

United States Government
2005 Trade Capacity Building Assistance (\$US)
HONDURAS

Activity Title	Activity Description	TCB Category	FY 05 Total
Food Safety Follow-up Training (Poultry): Honduras	As a follow up to a previous assessment, a team from the United States Department of Agriculture went back for more in depth training. The training consisted of lectures, demonstrations, record reviews, group exercises and practice inspection in an actual poultry establishment. This activity is in support of the Central America - Dominican Republic FTA negotiations. Funded and implemented by Department of Agriculture/FAS.	Agreement on SPS	33,670
Food Safety and Regulatory Enforcement Training (Equivalence): Honduras	The United States Department of Agriculture (USDA) utilized an expert, a retired Food Safety Inspection Service (FSIS) contractor, to provide in-country audit preparation training to appropriate Ministry officials of the Honduran Government. The officials were provided with assistance that will allow for a greater capacity and methodology to review and evaluate the equivalence of foreign food safety systems. The goal of the intervention is to facilitate trade by establishing regulatory procedures that are harmonized among all the members in accordance with internationally recognized scientific standards. This activity is in support of the Central America - Dominican Republic FTA negotiations. Funded and implemented by Department of Agriculture/FAS.	Agreement on SPS	33,670
Food Safety and Regulatory Enforcement Training (Poultry): Honduras	The United States Department of Agriculture (USDA) sent a team of experts to Honduras, to do an initial assessment and provide preliminary training to several poultry facilities looking to meet USDA/Food Safety Inspection Service (FSIS) requirements for exporting poultry and poultry products to the United States. This activity is in support of the Central America - Dominican Republic FTA negotiations. Funded and implemented by Department of Agriculture/FAS.	Agreement on SPS	33,670
Food for Progress Program for Honduras	The program will help Honduras transform itself into a competitive producer and exporter of food and agricultural products that meet the highest international standards for food safety and wholesomeness, achieving food safety equivalence with trading partners. The program will strengthen the ability of government agencies to carry out government activities related to food safety. The Honduran government will be better able to develop and apply food safety norms, which should be based on sound science. This activity is in support of the Central America - Dominican Republic FTA negotiations. Funded and implemented by Department of Agriculture/FAS.	Trade-Related Agriculture	910,000
Integrated Watershed Resources Management Program in Honduras	The Integrated Watershed Resources Management (IWRM) is a program that will mainly work for and with the municipalities and the communities of Honduras. The IWRM Program has three main goals: (1) Biodiversity conservation and natural resources management, (2) Preparedness of the population to respond to natural disaster, and (3) Market access for environmentally-friendly products and services. Among the general components of the IWRM Program are: management of protected areas, disaster preparedness, environmental certifications, environmental legislation and regulations, watershed management, and education and awareness about the importance of natural resources. Priority watersheds are selected on the basis of a commitment from the municipalities and communities, a declaration from the Permanent Emergency Commission (COPECO) that it is located within a critical watershed, and the potential for economic development, among other criteria. This activity is in support of the Central America - Dominican Republic FTA negotiations. Funded and implemented by USAID/Honduras.	Environmental Trade & Standards	2,100,000
		Tourism Sector Development	900,000
		Activity Total	3,000,000

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More Competitive, Market Oriented Private Enterprises Program	Rural Diversification Program will continue improving the exporting capacity of rural micro, small and medium enterprises (MSMEs) by increasing diversification, improving productivity and quality, and creating linkages between producers in rural areas and processing and marketing enterprises and exporters in urban centers. Activities will continue to be targeted to increase exports of non-traditional products and to help producers remain viable, access new markets, comply with export requirements, and meet quality standards. Some illustrative activities include: TA to assist exporters obtain the Eurepgap certification to export to Europe, certification for organic growers, pest risk assessments (PRAs) to facilitate admissibility of new crops to the U.S. market and Hazard Analysis and Critical Control Point (HACCP) Systems development. Assistance to microprocessors with export certifications to export canned and bottled ethnic products to the United States and other export markets. This activity is in support of the Central America - Dominican Republic FTA negotiations. Funded and implemented by USAID/Honduras.	Export Promotion	417,440
		Trade-Related Agriculture	2,191,560
		Activity Total	2,609,000
New Loan Portfolio Guarantee with COVELO Foundation	USAID has loan portfolio guarantee programs with the following institutions: Fundación COVELO and BANCATLAN DCA in Honduras. The program is a loan guarantee for the COVELO Foundation and its network of Financial Private Voluntary Organizations (FPVOs) and other financial institutions that serve the micro and small business sector in Honduras. This activity is in support of the Central America - Dominican Republic FTA negotiations. Funded and implemented by USAID/Honduras.	Export Promotion	115,200
Pesticide Worker Safety Training in Honduras	This activity, established in Honduras, with the intent to expand to the rest of Central America, is a sustainable program to train farmers and agricultural workers on the safe and proper use of pesticides, in order to protect human health, commodities being exported, and the environment. The U.S. Environmental Protection Agency began cooperating with the Mexican government, industry and other stakeholders in 1999, to initiate a train the trainers program for agricultural workers. In 2003, starting a similar program was discussed in order to address the continuum of labor and to provide protection to farm workers and farmers using pesticides. Some indicators of success will be achieving a change of attitude in the trained groups and reducing the number of pesticide related accidents in Honduras. As well as the establishment of a coalition with government authorities and relevant stakeholders, supporting the continuity of the educational programs on proper pesticides use. Funded and implemented by Environmental Protection Agency.	Environmental Trade & Standards	5,000
		Trade-Related Agriculture	20,000
		Activity Total	25,000

