BASELINE REPORT

Promotion of the Rural Economic Development of Women and Youth of the Lempa Region of Honduras"

Submitted by CARE Canada

May 29,2018

Affaires mondiales Canada
Global Affairs Canada

Contents

List of tables

List of figures

I. INTRODUCTION

Honduras is a Central American country that has a land area of 112,492 Km^2 and a population of 8.8 million inhabitants (EPHPM/INE/2017). The Honduran population poverty is one of the highest in the Latin America and The Caribbean (LAC) countries. Figures from the same source state that 64.3% of households are living in poverty and 40.7% in extreme poverty, these being the most significant figures in rural areas, and especially those located in the so-called Dry Corridor of the country.

According to statistics of the Central Bank of Honduras (BCH), the national economy shows an annual growth rate of 4.1% and the agricultural sector grows in a 4.2% (BCH 2016). This sector represents the most important socioeconomic activity of the country, contributing to 13.9% (BCH / 2016) of the national GDP. Its importance becomes more significant when it employs 30.8% of the country's workforce (EPHPM / INE / 2017).

Within the agricultural sector, the coffee crop has the greater importance. According to information from IHCAFE, around 220,000 coffee producers and a cultivated area of over 300,000 hectares exist in the country. Generally, the producers of this category are small, having cultivating areas smaller than 5 hectares. For the 2016 – 2017 harvest period, IHCAFE discloses a production of 10.3 million quintals of coffee, of which 9.5 million (92%) were exported, generating 1.327 million US dollars. This level of sales in foreign markets makes coffee the main agricultural export product for Honduras, representing 3.0% of the national GDP and about 30% of the Agricultural GDP.

Coffee productivity levels are relatively low, due to several factors that cause adverse effects, among which diseases (e.g. coffee leaf rust), pests (e.g. “la broca”), low levels of technology in production and processing.

Because coffee is a very recognized means of livelihood and with the potential to reduce poverty in rural areas, the crop receives attention from national institutions and projects with external financial support, aiming to improve the capacities of domestic producers, in relation to its technological, organization and management skills improvement. The "Promotion of Rural Economic Development of Women and Youth in the Lempa Region of Honduras" aims to contribute to this national effort. This Project is implemented by a consortium, comprised of CARE Canada (lead), CESO - SACO and TechnoServe, with technical support from Société de coopération pour le développement international (SOCODEVI) and SAJE-Montreal Centre, with funding from Government of Canada, through Global Affairs Canada.

In regards to tourism, the departments included in this project have natural resources that provide environmental services in water resources and scenic beauty, for which tourism has much growth potential. Adding to this, there is the presence of an alive Lenca culture in the project area (PDROT, 2013). PROLEMPA will focus on these two economic sectors.

The baseline study is commissioned to document the current situation of all aspects that project will be supporting, and monitored and evaluated against at mid-term and end-line studies.

PROLEMPA expects to develop capabilities in public and private institutions providing services to actors of the two value chains: coffee and tourism. It aims to enable service providers to be capable to deliver more efficient and better-quality services regarding coffee cultivation and processing, technical support and business financial institutions for both tourism and coffee entrepreneurs.

II. PROJECT OBJECTIVE

The Project aims *improve the economic welfare of small entrepreneurs and producers of the Dry Corridor of Honduras, especially women, young women and men and marginalized people living in poverty*. This final result will be achieved though following intermediate results:

1. Improved and more equitable management of productive and financial resources by women, young men and women and marginalized people.

2. Increased productivity and sales of small businesses, especially those directed or primarily employed by women, youth, and / or marginalized people.

The project will be implemented in 25 municipalities, located in the Departments of Lempira, Intibucá, and La Paz. It will support 11, 639 direct beneficiaries distributed as follows: 3,000 small-scale entrepreneurs and producers (49% represents young and adult women and 50% represents the Lenca ethnic population); 150 business service providers (49% women); 100 municipal and governmental officers, and 6,711 women and 1,678 youth as members of municipal networks.

III. PURPOSE OF THE BASELINE

The baseline for the PROLEMPA project has the following purposes:

1. Establish initial reference values of the activities that will be executed during the 5 years of the project implementation;
2. Know the attitudes, behavior and practices related with the gender and women's empowerment topics at a household, community, and workplace levels;
3. Identify priorities and programmatic approaches through key informant interviews with stakeholders, for this case, municipal governments, regional authorities, private sector, and community leaders.

IV. METHODOLOGICAL ASPECTS

This study was based on the following methodological approach:

Planning phase

This first stage began with the conceptualization of the processes and the definition of variables that would be part of the evaluation. To this end, a mixed methodology was adopted in order to generate robust evidence.

Work meetings were held with authorities and technical staff of the PROLEMPA Project in order to: i) conclude methodological, technical, and financial aspects; ii) jointly review the most relevant indicators for the establishment of the baseline; iii) establish coordination's for convening involved stakeholders; and iv) specify the schedule of field activities related to the survey of information.

Similarly, a review of secondary information was conducted, among which the following stands out: i) review and analysis of the Project's document and ii) review and analysis Logical Framework and PMF

The PROLEMPA Project team prepared the study survey tools, interview guides and analysis plans, and a workshop was conducted to discuss the content of these instruments for purposes of verifying the expected quantity and quality of required information.

Regarding the sample was defined from the terms of reference of the study. The sampling frame consisted of potential beneficiaries of the PROLEMPA Project. A stratified random sample and by clusters was used, proportionally distributed between stratas. A maximum error of 5% and a level of confidence of 95% defined the sample size. The sample reached a size of 350 coffee producers distributed by Department according to the following distribution: Lempira 128 producers, Intibucá 139 and La Paz 83 producers.

Table 1 Sample size by department

Department	2016 Projected Population	Estimated Producer Proportion	Total coffee producers	Sample %	Adjusted Sample
La Paz	85,924	0.199507	17,142	20.0	83
Intibucá	177,124	0.411265	72,845	41.1	139
Lempira	167,633	0.389228	65,247	38.9	128
Total	430,681	0.360440	155,235	36.0	350

For the tourism chain, six categories of tourism services were defined as object of study and the sample was as follow: food 154, housing 60, crafts 40, recreation 13, tour operators 6, and 26 for transportation.

Table 2 Number of surveys per category by department

Category of the Location of the Establishment	La Paz	Intibucá	Lempira	Total
Food	**53**	**43**	**58**	**154**
Lodging	**20**	**11**	**29**	**60**
Crafts	**10**	**9**	**21**	**40**
Recreation	**2**	**4**	**7**	**13**
Tour operators	**2**	**0**	**4**	**6**
Transport	**6**	**14**	**6**	**26**
Total	**93**	**81**	**125**	**299**

Field data collection

The survey took place from February 4 to 22 / 2018 in the three departments. Two teams were in charge of the data collection, each one comprised by 2 supervisors and 4 enumerators.

In addition, a desk review was conducted from the following information sources: National Institute of Statistics (INE), Honduran Coffee Institute (IHCAFE), and the Central Bank of Honduras (BCH), among others. Finally, 10 focus groups with Women and Youth group associations and 12 interviews with key informants such as municipality officials were done in order to complement the quantitative data.

Information processing

Electronic tablets were used for capturing information. Once completed, a thorough quality check and cleaning process were conducted. Triangulation was done to ensure accuracy of the database by using secondary information. The program design of data entry and consistency and validation thereof was performed in the program: "Census and Survey Processing System" (CSPro). The identification of control variables was included and the incorporation of consistency rules. Subsequently, SPSS (Statistical Package for the Social Science) software was used for data analysis.

When the information was processed and its external consistency verified, the baseline indicators were built by mathematical formulas that were described in the analysis plan submitted by the PROLEMPA Project to ANED Consultants.

Final report

The report is the latest product of the consultancy and it was prepared taking the suggestions and recommendations into consideration made by the contractor. First, the preliminary report was completed, which was submitted to the consideration of ANED senior management. After incorporated the suggestions from the report, it was referred to the PROLEMPA Project for information and consideration. Adjustments were made and the final report was submitted on April 9, 2018.

V. RESULTS DESCRIPTION AND ANALYSIS - COFFEE SECTOR

1.1. Characteristics of the project's population

Households are comprised, in average, by 5.2 people, surpassing the national average of 4.3 people (EHPMH / INE 2017). The Department of La Paz department have the higher average persons per household (5.6), followed by Intibucá with 4.6 persons per household. For Indigenous community, the Lenca Indians households have an average of 5.2 members, against 5.4 for the Mestizo.

