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COUNTRY AND INTERCOUNTRY PROGRAMMES AND PROJECTS

Consideration and approval of country programmes

THIRD COUNTRY PROGRAMME FOR HONDURAS

UNDP assistance requested by the Government of Honduras
for the period 1982-1986

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1/ The previous country programmes for Honduras were issued under the document symbols DP/GC/HON/R.1 and DP/GC/HON/R.2.

INTRODUCTION

1. The third country programme of technical co-operation for development which the Government of Honduras is submitting for financing to the United Nations Development Programme (UNDP), covers the period 1982-1986. It was prepared by the competent body, namely the Technical Secretariat of the Economic Planning Board (CONSUPLANE), in consultation with the interested entities of the public sector and with the assistance and advice of the UNDP Resident Representative's office, which enlisted the co-operation of the specialized agencies of the United Nations system where necessary.
2. Preparation of the third country programme began with a brief joint review of the preceding country programme (1977-1981) by CONSUPLANE and UNDP, as reflected in the document "Review of the programme 1977-1981, June 1980". This document records the changes introduced since the adoption of the second programme (1977-1981) and during its implementation. It presents an analysis of the results achieved, the difficulties encountered and the prospects for the continuation of activities within the framework of the third programme (1982-1986).
3. The discussions held with CONSUPLANE on programming future activities and the type of programme that is likely to materialize were reflected in the Resident Representative's note, whose submission to CONSUPLANE in June 1980 represented the start of the programming exercise. The note was subsequently communicated by CONSUPLANE to the entities of the public sector. In this dialogue, each entity was asked to prepare a limited number of project profiles which, taken as a whole, would show with greater precision the relationship between development goals and the needs identified by potential beneficiary entities, and considered as eligible for technical co-operation.
4. In the light of these developments, the Government has reflected in the present document the procedure used for the preparation of the document involving both national entities and organizations of the United Nations system, which co-operated actively.
5. This approach has made it possible to give cohesion to the totality of technical co-operation activities for which UNDP resources are required. In addition, it has led to a more precise identification of priorities among the major ones established in the national development plan, 1979-1983, and in the immediate action plan.
6. It is noteworthy that, in view of the type of activities identified for financing and the content of the projects to be formulated, the third country programme for Honduras can serve as an appropriate vehicle for the channelling of bilateral and multilateral co-operation from sources outside UNDP whose aid criteria are consistent with the criteria selected by the Government for the execution of the third programme for the five-year period 1982-1986.
7. The third country programme covers a period of five years, beginning in January 1982. The Government submitting the present programme temporarily took over the presidency of the Republic in September 1980 for a period of two years. In pursuance of the Government's long-term strategy, the present programme outlines

a number of the areas which led to the definition of projects and includes a list of projects. The programme will be reviewed each year and the necessary adjustments made. The country programme is being initiated with the funds of the illustrative indicative planning figure (IPF), after allowance has been made for a very small percentage of financial commitments from the second programming cycle. The amount of funds available for the third cycle has been calculated on the basis of 80 per cent of the illustrative IPF approved by the Governing Council of UNDP in June 1980. As the illustrative IPF is \$16 million, programming for the five-year period has absorbed \$12.6 million. Government requirements are shown in the detailed tables given below. Listed in table 1 are the projects which the Government intends to execute forthwith in 1982, whereas the projects in table 2 will be subject to revision once the total availability of the illustrative IPF mentioned above is certain. It is noteworthy that several of the priority activities identified in the context of the country programme and mentioned in the detailed tables will depend for their implementation on the availability of funds from sources other than UNDP.

NATIONAL DEVELOPMENT OBJECTIVES AND PROGRAMMES TO BE SUPPORTED BY UNDP

8. The primary objective of governmental policy with respect to economic development is to ensure a steady and sustained improvement in the standard of living of the Honduran population as a whole. To achieve this, the present Government has established a framework for its actions in the national development plan for 1979-1983. Short-term activities are covered by an immediate action programme for the years 1981-1982. As to longer-term prospects, the Government relies on the development guidelines reflected in its "Strategy 2000".
9. The development strategy, in addition to stimulating growth and consolidating the structural changes under way, aims at extending the benefits of development to the least-favoured population groups so as to provide a standard of living that guarantees them a minimum of well-being. To this end, it is essential to achieve such basic economic and social goals as a substantial reduction in unemployment, the provision of increased means of production, especially in rural areas, self-sufficiency in and adequate distribution of basic foods, progress in formal and non-formal education programmes, and better geographical distribution of the population throughout the national territory. Honduras is aiming at a model of growth based, in particular, on the intensive utilization of natural resources for the benefit of Hondurans.
10. The central objective of the third country programme for Honduras is the assisting of national efforts to increase the self-sufficiency of the country through training and technology transfer. Preferential attention in this task will be given to programmes and projects designed to overcome the social and economic problems of the country and to improve national productive capacity.
11. Within the framework defined, the following outlines form the strategy underlying the present programme:

