,25
20%	11,5%	10 672	1,11
<b>3. Incremento de Costos en:</b>			
10%	15,4%	27 264	1,27
20%	12,7%	17 981	1,16
<b>4. Atrasos en</b>			
1	16,4%	29 167	1,29
2	14,6%	22 635	1,21
3	12,9%	16 547	1,15
<b>5. Proyecto con Mano Familiar a Precios de Mercado</b>	15,8%	27 738	1,27

**FLUJO DE FONDOS DEL FIDA EN EL PROGRAMA  
(FLOW OF IFAD FUNDS)**



7



## ACTIVIDADES PREPARATORIAS/SOF (PREPARATORY ACTIVITIES/SOF)

### I. RESUMEN

1. El Programa Nacional de Desarrollo Rural Sostenible (PRONADERS) fue creado por Decreto Legislativo N° 12-2000, publicado en La Gaceta el 5 de Mayo de 2000, con el objeto de mejorar la calidad de vida de las comunidades rurales, a través del desarrollo humano, social, ambiental y productivo, basado en la autogestión y la participación comunitaria, con un enfoque de manejo sostenible de los recursos naturales, enfatizando en aquellos aspectos que tiendan a disminuir la vulnerabilidad ambiental y la debilidad de los procesos de participación social, especialmente en las comunidades. El PRONADERS desarrollará las políticas y estrategias adoptadas por el Estado, como modelo de desarrollo integrador y armonizador de las actividades que promueven el nuevo enfoque de la organización rural, focalizará su intervención en las comunidades con mayor incidencia en la pobreza y en zonas con alta vulnerabilidad agroecológica.

2. En el marco de esta institucionalidad, el Gobierno de la República, en el año de 1999, negoció con el Fondo Internacional de Desarrollo Agrícola (FIDA), una cooperación financiera para ejecutar el Fondo Nacional de Desarrollo Rural Sostenible (FONADERS), en 81 municipios del país y beneficiando unas 14 000 familias. Este proyecto inició sus operaciones ese mismo año mediante la ejecución de una fase preparatoria que tenía como objetivo, *acelerar el logro de los resultados a ser obtenidos a través de la ejecución del FONADERS*. Este objetivo se operacionalizó a través de dos actividades: i) levantamiento de la demanda en los municipios previamente seleccionados; y ii) cumplimiento de las condiciones de efectividad de los contratos de préstamo del FIDA, BCIE y los donantes del proyecto.

3. En forma paralela a la Ejecución del FONADERS, la Secretaría de Agricultura y Ganadería (SA), con el apoyo de las Agencias de Cooperación como ser el PNUD, IICA y la FAO, ha iniciado con instalación de las dos direcciones que operan el PRONADERS: DINADERS y el FONADERS nacional. Bajo este marco se solicitó nuevamente al FIDA una cooperación financiera para ampliar las operaciones del FONADERS, razón que justifica llevar a cabo un trabajo de asistencia preparatoria que acelere el cumplimiento de las condiciones de efectividad de los contratos de préstamo del FIDA, BCIE y de la cooperación no reembolsable del PNUD.

4. La ejecución de esta fase preparatoria del Proyecto, tendrá un costo total de USD 85 000 los cuales serán invertidos en un plazo de cuatro meses.

### II. EJECUCIÓN DE LA FASE PREPARATORIA

5. **Justificación.** El gobierno de Honduras, a través de la Secretaria de Agricultura y Ganadería, en el contexto del Plan Maestro de Reconstrucción y Transformación Nacional, ha creado el programa Nacional de Desarrollo Rural Sostenible (PRONADERS), como la base de un nuevo enfoque de desarrollo rural sostenible y de una nueva institucionalidad en la cual las comunidades rurales pobres son protagonistas de su propio desarrollo. Este enfoque estará orientado a facilitar su acceso a los bienes y servicios necesarios para su integración al desarrollo social y económico con el cual se contribuirá a la reducción de la pobreza rural y al mejoramiento de la calidad de vida de las familias rurales pobres.