As for the number of household members by age groups, the study revealed that 85% of household members are adults, against 15% who youth and infants.

Table 3 Numbers of households and average of persons by household, by department, ethnic and age group and gender

Unit of analysis		Total households	Percentage	Average of persons
Department	Lempira	128	39.7	5.2
	Intibucá	139	23.7	4.6
	La Paz	83	36.6	5.6
	Total	**350**	**100.0**	**5.2**
Ethnic Group	Lenca	315	90.0	5.2
	Other ethnic group	5	1.4	4.8
	Mestizo	30	8.6	5.4
	Total	**350**	**100.0**	**5.2**
Age*	Adult man	213	60.9	5.5
	Adult Woman	83	23.7	5
	Young man	37	10.6	4.3
	Young woman	17	4.9	4.7
	Total	**350**	**100.0**	**5.2**

(*)Adult men and women = 30 or more years old; young men and women = 18 to 29 years old.

1.2. Households head

83% of surveyed producers are head of households (of which 20% female and 80% male) and 17% declared not being head of household (of which 72% female and 28% male).

The above figures show that household headed by a man runs the large majority of coffee family farms.

1.3. Education level

At a global level, 87% of the surveyed population can read and write and 13% is illiterate. Among the Departments, some variations are observed, namely, the highest degree of illiteracy is expressed in the Department of Intibucá (15% cannot read and 14% cannot write), then the other two Departments manifest slightly lower percentages.

From a sex and age perspective, illiteracy rates are higher amongst women (17% can't read and 15% can write), against 12% of men who cannot write and read, while adult illiteracy was reported by 15% adults who cannot read and write, against 4% of young male and female farmers who cannot read or write.

For indigenous communities, the highest illiteracy rates have been reported by other groups whose 20% of members cannot read and write, followed Mestizo (17%) and Lenca Indians (13%).

Table 4 Producers ability to read and write by department, ethnic, age group and gender

Domain	Producer can read			Producer can write		
	Yes	No	Total	Yes	No	Total
	Percentage		N	Percentage		N
Intibucá	84.9	15.1	139	86.3	13.7	139
La Paz	86.7	13.3	83	88.0	12.0	83
Lempira	89.1	10.9	128	86.7	13.3	128
Total	86.9	13.1	**350**	86.9	13.1	**350**
Lenca	87.3	12.7	315	87.9	12.1	315
Other ethnic groups	80.0	20.0	5	80.0	20.0	5
Mestizos	83.3	16.7	30	76.7	23.3	30
Total	86.9	13.1	**350**	86.9	13.1	**350**
Female	83.0	17.0	100	85.0	15.0	100
Male	88.4	11.6	250	87.6	12.4	250
Total	86.9	13.1	**350**	86.9	13.1	**350**
Youth	96.3	3.7	54	96.3	3.7	54
Adults	85.1	14.9	296	85.1	14.9	296
Total	86.9	13.1	**350**	86.9	13.1	**350**

1.4. Migration

Migration is a social phenomenon that has increased in the country in recent decades, and has been object of much analysis by demographers and scholars of population dynamics of the country. The phenomenon as such, brings positive and negative consequences it has on the families of migrants and the general population. Migration is mainly generated from rural to urban areas and to other countries.

Number of migrants by country of destination

The baseline study revealed that 8.6% of interviewed households reported a household member migrated from the household for some reason in the last 5 years. The data showed that on average 1.4 people migrated per household. Main cited destinations were The United States of America, with 47% of migrants, domestic destinations (within the country) with 42% of the migrant population, and Spain with 11%. The highest levels of migration were observed in the departments of Intibucá (1.6 migrant per household) and Lempira (1.5), both internally and externally. Regarding domestic migration, women (47% of migrants) migrate more than men (38% of migrants), while men reported higher levels of international migration (62% of migrants). By age group, the study findings showed that 95% of migrants were adults and only 5% were youth.

Surveyed people listed limited employment opportunities for the population of working age as the main driver of immigration.

1.5. Results and indicators regarding gross income from coffee production

Indicator 1000.1 % of increase in gross income of the small company members, especially the directed or employed by women and men, young men and women and indigenous men and women living in poverty, disaggregated by age and gender.

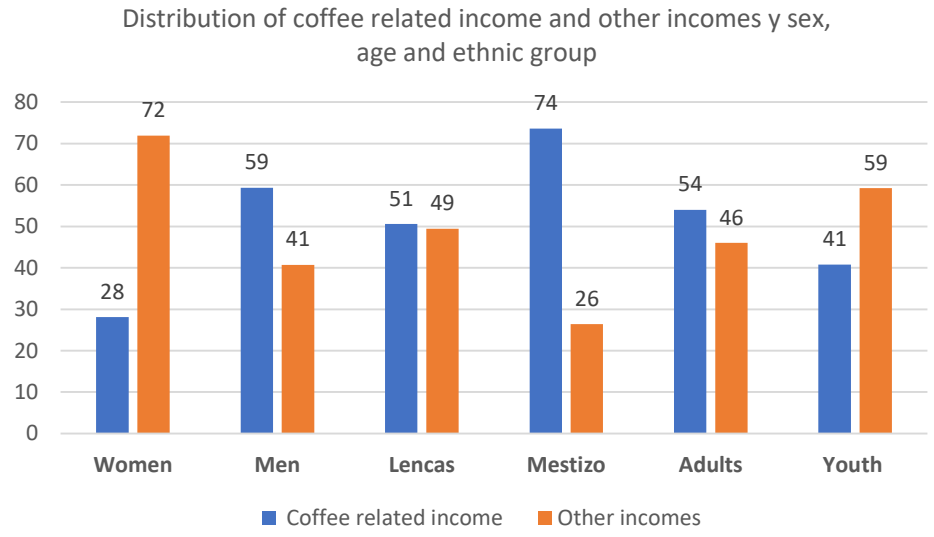
Out of the 350 producers that were part of the baseline study, 85.7% (300) reported income from the sale of coffee production. This income represented in average 50,396 lempiras (2,114US$), meaning 52.5% of the general annual average income of the families, which was estimated by study at 84,927 lempiras (3,562US$) per year.

The results show interesting differences in terms of income generated by coffee production across gender. In fact, a woman coffee farmer is able to generate an income of only 21,514 lempiras from coffee sales. This represents 28% of the female farmer family income, which is 65% points lower than male coffee farmers coffee income (L. 61,260).

The sample is characterized by smallholder producers that cultivate an average area of 1.4 hectares of coffee, from which, they generate an average production of 62.4 quintals of wet parchment coffee per producer. The surface and the production present some variations between gender, ethnic group and age group.

Out of the 100 women producers, 82% obtained production; women being the ones that observe the smallest cultivated area (1.4 Mz) and the lowest per capita production (33 Qq. / Producer). Regarding the 250 male producers, 91% (228) reported coffee production in the period, having an average cultivated area of 2.3 Mz and an average production of 73.9 quintals. These data show that women producers have less opportunity and/or capacity in their productive activity, a condition that must be analyzed in details by the project in order to improve their overall production and productivity levels.

Figure 1 Difference between coffee income and total HH income



The project household beneficiaries' total annual average income is estimated at L. 84,927, with an average income of L. 93,027 for men, of L. 64,717 for women. The income of the Lenca producers is 48,861 lempiras, this amount representing 50.6% of the family income (L. 84,572). Lenca producer's income is 26 percentage points lower than the income of mestizo producers. In this region, although coffee production could be the main activity, producers are conscious of the instability of the market and prices and therefore diversify their source income. The income generated by coffee production is relatively low for some groups, in particular women, youth and Lencas.

Table 5 Annual income related to coffee and other activities

Unit of analisis	Total number of producers	Producers that sold coffee	Anual family income (L.)	Anual income of coffee comercialization (L.)	Level of contribution %	
					Coffee related income	Other incomes
Total	**350**	**300**	**84,927**	**50,396**	**52.5**	**47.5**
Women	100	82	64,717	21,514	28.1	71.9
Men	250	218	93,027	61,260	59.3	40.7
Lencas	315	266	84,572	48,861	50.6	49.4
Mestizo	30	30	89,578	65,899	73.6	26.4
Adults	296	258	88,693	53,607	54.0	46.0
Youth	54	42	63,161	30,672	40.8	59.2

One of the most important findings of this study is that coffee income depends significantly on the form under which the production sales happen and the average price per quintal ranges from L.343 for coffee fruit, to L.1, 501 for wet coffee parchment, to L.1, 795 for dry parchment coffee averaged, to L.1,887.0 for gold parchment coffee. These figures indicate clearly that value addition generates increased market price and farm revenue.