- (a) Training should be an integral component of plans, programmes and projects to increase production and productivity, in such diverse areas as the

organization of enterprises by peasants and the improvement of the executive capacity of government bodies;

(b) Advisory services at the national level should aim at a real transfer of technology, including specific mechanisms for evaluating such transfer, thereby improving national capacity for designing programmes adapted to national conditions;

(c) Technical co-operation should serve as a further means of promoting the full integration of women into development;

(d) Technical co-operation should constitute yet another instrument by which the country can promote activities that help to develop its natural resources and domestic market and enable it to be more dynamic in the external market, thereby achieving a more rapid growth rate and generating additional goods, services and employment; and

(e) Technical co-operation should give preference to the use of national installed capacity, take advantage of national technical assets and promote to the extent possible the application of principles of technical co-operation among developing countries, as ways of achieving self-sufficiency and developing national capacity to manage technical co-operation programmes; technical co-operation should take account of national priorities.

AREAS OF GOVERNMENT/UNDP CO-OPERATION

12. It has been decided to allocate available resources to three thematic areas. The first of these, "Improvement of the standard of living of the least-favoured classes by means of projects with a direct impact at the local level", has the following objectives:

(a) Implementing self-help construction programmes in which the beneficiary participates in the building of his own dwelling, as part of a programme for employment training and improvement of infrastructure;

(b) Improving health and sanitation conditions, especially in rural areas, through personnel training;

(c) Attending to the formal and non-formal education needs of low-income social groups;

(d) Implementing programmes and pilot projects aimed at substantially improving employment conditions and income for women, with special reference to rural women, single mothers and young women;

(e) Training for peasants in order to assist land reform; and

(f) Executing programmes of assistance to the co-operative movement with a view to increasing production.

13. The second theme, "Improvement of the executive capacity of government bodies at the national level", comprises the following activities:

(a) Infrastructure: training in telecommunications and postal and meteorological services, together with extensive training in services for the execution of large-scale projects, such as the construction of the hydroelectric dam "El Cajón";

(b) Development of agriculture and forestry: the programmes will aim principally at involving the population in reforestation activities and the regulation of water basins; other programmes are designed to raise the level of agricultural production of small and medium farmers through specific projects of direct benefit to them; and

(c) Industrial development: the programmes and projects will strengthen capacity in the industrial sector, with special reference to small and medium-sized businesses, by means, *inter alia*, of activities designed to diversify production and reduce its concentration and to improve utilization of installed industrial capacity, including consolidation of the system of identifying, promoting, monitoring and evaluating industrial projects.

14. With regard to the third theme, "Establishment and strengthening of development policies and strategies designed to enable Honduras to make better use of its resources", the Government considers it necessary to reinforce and consolidate planning and public administration as the linchpin of domestic economic development. Action in the bodies which carry out sustained planning activities will be assisted. Emphasis will be placed on programmes aimed at developing Honduras's natural resources, including its energy potential, and programmes that improve and expand the structure of production and strengthen Honduras's position vis-à-vis the exterior.

15. There follow the two tables mentioned earlier in the text:

Table 1
Third country programme for Honduras (1982-1986)
(Annual distribution by project)

PROJECT DESCRIPTION <u>a/</u>		1982	1983	1984	1985	1986	Total
(in thousands of US dollars)							
I. DIRECT IMPACT AT THE LOCAL LEVEL							
Health centres (HON/81/001)	IPF	125	125	100	-	-	350
	CS <u>b/</u>	850	350	-	-	-	1 200
Self-help housing (HON/82/005)	IPF	50	50	50	400	350	900
	CS	400	500	500	100	-	1 500
		450	550	550	500	350	2 400
Training of peasants (HON/82/006)	IPF	85	200	200	250	215	950
	CS	-	-	-	-	-	under negotiation
Peasant women and their role in production (HON/82/007)	IPF	54	77	82	94	105	412
	CS	55	70	70	70	10	275
		109	147	152	164	115	687
Strengthening of the educational system (HON/82/012)	IPF	100	100	100	150	100	550
	CS	-	-	-	-	-	under negotiation
Pig-raising (HON/82/022)	IPF	80	25	180	150	350	785
	CS	-	-	-	-	-	under negotiation

a/ Projects whose implementation will begin in 1982.

b/ CS = cost sharing. The Government contribution under the cost-sharing arrangement as given in this table must be considered an indicative figure for planning purposes, although the amounts indicated have already been agreed in principle.