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Rural Development Project - Honduras	The Millennium Challenge Corporation (MCC) funding has several aspects of support – (1) Training of farmers in business and agricultural practices to improve the production and commercialization of high-value horticulture crops (\$30.4 million). (2) Funding will provide technical assistance to help financial institutions better analyze rural and agricultural credit risk and to develop collateral-based credit products for use in rural communities and also finance loans for financial institutions to supply credit to farmers (3) Funding will support the improvement and expansion of the national lien and title registry systems in order to enable and measure the creditworthiness of farmers (\$9.8 million) (4) MCC will fund the construction and improvement of feeder roads (\$21.5 million) and a competitive grants facility to support projects that enhance and accelerate the development of market-driven commercial agriculture, particularly in the horticultural sector (\$9 million). Funded and implemented by Millennium Challenge Corporation.	Financial Sector Dev. & Good Governance	14,137,200
		Physical Infrastructure Development	21,205,800
		Trade-Related Agriculture	35,343,000
		Activity Total	70,686,000
Tax Policy and Administration Technical Assistance to Directorate of Tax Revenues (DEI)	Ongoing program that has provided tax administration needs and assessment, based on which specific recommendations to improve the efficiency and effectiveness of tax administration have been recommended and implemented, generating increases in tax revenues and decreases in the fiscal deficit. The provided technical assistance has shown remarkable impacts and results, leading to improve tax collections and a more efficient tax collection. Assistance includes a permanent tax advisor to the Directorate of Tax Revenues (DEI) and in coordination with the Ministry of Finance. The tax advisor had developed a result based strategic plan to improve tax collection and to provide training and technical assistance in several areas. As a result of DEI commitment to implement the recommendations, and continuously improve the tax collection, total tax revenues have increased in excess of 41 percent above administration expectations since the beginning of the program in 2003. This activity is in support of the Central America - Dominican Republic FTA negotiations. Funded by USAID/Honduras and implemented by Department of Treasury.	Financial Sector Dev. & Good Governance	550,000
Trade, Investment, and Competitiveness Policy in Honduras	Activity with the Honduran Foundation for Investment and Development of Exports (FIDE) to reinforce Honduran efforts to implement CAFTA and other FTAs, as well as to enhance its participation in the WTO Doha Development Round. Program is also supporting Honduran efforts to strengthen the national capacity for independent and focused trade, investment and competitiveness (TIC) policy research and analysis, to support enhanced policy capacity. Activity works primarily with key government ministries (particularly the Ministries of Industry and Commerce, and of Agriculture and Livestock) as the main CAFTA government implementing institutions. The program is also working with private sector organizations, and other NGOs and civil society to implement the provisions of CAFTA– including those related to the environment –and to upgrade other TIC policies designed to enhance the overall investment climate and increase Honduran ability to take full advantage of more open markets. This activity is in support of the Central America - Dominican Republic FTA negotiations. Funded and implemented by USAID/Honduras.	Regional Trade Agreements (RTA)	1,501,000

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Transportation Project - Honduras	The Millennium Challenge Corporation (MCC) funding will support the improvement of two segments of the CA-5 highway, totaling 109 km (\$96.4 million). The CA-5 highway is the main artery connecting Central America's major port (Puerto Cortes) with major national and international production centers and markets. MCC funding will also finance the upgrade of key secondary routes to improve the access of rural communities to markets (\$21.3 million.) The poor condition of these roads currently undermines the competitiveness of producers by causing high cost in vehicle operation, vehicle maintenance and spoilage of delicate produce. To help maintain good road conditions MCC funding will support the construction of an effective weight control system for the road network (\$4.7 million). Funded and implemented by Millennium Challenge Corporation.	Physical Infrastructure Development	122,421,000
Treasury International Affairs Technical Assistance-Government-Debt Program	The Government Debt Team from the Treasury Department is providing advisors to help the Government of Honduras to improve its strategic debt management, leading to more prudent fiscal policies, an expanded its financial sector, and the enabling environment for international trade. Funded and implemented by Department of Treasury/IATA.	Financial Sector Dev. & Good Governance	10,663
Treasury International Affairs Technical Assistance-Tax Program	The Tax Team from the Treasury Department is providing advisors to help the Government of Honduras to improve its tax administration capacity, leading to more prudent fiscal policies, a more favorable business climate, and the enabling environment for international trade. Funded and implemented by Department of Treasury/IATA.	Financial Sector Dev. & Good Governance	186,952
Total FY 05 USG Trade Capacity Building Assistance to Honduras			202,115,825