Table 6 Distribution of sale price according to the state of coffee

Unit of analisis	Total producers	Producers that sold		State of the coffee			
		Total	%	Fruit (L. / QQ)	Wet parchment (L. / QQ)	Dry parchment (L. / QQ)	Gold (L. / QQ)
Total	350	300	85.7	343	1,501	1,795	1,887
Women	100	82	82.0	352	1,410	1,878	-
Men	250	218	87.2	330	1,516	1,779	1,887
Lencas	315	266	84.4	342	1,493	1,806	1,887
Mestizo	30	30	100.0	355	1,506	1,583	-
Adults	296	258	87.2	342	1,518	1,797	1,885
Youth	54	42	77.8	345	1,393	1,771	1,900

The producer almost never sells gold coffee as such, since the processor or the exporter makes the conversion of dried parchment coffee to gold coffee. However, it is marketed as gold by means of equivalence with the other forms of coffee, by means of a greater number of pounds in the quintal of wet parchment or dry parchment, in order to obtain an agreed price for the gold coffee. This form of sale is also observed between wet and dry parchment. Either way, this sale system is usually not the most convenient for the producer as the quality of the coffee grain is not assessed. Finally, results show that women and mestizo never sell their production as a gold quality.

(photo illustration: survey with coffee producers)

Indicator 1100.1 Decision making on practices and technologies in coffee production

Indicator 1100.1 % de adults and youth, indigenous or no indigenous (women and men) with a higher and more equitable decision maker on economic resources and benefits of small companies.

Globally, 70% of surveyed persons affirmed, “they make decisions” on practice and technologies in coffee farming, followed by 24% who affirmed that they “make joint decisions with their spouse”, by 3% who affirmed, “their spouses decide”, and by 2% who affirmed that their “daughters and sons” make decisions.

The sex and age disaggregated decision-making data shows that male youth make individually most of the decisions taken at household level in relation to practices and technologies in the coffee sector, with 90% of them affirming that they make decisions by themselves, followed by adult men with 80%, by adult women 45%, and finally female youth with 29%. The predominance of male youth decision-making could be attributed to the:

a) the intergenerational transmission happening in the coffee sector, with male youth either inheriting farms from their parents or taking more responsibilities as their parents get older and close to retirement, and
b) fact that youth farmers are educated (in opposition to their parents), are able to better understand opportunities and challenges of the coffee sector to make informed decisions.

Among ethnic groups, the Mestizo reported the highest individual decision-making, with 90%, followed by Lenca Indian (69%) and other ethnic groups (20%). In terms of joint decision making in indigenous coffee producer households, other ethnic grouper reported the highest joint decision-making practice, with 80%, followed by the Lenca Indians (24%), and Mestizo (7%).

At a departmental level, decision-making on practices and technologies for the coffee production are reported to be taken jointly by 38% of surveyed households in La Paz, against 22% of Intibucá and 16% of Lempira, while the individual decision-making was reported at 82% in Lempira, at 71% of Intibucá and 52% in La Paz.

Indicator 1200.1 Results and indicators regarding the application of agricultural good practices

Indicator 1200.1 % of women and men that demonstrate management of good practices for their business, disaggregated by age, gender and ethnicity.

Success in coffee production activity depends, at a large proportion, on the level of adoption of best practices by producers, which drives both productivity and grains quality. The baseline study findings highlighted that only 11% (n=40) of surveyed coffee producers applied at least three good agricultural practices out of the seven identified best practices. The results by sex and age groups showed that the application of good agricultural practices and technologies was higher amongst adult men (14%), followed by male youth 13%, female youth 6% and adult women (4.8%).

Among ethnic groups, the mestizo reported the highest application of good agricultural practices, with 17%, followed by Lenca (11%).

The table below describes the different categories of good practice in the coffee production. The most common practice applied by producers is the pruning coffee trees with a 62%. On the other hand, the least common one is related to the drying process at the post-harvest stage.

Table 7 Application of agriculture best practices by coffee producers

Agriculture good practice	Pruning trees management	Shade management	Water & soil management	Fertilization*	Pest management	Disease management	Post-harvest management**
Total (n=350)	62%	34%	42%	30%	35%	47%	23%
Men (n=250)	65%	35%	40%	32%	36%	46%	26%
Women (n=100)	56%	33%	49%	26%	33%	48%	15%

(*) based on the analysis of the soil in each farm. (**) based on the analysis of the applied drying coffee process

The yield of wet coffee parchment has been analysed according to the application of good practices. In average, the yield of wet coffee parchment realized by producers was estimated at 27.4 qq/acre. Those who applied best agriculture practices reported a yield of 36.6qq/acres against 20 Qq/Mz. for farmers who did not apply best practices. The biggest gap is noticed in the yield of women where women producers who did not apply best practices were able to produce only 20 qq/acre. Youth is the group that applied less the seven selected best practices related to coffee production. There are no significant differences in the yield across ethnic groups.

In conclusion, the baseline study data showed that the PROLEMPA project participants have a low level of application of good agricultural practices and technologies (11 %) in the coffee crop. This highlights strongly the imperative need for the Project to strive increasing good agricultural capacities and skills of supported coffee producers to improve production and productivity of quality coffee grains.

Indicator 1200.2 Volume and marketing of coffee production

Indicator 1200.2 % of increase of sales volumes of units of production of women and male and female youth and indigenous business.

Of the 350 coffee producers that made up the sample from the baseline study, 85.7% of them (300 producers) sold coffee for the generation of household income. In average, the quantity sold was of 40 quintals of wet parchment coffee per producer. Coffee is usually sold immediately after harvesting; however, when the survey was conducted, part of the production was not yet harvested and, consequently, has not yet been sold.

Table 8: Volumes of commercialized coffee by sex, age and ethnic group

Unit of analisis	Total producers	Producers that sold	Average of total WP production (Qq) /	Average sell/ producer (Qq /WP)	Average of quantity not sold (Qq)
Total	**350**	**300**	**62**	**39.8**	**25**
Women	100	82	33	18.5	16
Men	250	218	74	47.8	29
Lencas	315	266	62	39.1	26
Mestizo	30	30	66	47.6	18
Adults	296	258	67	42.3	27
Youth	54	42	37	24.4	15

The survey revealed that men contributed the largest proportion of the harvested wet coffee parchment (WP) with 47.8Qq compared to women that where able to sell only 18.5 Qq.

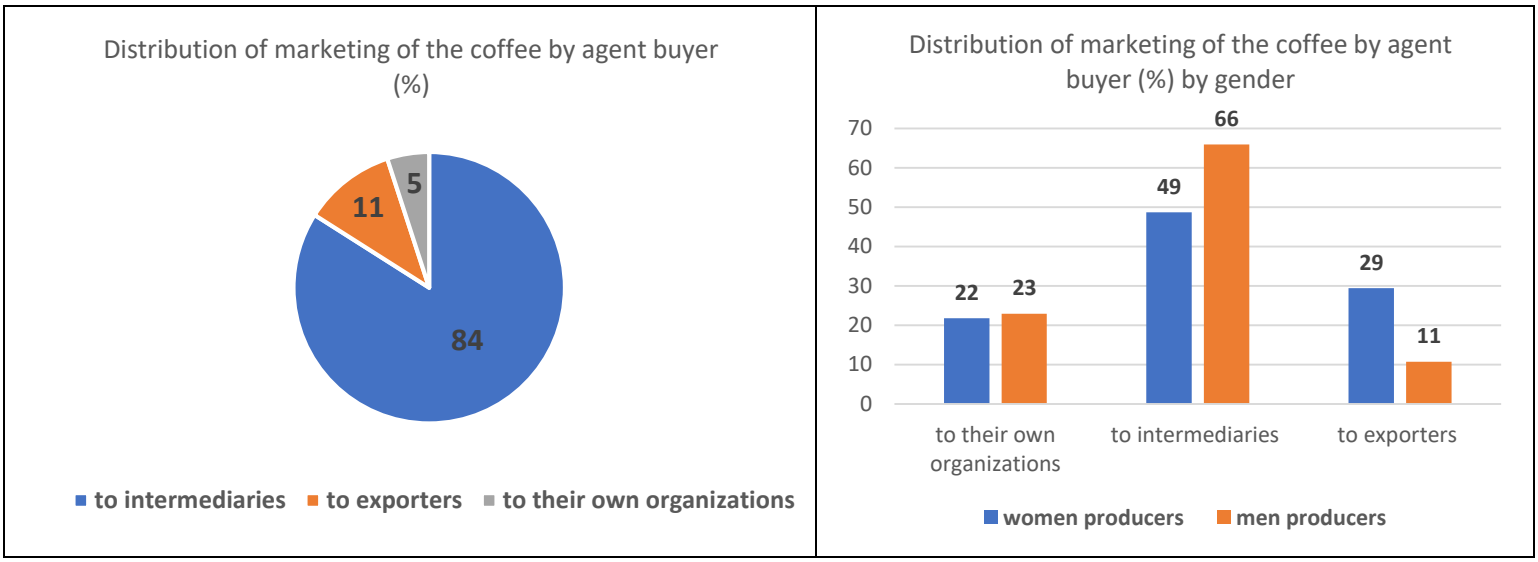
In terms of ethnic groups, the Mestizos reported the highest production of wet coffee parchment, with 47.6 Qq, against 39 for Lencas.