Table 1 (continued)

PROJECT DESCRIPTION <u>a/</u>		1982	1983	1984	1985	1986	Total
(in thousands of US dollars)							
Rangeland improvement (HON/82/023)	IPF	60	25	180	150	150	565
	CS	-	-	-	-	-	under negotiation
		60	25	180	150	150	565
II. IMPROVEMENT OF THE EXECUTIVE CAPACITY OF GOVERNMENT BODIES AT THE NATIONAL LEVEL							
Extensive training (HON/79/001)	IPF	250	250	82	50	-	632
	CS	585	341	101	21	-	1 048
		835	591	183	71	-	1 680
Telecommunications training (HON/81/003)	IPF	100	150	150	150	-	550
	CS	188	168	154	-	-	510
		288	318	304	150	-	1 060
Reafforestation (HON/82/008)	IPF	255	300	326	321	248	1 450
	CS	500	450	350	108	-	1 408
		755	750	676	429	248	2 858
Training in the management of small irrigation works (HON/82/009)	IPF	-	-	-	150	150	300
	CS	400	400	50	-	-	850
		400	400	50	150	150	1 150
Civil aviation (HON/82/014)	IPF	100	100	100	-	-	300
	CS	100	100	100	-	-	300
		200	200	200	-	-	600
Meteorological services (HON/82/015)	IPF	50	50	50	50	50	250
	CS	50	50	50	50	50	250
		100	100	100	100	100	500

Table 1 (continued)

PROJECT DESCRIPTION <u>a/</u>		1982	1983	1984	1985	1986	Total
(in thousands of US dollars)							
Development of small businesses (HON/82/017)	IPF	20	20	210	225	225	700
	CS	325	325	100	-	-	750
		345	345	310	225	225	1 450
National Investment Corporation (HON/82/018)	IPF	75	75	100	50	-	300
	CS	200	200	50	-	-	450
		275	275	150	50	-	750
Postal training (HON/82/020)	IPF	50	-	-	150	150	350
	CS	-	200	200	-	-	400
		50	200	200	150	150	750
Industrial Development Fund (HON/82/021)	IPF	20	120	110	-	-	250
	CS	175	75	-	-	-	250
		195	195	110	-	-	500
III. ESTABLISHMENT OF DEVELOPMENT POLICIES AND STRATEGIES							
Aguán Valley (HON/82/001)	IPF	350	350	110	-	-	810
	CS	1 000	400	-	-	-	1 400
		1 350	750	110	-	-	2 210
Administrative development (HON/82/002)	IPF	50	50	50	-	-	150
	CS	-	-	-	-	-	-
		50	50	50	-	-	150
Agricultural planning (HON/82/010)	IPF	40	75	75	85	-	275
	CS	-	150	150	150	-	400
		40	225	225	185	-	675

Table 1 (continued)

PROJECT DESCRIPTION ^{a/}		1982	1983	1984	1985	1986	Total
(in thousands of US dollars)							
Quality control of basic grains (HON/82/011)							
	IPF	100	125	125	-	-	350
	CS	100	50	50	-	-	200
		200	175	175	-	-	550
Short courses (HON/82/013)							
	IPF	3	-	-	-	-	3
	CS	130	-	-	-	-	130
		133	-	-	-	-	133
Industrial planning (HON/82/019)							
	IPF	125	125	125	125	100	600
	CS	-	-	-	-	-	under negotiation
		125	125	125	125	100	600
Technical co-operation among developing countries (HON/82/016)							
	IPF	102	40	55	138	423	758
	CS	-	-	-	-	-	-
		102	40	55	138	423	758
Irrigation survey of the Telica River Valley (HON/82/024)							
	IPF	60	-	-	-	-	60
	CS	720	-	-	-	-	720
		780	-	-	-	-	780
Total table 1							
	IPF	2 304	2 432	2 560	2 688	2 616	12 600
	CS	5 778	3 829	1 925	449	60	12 041
		8 082	6 261	4 485	3 137	2 676	24 641

Table 2
 Third country programme for Honduras (1982-1986)
 (Annual distribution by project)

PROJECT DESCRIPTION ^{a/}		1982	1983	1984	1985	1986	Total
(in thousands of US dollars)							
Regional peasant co-operatives (HON/82/004)	IPF	100	100	50	100	-	350
	CS	-	-	-	-	-	-
		100	100	50	100	-	350
Social accounting system (HON/82/003)	IPF	75	100	75	-	-	250
	CS	75	100	75	-	-	250
		150	200	150	-	-	500
Basic sanitation	IPF	350	350	350	350	-	1 400
	CS	-	-	-	-	-	-
		350	350	350	350	-	1 400
Small irrigation works (HON/82/009)	IPF	300	300	300	300	-	1 200
	CS	-	-	-	-	-	-
		300	300	300	300	-	1 200
Total table 2	IPF	825	850	775	750	-	3 200
	CS	75	100	75	-	-	250
		900	950	1 050	750	-	3 450
Grand total tables 1 and 2	IPF	3 129	3 282	3 335	3 438	2 616	15 800
	CS	5 858	3 929	2 000	449	60	12 291
		8 982	7 211	5 335	3 887	2 676	8 091

^{a/} Subject to review, depending on total available resources under the illustrative IPF.