6. Bajo los lineamientos generales de PRONADERS, se ha concebido el Proyecto PRONADEL (Programa Nacional de Desarrollo Local), el cual tendrá financiamiento del FIDA, GEF/PNUD, BCIE, el Gobierno de Honduras y las Comunidades. En concordancia con PRONADERS, el objetivo general de PRONADEL es promover el acceso equitativo de la población rural a inversiones y servicios de Desarrollo Rural Sostenible (DRS) en conglomerados de municipios pobres



seleccionados a fin de mejorar los niveles de ingresos, la seguridad alimentaria y el manejo sostenible de los recursos naturales. De manera específica el Proyecto pretende:

- Contribuir a fortalecer las capacidades de las organizaciones de beneficiarios e instituciones locales para plantear demandas y emprender iniciativas de desarrollo rural autogestionadas.
- Coadyuvar a mejorar la cobertura y calidad de la oferta de servicios de Desarrollo Rural Sostenible
- Apoyar iniciativas locales que contribuyan al mejoramiento de los niveles de ingresos, la seguridad alimentaria y el manejo sostenible de los recursos naturales.
- Contribuir a fortalecer los servicios financieros rurales de ahorro y crédito
- Apoyar la implementación de un sistema de gerencia eficiente, seguro y transparente que facilite el logro de los objetivos del Proyecto.

7. El proceso de formulación de proyectos como PRONADEL, la negociación de fondos con los organismos financieros multilaterales como FIDA y BCIE y la gestión de recursos no reembolsables, suele requerir un lapso de tiempo prolongado.

8. En condiciones normales, el inicio de la ejecución del PRONADEL podría pronosticarse para el mes de junio del 2001. El Ministro de la SAG, ha manifestado su interés de abreviar el tiempo de preparación y negociación del PRONADEL de manera de iniciar cuanto antes las actividades del programa.

9. **Objetivo.** El objetivo general del FPF, es acelerar el logro de los resultados a ser obtenidos a través de la ejecución del PRONADEL; es decir reducir los tiempos, para lograr operacionalizar el Proyecto en el menor período posible. Lograr lo anterior requiere del cumplimiento de las condiciones de efectividad de los contratos de préstamo del FIDA, BCIE y de la cooperación no reembolsable del PNUD, y que se refiere básicamente a:

- a) El cumplimiento de las diversas condicionalidades que establezcan los organismos financiadores (FIDA y BCIE) y donantes, para que se hagan efectivos los fondos para el Proyecto PRONADEL.
- b) Reglamentar y operacionalizar los fondos de inversión, mediante el reajuste y socialización del Manual de Operaciones del Proyecto (MOP), que contenga el convenio de administración del fondo con FONADERS nacional y la estrategia de fortalecimiento de los operadores de financiamiento alternativo. De igual manera producir las normas administrativas (reglamento de trabajo, de viáticos, etc.), que regularán el funcionamiento del Proyecto.

### III. ACTIVIDADES DE LA FASE PREPARATORIA

10. Las actividades que deberán ejecutarse, se agrupan de acuerdo a los objetivos específicos mencionados más arriba, con el agregado de una fase organizativa previa, la cual contempla la contratación de un facilitador, bajo la responsabilidad del Director Ejecutivo del PRONADEL.

11. **Condiciones de efectividad.** Esta fase debe dar cumplimiento a las condiciones de efectividad de los fondos de financiamiento externo (FIDA, BCIE) y especialmente los del FIDA. Se prevé que la misma deberá dar comienzo alrededor del mes de marzo del 2001, una vez que se hubiese negociado el contrato de préstamo entre el GoH y el FIDA. Entre las principales actividades se encuentran:





- **Apoyar el estudio de línea base.** FONADERS, ha iniciado con la preparación de la línea base, sin embargo con la ampliación del PRONADEL es necesario complementar esfuerzos y hacer ciertos ajustes que podrían enriquecer el trabajo hasta ahora desarrollado. En este orden, la facilitación preparará los Términos de Referencia (TOR), que contengan el alcance del trabajo y la estrategia metodológica que se estime conveniente para llevarlo a cabo. Se deberán tomar en cuenta las experiencias de los proyectos PLANDERO, PRODERCO y PROSOC, sobre este tema.
- **Gestiones.** Esta actividad contempla la gestión del dictamen del Ministerio de Finanzas para la solicitud de endeudamiento al Congreso de la República y la ratificación del contrato de préstamo por el mismo órgano legislativo. La facilitación debe lograr la agilización del proceso para que en el menor tiempo posible se logre la publicación del decreto en el Diario Oficial La Gaceta.
- **Reconocimiento del Proyecto.** Una de las condicionantes de efectividad que se han establecido para el Proyecto es el reconocimiento por parte de la Junta Directiva del nuevo financiamiento adquirido con el FIDA, así como nombrar los nuevos cargos ejecutivos incrementales del Proyecto. Esta actividad conlleva la preparación de los términos de referencia para la contratación de los cargos superiores incrementales, llevar a cabo la selección o someterlos a JD para aprobación.
- **Preparar documentos, manuales y reglamentos.** Dos tareas centrales se dan con esta actividad, la primera de ellas es la revisión sustantiva del Proyecto a firmarse entre el GoH y el PNUD para la administración de los recursos incrementales, y donde se incluyan las nuevas actividades del FONADERS. Este documento tiene que estar finalizado a más tardar el último de abril de este año, para obtener la no objeción por parte del FIDA, del procedimiento recomendado. La segunda tarea se refiere a la preparación y más que todo a la validación de lo que será el Manual de Operaciones del Proyecto (MOP). Este manual tiene que estar socializado a más tardar en el mes de junio del 2001, fecha en la cual estaría próximo el desembolso por parte del FIDA. Paralelo deberá trabajarse en la elaboración de los manuales de procedimientos administrativos de la DEP.
- **Estrategia de Fortalecimiento de Operadoras Financieras locales.** En la visión de diseño de PRONADEL, se contempla el desarrollo de una estrategia de trabajo para el fortalecimiento de los modelos de financiamiento alternativo a nivel local. Para operar el plan, es necesario definir un marco metodológico de operación de la actividad y la definición de canales de viabilidad para garantizar el acceso a líneas de financiamiento nacional de estas operadoras de crédito. El trabajo de la facilitación en este aspecto es preparar los términos de referencia de la consultoría que desarrollará la estrategia.
- **Sistema de información de Proveedoras de Servicios.** Se ha contemplado que durante la etapa de transición de FONADERS y PRONADEL, es necesario llevar a cabo un trabajo informático, para establecer una base de datos de proveedores de servicios al interior del Proyecto y que pueda ser utilizado por los demás proyectos FIDA en operación. Esta base contendrá registros históricos del trabajo desarrollados por las empresas e información de los avances del trabajo en marcha.

#### IV. ORGANIZACIÓN PARA LA EJECUCIÓN DEL FPF

12. **Institución Responsable.** La institución responsable de la ejecución del FPF será el PRONADEL. El Programa se ejecutará bajo la modalidad de ejecución nacional del PNUD-Honduras. El financiamiento de esta fase preparatoria del PRONADEL, correrá por cuenta del PNUD y FIDA.



13. **La Unidad Facilitadora de la FPF.** La Unidad estará formada por un facilitador y una secretaria administrativa. El facilitador deberá tener una sólida formación en disciplinas afines al desarrollo rural y una experiencia de cinco años en programas y proyectos de desarrollo rural.

14. **Equipamiento.** Se dispondrá de una oficina que disponga de las condiciones mínimas para alojar el facilitador y su secretaria administrativa

## V. PRESUPUESTO

15. El costo total de la fase preparatoria del PRONADEL, asciende a USD 85 000, el cual será utilizado para cubrir los gastos en los cuatro meses de operación (marzo – junio de 2001). Este costo incluye todos los gastos operativos que implica tener operando una pequeña unidad de facilitación y los costos de montaje de talleres de consulta. Además se considera la contratación de consultorías específicas en la fase de cumplimiento de las condiciones de efectividad como ser Manual de Operaciones, ajuste línea base, estrategia de fortalecimiento institucional de operadoras financieras, convenio con FONADERS nacional y Reglamentos Administrativos.