At department level, Lempira coffee producers reported the highest production of wet coffee parchment (43%), followed by Intibucá (38%) and La Paz (20%).

Marketing of the coffee by buyer agent

The 300 producers that sold coffee, reported having traded with three mainly purchasing agents, these are the intermediary, their own organization and the exporter. Of the three, the intermediary is the one that acquires the largest amount of coffee purchased. In fact, 84% of producers sold their coffee to intermediaries (49% for male producers and 66% for female producers) and only 11% sold to exporters (29% of women and 11% of men). Regarding ethnicity, 67% of the Lenca Indians sold to intermediaries, 19% sold their coffee through their own organizations and 14% directly to exporters. On the other hand, there are no mestizos that sold their coffee production to exporters directly but rather half/ half to the intermediaries and to their own organization. Finally, results have shown that the group able to sell more to exporters are the youth with 20% representation.

Figure 2 Distribution of marketing of the coffee by agent buyer



In summary, the project has an opportunity to reverse the trend of selling coffee to intermediaries in favor of exporters in order to improve trading conditions for quality and prices. In addition, taking advantage of the expertise that could be gained by youth, women and indigenous Lenca, increase in sales to exporters rather than to *intermediaries is likely to be prioritized by Lempa coffee farmers.*

Indicators of the project's beneficiaries produced coffee quality

Coffee exportability is mainly driven by the produce quality and volume, which depend on several factors such as chemical/organic fertilization, pests and diseases control, shade management, harvesting time and grain handling among others. These factors are critical to guarantying access of coffee farmers to competitive international high rewarding market prices, which the PROLEMPA project is striving to achieve for women, men, male and female youth, and indigenous coffer producers of the Lempa region.

The final quality classification of the produce coffee is determined through tasting for which the baseline study revealed that, globally, only 17% of surveyed coffee producers have performed coffee tasting, against 83% who did not. 100% of the youth surveyed know their coffee quality although very little have actually performed coffee tasting. Surprisingly, 82% of surveyed coffee farmers affirmed that they know the quality of their coffee beans, against 18% of who said they did not know what their coffee beans worth.

Figure 3 Coffee tasting practice among producers

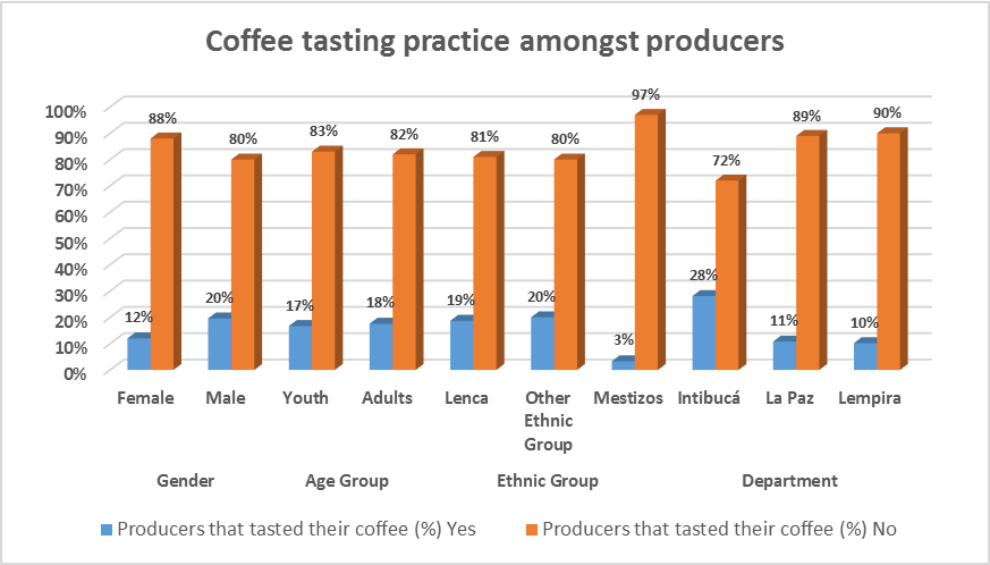
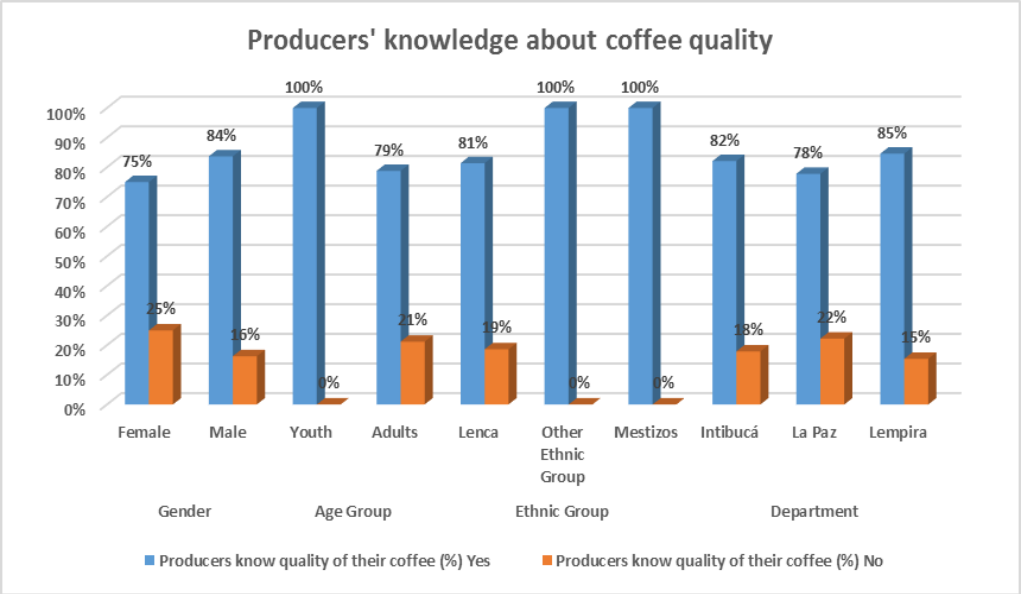


Figure 4 Producers' knowledge about coffee quality



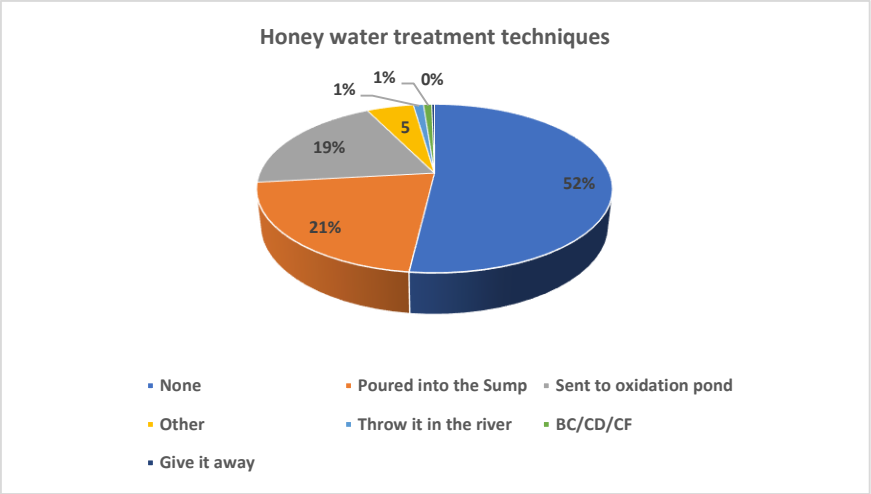
The analysis by sex and age shows that adults and men performed the majority of coffee tasting processes, with respectively 20% and 18%, against women (12%). At department level, most of the coffee tasting took place in Intibucá, where 28% of coffee producers declared realizing coffee tasting.