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16. In preparing the third country programme, the Government took into account the activities financed by other organizations of the United Nations system. In the case of the United Nations Fund for Population Activities (UNFPA), the Government is in the process of planning its contribution, which will be reflected chiefly in projects with a local impact. As regards the United Nations Children's Fund (UNICEF), the Government has been concentrating activities in the west of Honduras and hopes in future to have many more interlinkages between UNICEF co-operation and other projects with a local impact.

17. The projects of the World Food Programme (WFP) involve a very high degree of local participation and include components relating to the health of the inhabitants of rural areas and the organization and growth of their productive capacity with a view to the improvement of their quality of life. The International Fund for Agricultural Development (IFAD) is aware of the needs of the Honduran rural sector, and the use made of its large-scale loans is in relationship with UNDP tasks.

18. The Government is also carrying out a study to determine possible links between regional projects and national projects, as it wishes to make maximum use of all resources known to be available to assist the country in its development process. As regards the funds of the regular programmes of the organizations of the United Nations system, as for example, the programme of technical co-operation of the Food and Agriculture Organization of the United Nations, it is noteworthy that the Government co-ordinates their use in such a way that, even though their objectives may be somewhat different from those set forth in this document, they are, nevertheless, compatible with the co-operation financed under the indicative planning figure.

19. In addition to what has been stated, the Government is using the third country programme to achieve a greater co-ordination with financial resources outside the United Nations system through the system of cost sharing. Thus, the third programme will aim at strengthening its activities through linkages with bilateral sources of financing and financial assistance outside the United Nations on the ground that a co-ordinating role of this kind is of benefit to all the parties concerned.

Financial distribution of the programme by thematic
area of co-operation

	<u>Ongoing projects</u>		<u>New projects</u>		<u>Total</u>	
	<u>Value</u>	<u>%</u>	<u>Value</u>	<u>%</u>	<u>Value</u>	<u>%</u>
1. Direct impact at the local level	950	38.0	6 787	30.7	7 737	31.5
2. Improvement of the executive capacity of government bodies at the national level	1 450	58.0	9 598	43.3	11 048	44.8
3. Establishment of development policies and strategies	100	4.0	22 141	100.0	24 641	100.0

Annex

FINANCIAL SUMMARY

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A. Resources

(a) IPF and other resources	
(i) Illustrative IPF for programme period	16 000 000
(ii) Carry-over from previous IPF cycles	(200 000)
(iii) Other resources	12 041 000
(b) Provision for adequate programming	
Cost-sharing contribution to projects	12 041 000
	<hr/>
TOTAL	28 091 000

B. Use of resources

(a) Programmed	
(i) Ongoing projects	2 500 000
(ii) New projects and new phases included in the country programme	22 141 000
(iii) Earmarked for specific objectives and activities for which projects are to be worked out (continuous programming at a later stage)	-
	<hr/>
Subtotal	24 641 000
(b) Reserve	250 000
(c) Unprogrammed balance a/	<u>3 200 000</u>
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TOTAL	28 091 000

C. Financial distribution of programme, by sector

<u>Sector b/</u>	<u>Ongoing projects</u>	<u>New projects</u>	<u>Sectoral earmarkings</u>	<u>Total</u>
	\$	\$	\$	\$
02 General development issues, policies and planning	1 993	1 800	3 793	15.3
04 Agriculture, forestry and fisheries	4 460	3 178	7 638	31.0
05 Industry	1 850	1 450	3 300	13.4
06 Transport and communications	1 200	1 210	2 410	9.8
09 Human settlements	900	1 500	2 400	9.8
10 Health	350	1 200	1 550	6.3
11 Education	553	130	683	2.8
12 Employment	632	1 048	1 680	6.8
14 Social conditions and equity	412	275	687	2.8
16 Science and technology	250	250	500	2.0
TOTAL	12 600	12 041	24 641	100.0
Per cent	51.1	48.9	100	

a/ Representing 20 per cent of the illustrative IPF which has not been taken into account for programming in accordance with Administrator's instructions contained in UNDP/PROG/FIELD/111; UNDP/PROG/HQTRS/126.

b/ According to ACC classification.