16. De este total, el FIDA financiará USD 60 000 y el PNUD con fondos propios lo hará con USD 25 000.

**Cuadro 1 Cronograma de actividades de la Fase Preparatoria**

Actividad por fase de ejecución	Feb	Mar	Abr	May	Jun	Jul
<b>Estudio de Línea de Base.</b>						
Análisis de los avances y proceso metodológico.						
Definición de TOR						
Proceso de selección de la consultoría de apoyo						
Análisis informe preliminar estudio línea de base						
<b>Gestiones</b>						
Dictamen de SFIN y solicitud al Congresos						
Ratificación por el Congreso del Contrato de Préstamo						
Gestiones para la cooperación del financiamiento con PNUD						
Revisión TDR cargos incrementales						
Elaboración propuesta de proceso de selección						
Publicación de cargos						
Selección de los cargos superiores incrementales de la DEP						
Elaboración Términos de Referencia <sup>1/</sup>						
Elaboración y Firma de Convenios <sup>2/</sup>						
Apertura de cuenta especial en el BCH						
Apertura cuenta corriente en banco comercial						
<b>Documentos, manuales y reglamentos</b>						
Preparación de la revisión sustantiva PRODOC /PNUD						
Preparación y validación del Manual de Operaciones						
Elaboración de estrategia de fortalecimiento de Ifl						
Preparación y negociación del convenio con FONADERS nacional						
Convenio de administración de donación del FIDA						
Preparación Reglamentos y manuales de administración de la DEP						

<sup>1/</sup> Elaboración de Términos de Referencia para le ejecución del Componente Mejoramiento de los Procesos de Ejecución del PRONADEL

<sup>2/</sup> Convenios con la AAC, Co-ejecución Componente Fortalecimiento Instituciones Locales y Componente Mejoramiento de los Procesos de Ejecución del PRONADEL

Cuadro 2 Presupuesto de la fase preparatoria

	Cant.	Costo Unidad	Feb	Mar	Abr	May	Jun	Jul	Total
<b>I. INVERSIONES</b>									
<b>1. Talleres</b>									
Talleres de socialización de reg.	2	700				700	700		1 400
Talleres de coordinación con PRON	1	700				700			700
Talleres locales/operadoras financieras	2	700				700	700		1 400
<b>Subtotal talleres</b>			-	-	-	2 100	1 400	-	3 500
<b>3. Consultorías</b>									
Revisión manual operativo	2	2 500			2 500	2 500			5 000
Manuales procedimientos administrativos	1	3 000			3 000				3 000
Elaboración TOR <sup>1</sup>	4	10 000			20 000	20 000			40 000
Elaboración y Firma de Convenios <sup>2</sup>	1	4 500					4 500		4 500
Sistema de información de provee <sup>3</sup>	2	2 500				2 500	2 500		5 000
Revisión y ajustes línea base	1	3 000				3 000			3 000
<b>Subtotal Consultorías</b>			-	-	25 500	28 000	7 000	-	60 500
<b>II. COSTOS RECURRENTES</b>									
<b>1. Salarios</b>									
Facilitador	1	2 500			2 500	2 500	2 500	2 500	10 000
Secretaria administrativa	1	550			550	550	550	550	2 200
<b>Subtotal Salarios</b>					3 050	3 050		3 050	9 150
<b>2. Gastos de Operación</b>									
Viáticos	1	500	500	500	500	500		500	2 500
Combustibles y lubricantes	1	600	600	600	600	600		600	3 000
Papelería y útiles de oficina	1	200	200	200	200	200		200	1 000
Seguro medico y de vida	1	300	300	300	300	300		300	1 500
Luz, agua y teléfono	1	150	150	150	150	150		150	750
Publicaciones	1	350	350	350	350	350		350	1 750
Mantenimiento de equipos	1	120	120	120	120	120		120	600
Misceláneos	1	150	150	150	150	150		150	750
<b>Subtotal Gastos de operación</b>			2 370	2 370	2 370	2 370	-	2 370	11 850
<b>3. Comisión por Administración</b>	60 000	3.8%						2 280	2 280
<b>COSTOS TOTALES</b>			2 370	2 370	30 920	35 520	8 400	5 420	85 000

- (1) Elaboración de Términos de Referencia para le ejecución del Componente Mejoramiento de los Procesos de Ejecución del PRONADEL
- (2) Convenios con la AAC, Co-ejecución Componente Fortalecimiento Instituciones Locales y Componente Mejoramiento de los Procesos de Ejecución del PRONADEL
- (3) Se desarrollará un sistema de información y registro de proveedores de servicios para apoyo del FONADERS.