Results and indicators regarding environmental aspects

Management and treatment of honey waste water and coffee pulp

Globally, 52% of surveyed farmers declared **not** taking any initiative for honey waste water management at coffee processing stage, while 21% affirmed pouring the honey water into a sump, against 19% who directed the honey water into an oxidation pond, while 1% threw it into the river. Female (78%) and young (61%) and other ethnic groups (60%) coffee producers represent the largest groups that do not apply any honey waste water treatment technique. At department level, 95% of La Paz coffee farmers declared not applying any honey wastewater management technique, against 39% in Intibucá and 38% in Lempira.

Figure 5 Honey water treatment techniques



Additionally, the baseline study findings showed that 57% of producers (65% of young farmers, and 60% of indigenous farmers) do **not** treat the coffee pulp, against 25% who turn into compost, and 17% who declared throwing it into the protruding close by rivers and streams.

The above figures demonstrate eloquently the strong need for PROLEMPA to promote and reinforce good environmental practices amongst supported coffee producers, which confirms the relevance of the project Environmental Management Plan.

Access to financing in coffee production

Access to agricultural financing for smallholder farmers, especially for women and indigenous farmers, in developing world has always been a challenge, while it remains an evident factor for their livelihoods' sustainable profitability and development. Often, these farmers access agricultural financing through local moneylenders of through a few Microfinance institutions, with very high interest rates and, sometimes, non-adapted financing cycle to the farming activity.

Globally, 68.3% of surveyed producers indicated they had access to credit for their activities during 2017-2018 agricultural campaign. 69% of male farmers indicated having access to finance, against 66% of female farmers and 61% of young farmers were able to access credit.

Lenca Indians has the lowest access to credit (67%), compared to farmers from other ethnic groups and Mestizo (80%).

In terms of microfinance institutions, 14 institutions were listed as source of financing by surveyed farmers, with the majority of disbursed loans been provided by other types of financial institutions (foundation, etc.) (16% of farmers), credit cooperatives (14.3% of producers), rural banks (10.6%), and banks (6.3% of producers).

Potential demand for financing

To assess the likely demand for financing from the beneficiaries of the PROLEMPA project, the baseline study collected information on the following aspects: 1) need for loans for the harvest period 2018 - 2019, 2) the desired loan amount, and 3) the component of the coffee business in which the acquired loans will be dedicated for.

Globally, 78% of project's producers (75% of female farmers, 82% of male farmers, 70% of young farmers, and 81% of adult farmers) stated they needed loan for the next growing season.

The above respondents have estimate the average desired loan amount for the 2018-2019 agricultural campaign at 39,563 lempiras per producer (L. 44.1379 for male farmers and L. 27.120 for female farmers, at L. 42,154 for adult producers, against L. 23,132 for young ones).

Amongst ethnic groups, other ethnic group farmers expressed a higher loan amount, with an average of L80, 000, against L. 44,955 for Mestizo producers and L.38, 455 for Lenca Indians.

Regarding the allocation of the expressed loan needs, 96% of respondents stated they will dedicate their loan to purchase of inputs (fertilizer, insecticide, fungicide, lime, etc.), while 34% said they will use them for payment of wages, against 5.4% who indicated they will use it for repaying debts.

The collected data revealed that 1) women and young people expressed the lower amounts of financial loans to support their coffee farming activities and 2) the largest portion of acquired loans will be invested towards the improvement of production and productivity.

VI. RESULTS DESCRIPTION AND ANALYSIS - TOURISM SECTOR

1.6. Background

Tourism Globally

According to figures from the United Nations World Tourism Organization (UNWTO), the results of tourism worldwide in 2017 reflected the sustained growth experienced by many destinations, combined with the recovery of those who have had security problems in recent years. This corresponds to a strong increase of 7%, much higher than that observed in previous years.

By UNWTO regions, the most prominent growth was recorded in Africa (+ 9%) and Europe (+ 8%), followed by Asia and the Pacific (+ 6%), the Middle East (+ 5%) and the Americas (+ 3%). Most destinations in the Americas region (+ 3%) continued to show positive results, with South America leading the trends (+ 7%), followed by Central America and the Caribbean (both + 4%), and North America (+ 2%).

Tourism is an important category of international trade in services, since it represents 7% of world exports of goods and services and represents the sector that has grown faster than world trade during the last five years.

As a world export category, tourism ranks third, only behind chemical products and fuels, and ahead of automotive and food. In many developing countries, tourism is the main category of exports. (UNWTO Barometer, 2017)

Tourism in Honduras

Tourism has become one of the largest industries in the world and the income generated by it represents an important part of the world economy. Honduras has been privileged by an extraordinary natural and cultural heritage.

In accordance with the Honduras 20/20 plan, four sectors have been identified, which together are expected to generate 600, 000 jobs in the next 4 years. To achieve this goal, potential investments have been identified of 10,000 to 13,000 million dollars by the year 2020. These sectors, which have the potential to generate more than 9,300 million dollars in exports, are in order of importance 1) tourism, 2) textiles, 3) intermediate manufacturing and 4) business support services.

Tourism is expected to generate 255,000 additional jobs in the next five years as Honduras is positioned as the leading destination for sun and beach in Central America and the Caribbean, with an exclusive combination of natural and cultural attractions. This sector has a potential to generate exports up to 850 million dollars. (McKinsey 2016).

According to data from the Honduran Tourism Institute, during 2014, Honduras received 225,060 arrivals more than during 2013, thus reaching two million visitors, resulting in a growth of 12.1%. The arrival of tourists presented a slight growth, when the arrival of approximately five thousand tourists was reported more than those reported during the year 2013. The one-day visitors who entered the country through borders and airports presented a decrease of 5.3%. The type of visitor that showed the greatest growth was cruise passengers, with 33.2%, the highest growth observed after the opening of Mahogany Bay Port during 2010.

Honduras continues to receive mostly Central American tourists. During 2014, out of the total of tourists, 50.3% reported to be residing in Central America, 37.5% in North America, 7.8% in Europe and 4.4% in the Rest of the World. (Bulletin of Tourism Statistics 2010-2014)

According to a study carried out for the National Sustainable Tourism Strategy (ENTS for its acronym in Spanish), Honduras mainly serves the nature, sun and beach segments. The zone of the Caribbean Sea occupies the second place in the continent, after North America. In this context, the Bay Islands located off the north coast of Honduras is considered a very well positioned destination in this area.

In light of the above, Honduras has the challenge of achieving a better tourism positioning that allows its income to be increased per visitor, with a positive social and economic impact and with the least possible impact on its natural and cultural resources. (Tourism Statistics, IHT, 2015)

The departments under study as potential tourist destinations

La Paz

The cultural attractions of La Paz, include several sites of interest such as the House of Culture, its churches, parks, as well as the traditions of the area. The ecotourism route includes hot springs and extreme sports, including canopy.

In addition, it has an offer of archeology, with still unexplored sites that date back more than 2000 years BC, as well as caves in which you can find rock art and vestiges of past civilizations.

The city of Marcala is the second in importance in the department of La Paz, and is located at 1,270 meters above sea level in the Montecillos mountain range, and recognized and positioned as a producer of quality coffee for which the tours to coffee farms are an interesting attraction.

In this department, there are various attractions for ecotourism, pools centers and waterfalls. On the other hand, there are many artistic attractions such as murals, paintings and wooden sculptures and works made with recycled materials by local artists, which can be seen in the decoration of various tourist establishments. (Honduras Tips, 2017)

Intibucá

The department of Intibucà is known for the twin cities of La Esperanza and Intibucá, united by the same story. Each of the cities has its own municipality, its Catholic church and its own market, but they share the same central park.

The city of Intibucá maintains a predominantly Lenca population, La Esperanza is mostly Mestizo; but both cities are perceived as one, with an extraordinary climate, dynamic trade network, growing potatoes, berries, strawberries, peaches, apples and corn.

Among the main production items, we can mention textiles and pottery, as well as wine making, fruit in syrup and rural tourism. (Honduras Tips, 2018)

Lempira

The city of Gracias is being one of the oldest cities in the country, originally founded in 1536. Gracias is recognized as a tourist destination, due to the large number of natural and cultural resources. Recently it has shown a tourist development, with a high potential for ecotourism and cultural tourism, as it has 4 magnificent churches, historic houses and colonial ranches, for which it is renowned for its rich colonial architecture.

It currently has new and modern hotels that blend with the historic part of the city where the identity and culture are appreciated. In addition to Gracias, the department of Lempira also has other sites with colonial wealth such as La Campa, San Manuel de Colohete and Belén.

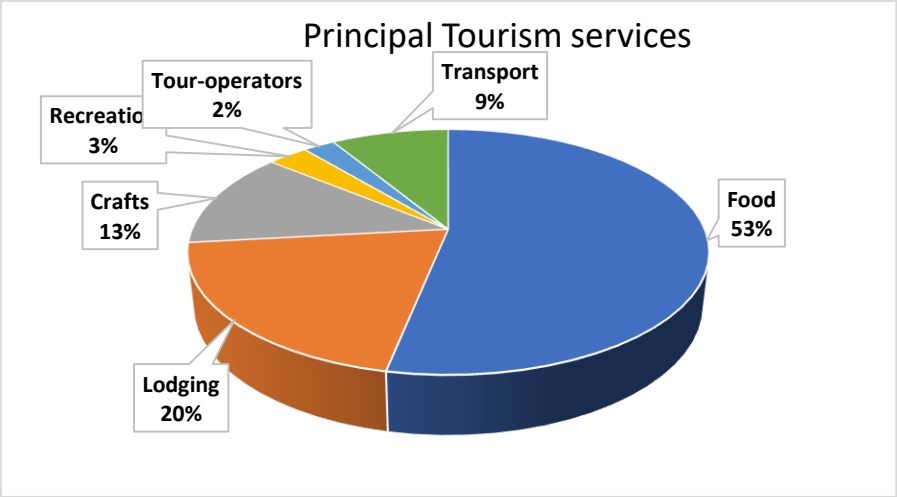
1.7. Results and Findings

This section presents the results of the initial situation of the tourism service providers belonging to the 6 lines of business (categories or ventures) in the departments of La Paz, Intibucá and Lempira.

Lempira is the department with the highest number of enterprises surveyed with 125, followed by La Paz with 93. Intibucá is the department with the least number of tourism ventures, with only 81 surveys, for a total of 299 surveys.

The universe of study comprised 299 ventures. The most represented sector is the food business with 53%, in second place accommodation with 20%, followed by Crafts with 13%. With smaller percentages, it is observed that the transportation ventures have a 9%, then the recreation centers with 4% and the tour operators with 2%.

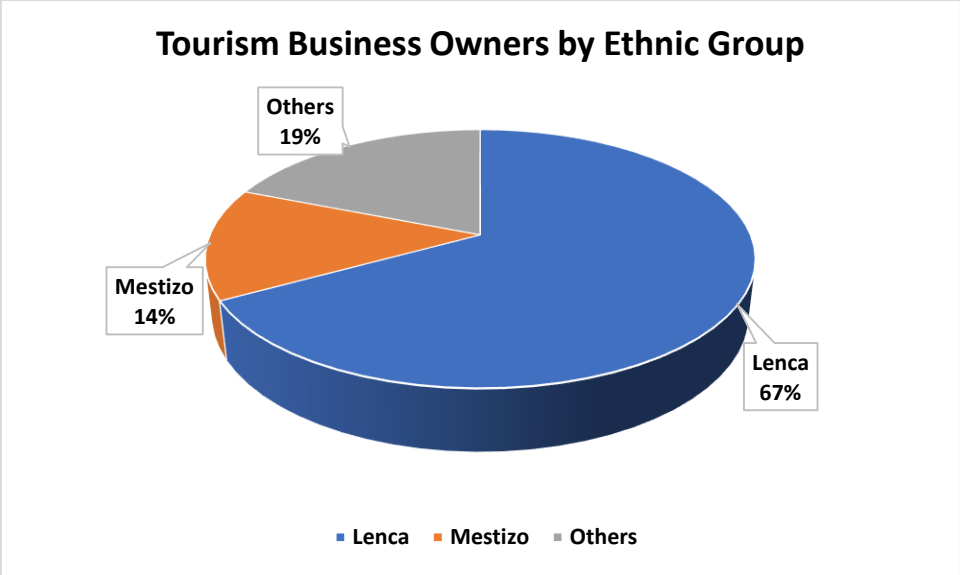
Figure 6 Principal Tourism Services



General Characteristics of the Population

Among the business owners consulted in this study, it was found that the predominant ethnic group is the Lenca ethnic group with 67%, followed by Mestizos, with 14%. Other ethnic groups such as Garífuna, Tolupanes, Mayas-Chortí, and others were found in very low proportion in the tourism industry, so they were grouped into a single segment (other ethnic groups) that represents 19% of local tourism actors.

Figure 7 Tourism Business Owners by Ethnic Group

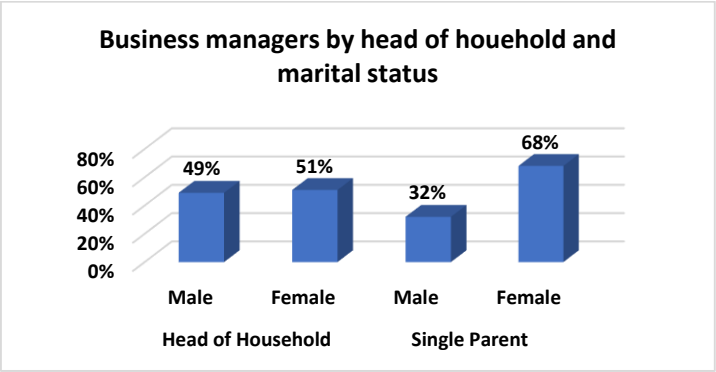


When analyzing the different areas of entrepreneurship, the Lencas are mostly owners of food companies with 99 businesses and secondly housing with 41 businesses. Within the sample studied, only 6 owners of the Lenca ethnic group are in recreation and 6 in tour operators. This is understandable, considering that to create and maintain a food business requires less investment than one of lodging, crafts, recreation and transportation.

Business managers Head of Households

The results show that the female head of households predominate slightly among the managers of tourism ventures, 49% male and 51% female. The highest proportion of female heads of households who are tourism business manager was found in the department of La Paz (67%), compared Intibucá (54%), while in the department of Lempira the balance was very proportional. These results demonstrate the preponderant role of women as entrepreneurs in the tourism sector.

Figure 8 Business managers by sex and marital status of the head of household



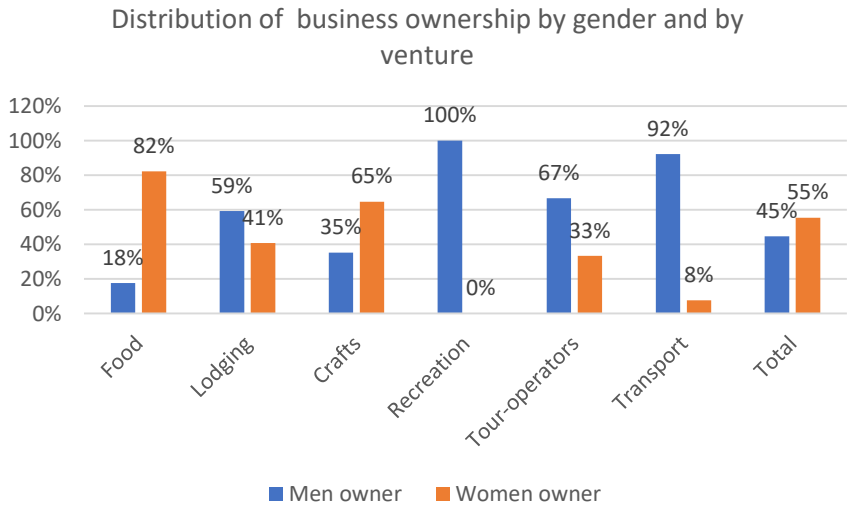
With respect to marital status, the study results showed that 68% of tourism business managers are single female (in majority in the food businesses), against 32% for single male managers (see above figure).

Premise Ownership

In the department of La Paz, most tourism entrepreneurs are the owners of the premises where their business operates, of which 55% female, against 45% male owners.

The graph below shows the distribution of business ownership by gender for each one of the tourism sector selected. It is interesting to observe that women own business that follow the traditional division of labour with a strong presence in the restaurant industry and much less in the transport or recreational business. In fact, among the owners who also own the premises, the ones with food ventures are predominant with a 39% of which the majority are female.

Figure 9 Business ownership by sex and venture



When it comes to rented or lent premises, women manage almost all rented businesses. A hypothesis of the limitation of women to own their own business need to be investigated during a deeper gender study in this sector planned for July.

Business Registration

The majority of the enterprises own by a female entrepreneur do not have the corresponding registration for their proper and legal functioning. Only 27% have the operation permit followed by a 20% that pays taxes on real estate. Considering results in the previous section where the majority of the enterprises are operating their own premises, this study shows a considerable number of owners who do not pay taxes associated with their business.

Regarding other registries, 19% pay their income tax, and 18% withhold / pay the sales tax; 11% are registered in the local chamber of commerce and only 3% of ventures are registered in the National Tourist Tax Registry, which indicates that most of the owners do not know this registry, as well as the duties and rights that it entails.

Table 6 Number of Registrations per Category in the 3 Departments

	Type of Registration by category									
	Operation Permit	R.N.T. (National Tax Registry)	Chamber of Commerce	Withholds/pays Sales tax	Promotion Act Turismo	Pay Income Tax	Pay Real State Tax	Others	Total	%
Food	116	8	37	72	7	74	84	0	398	66%
Lodging	22	9	17	20	4	19	21	2	114	19%
Crafts	18	0	10	17	0	14	13	0	72	12%
Recreation	0	0	0	0	0	0	0	0	0	0%
Tour-operators	2	0	2	0	0	2	2	0	8	1%
Transport	2	1	0	1	0	2	2	0	8	1%
Total	160	18	66	110	11	111	122	2	600	100%
%	27%	3%	11%	18%	2%	19%	20%	0%	100%	

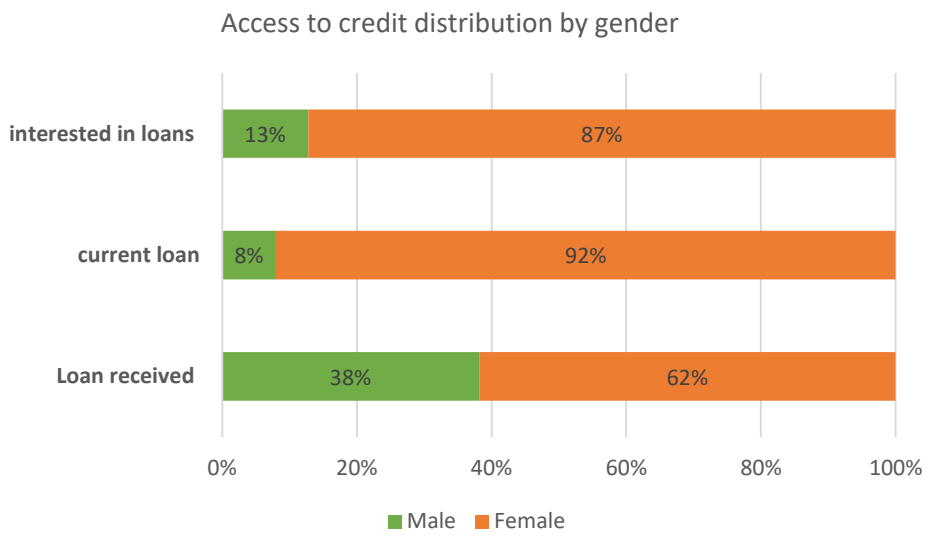
The operation permit is still the registry, which is the most frequently used, with the food category having the highest proportion, followed by the payment of real estate registry and the withholding of the payment of sales taxes.

The project will deepen the study in order to better understand the challenges small-scale entrepreneurs are experiencing in relation to business registration and support them accordingly.

1.8. Access to Credit

Access to credit is very important to allow ventures become competitive in the market. According to the results obtained, in the three departments, 97 ventures received loans in 2017 (37 for men and 60 for women), only 4 were rejected, 50 currently have loans, 4 for male owners and 46 for female owners; 133 of those consulted are interested in obtaining a loan (116 for women and 17 for men). As it can be observed, among the owners, the female owners tend to use the financing services more, while the men do it in a smaller proportion. This data is very useful from a strategic approach for the project when SOCODEVI will identify the microfinance institutions to collaborate with.

Figure 10 Access to credit by sex of business owners

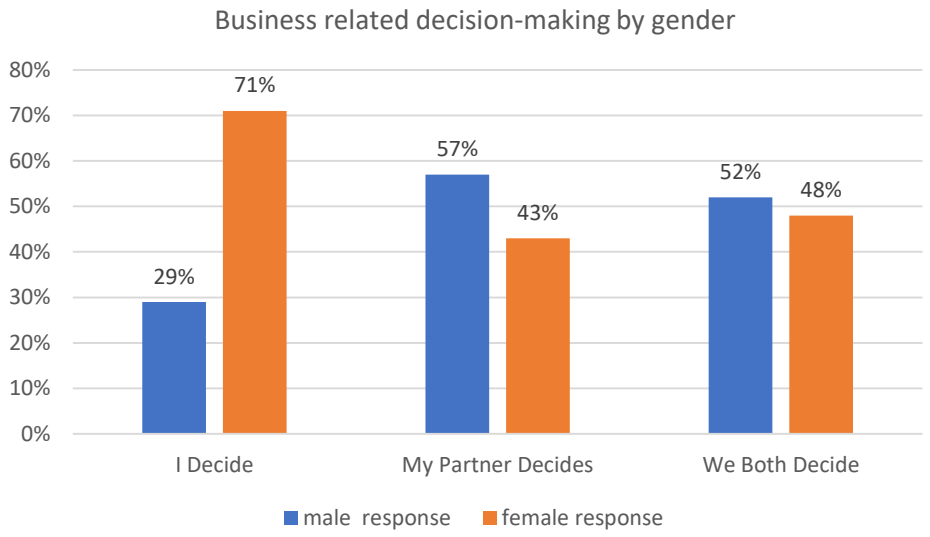


In all departments, the category that obtained the highest number of loans in 2017 was the food category (59%), followed by accommodation with 20%. With regard to the enterprises that currently have a loan, food category comes first, with 32%, followed by accommodation with 30% and crafts with 18%. The food industry continues to be the one that shows the greatest interest in obtaining financing for the operation of its businesses with 61%. These findings are important to set-up the interventions related to improving access to microfinance institutions for small-scale entrepreneurs that will be supported by the project.

1.9. Decision-making related to the business

Results show that decision making of the business mostly falls on the owner of the venture, of which the majority is female. The joint decision-making seems to be very similar among the gender and represents the second option for respondents as described in the graph below.

Figure 11 Business related decision-making by sex of business managers



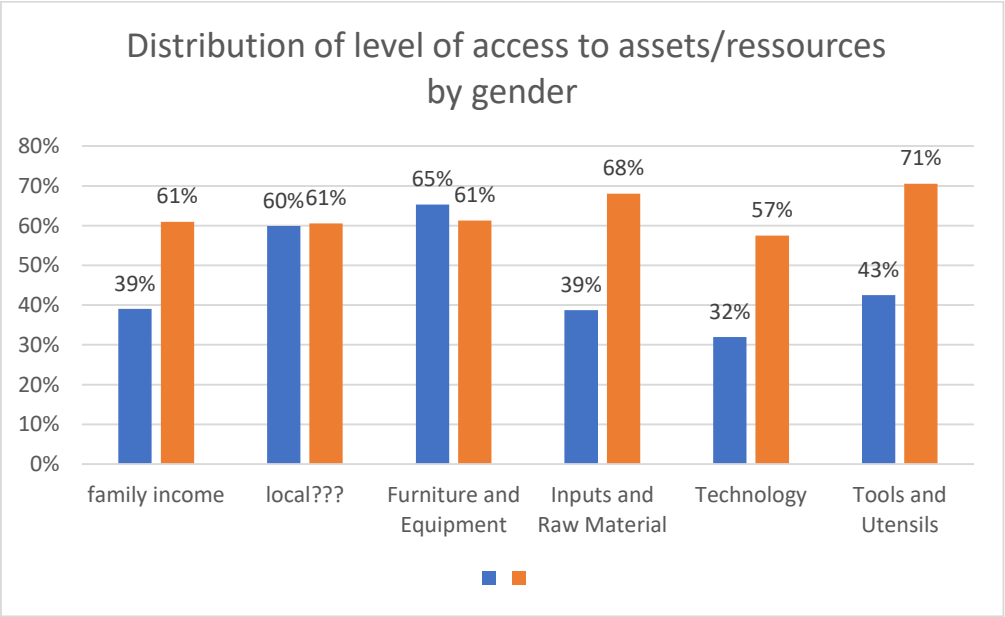
In all three departments, the food category is the one that shows the highest proportion of decision-making by the owner with 56%, represented by 81 female owners and only 12 male owners. This indicates that in most food centers the decisions are made by the owners. However, it is worth mentioning a difference in the option " we both make the decisions" referring to decisions made by both male and female spouses, where the largest proportion of this response was expressed by male owners (53), with a small difference compared to the women that expresses this (49).

1.10. Access to Assets

Regarding the query about the access to different assets related to the business, family income, business premises, furniture and equipment, supplies and raw materials, technology and tools and utensils available were considered for each category. Based on this, the results show a similar behavior in the 3 departments, which indicates that the majority of the female owners have access to all the mentioned goods. This is considered a strength for women in business management.

(*photo illustration: focus group discussion with young women)*

Figure 12 Level of access to business assets and resources by sex of business managers



1.11. Analysis per Indicator

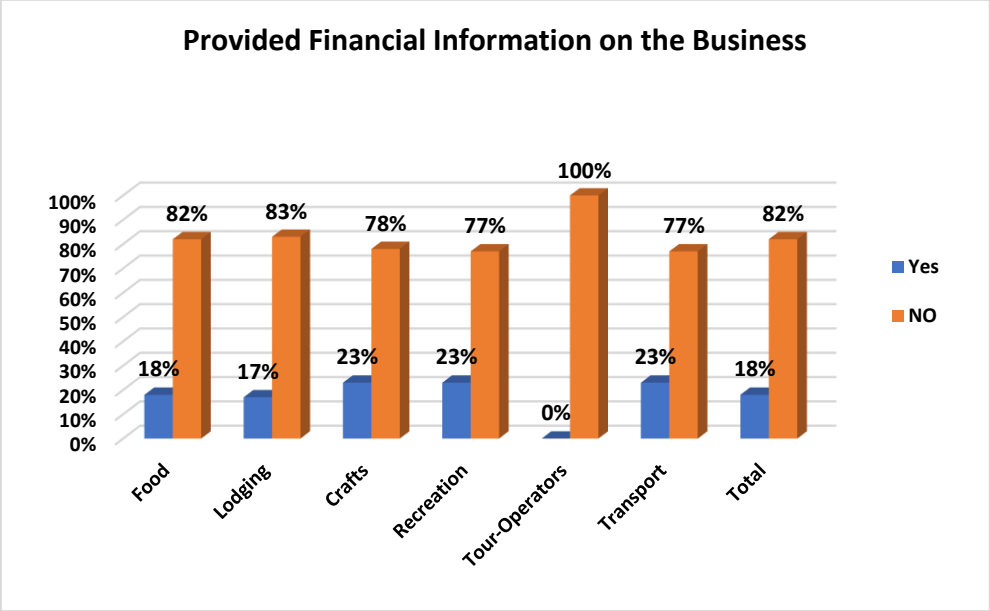
The information presented below is the analysis of each of the intervention indicators of the tourism component, in light of the information obtained directly from the owners of the enterprises and ventures consulted in the baseline evaluation.

1000.1 % of increase in gross income of members of small businesses, especially those that are directed or that employ women and men, young men and women and indigenous men and women living in poverty, disaggregated by age and sex.

A business whose gross average income (expressed in monetary terms L./family/year of service provided) that comes from the sales of touristic products and services, will be considered as a tourism service provider.

It is important to mention that only 18% of surveyed ventures owners provided financial information, while the remaining 82% did not have it or did not want to share it. The following figure shows the percentages of owners who provided financial information by category.

Figure 13 Businesses with financial Information



The following table shows the average gross income of the 55 companies that have been able to provide financial information through written or verbally.

Table 7 Average gross income in Lempiras of the 3 departments per venture in 2017 according to category, sex and age

Category	Businesses that provided information			
	Total income L.	Amount of Ventures	Percentage	Average L.
Food	1,274,806.00	27	49%	47,215.04
Accomodation	4,785,691.00	10	18%	478,569.10
Crafts	2,412,697.00	9	16%	268,077.44
Recreation	-	-	-	-

Tour-operators	32,000.00	3	5%	10,666.67
Transport	1,400.00	6	11%	233.33
Total	**8,506,594.00**	**55**	**100%**	**154,665.35**

When analyzing the average gross income received per venture in the year 2017, it appears that in the three departments, the accommodation category reaches the highest level of average income with an amount of L. 478,569, followed by crafts with L. 268,077, and by the food industry, with L47, 215.

Despite of the fact that the largest number of ventures in the area is concentrated in the food centers (49%), followed by a considerable difference, by the housing projects with 18% and handicrafts with 16%; it is the accommodation category that produces the highest level of gross income.

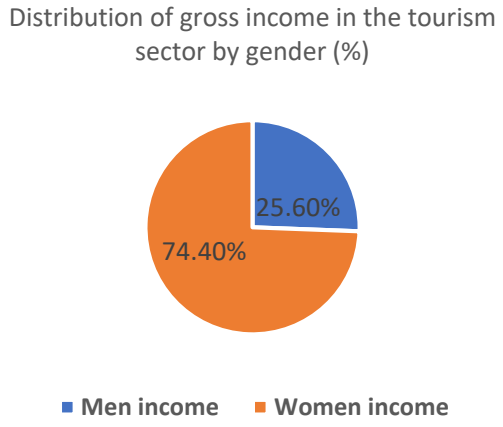
The department of La Paz represents 16% of the income of the 3 departments. In this department, the food centers reach the highest level of income with 80%, followed by a considerable difference, by the housing projects with 18%. On the other hand, results show that female owners with ages over 30 years represent the highest level of income with 13.2%. In most cases, these women are owners of food businesses and seem to be in control of the income generated by their business. Those who produce less income are male owners over 30 years old in the transport sector.

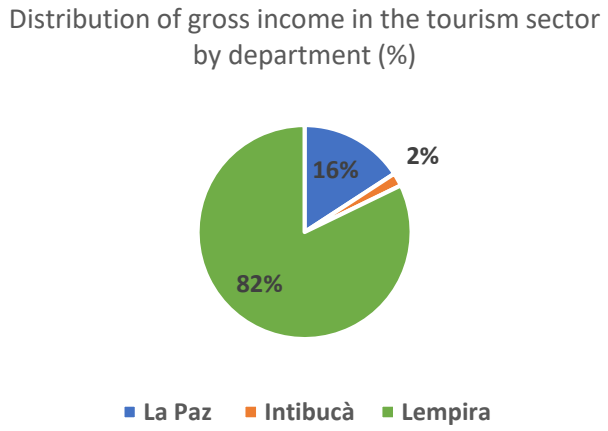
The department of Intibucá represents 2.0% of the income of the 3 departments. In Intibucá the craft centers reach the highest level of income with 46% of the department, followed by the Food business with 37%. With a considerable difference, the accommodation category ranks third with 17%. No information is available on the areas of tour operators, recreation or transport. In addition, it can be observed that income levels between adult female and male owners are similar with 1% of the income of the 3 departments.

The Lempira department represents 82% of the income of the 3 departments, which indicates that it is the largest producer of income in the study area. In this department, the accommodation centers reach the highest level of income with 65%, followed by a considerable difference, by the crafts ventures with 33%. The food centers represent a minimum income level of 2%. No information is available on the recreational ventures, tour operators or transportation in this department. In addition, it can be observed that adult female owners represent the highest level of income with 59.6% of the 3 departments. It is important to emphasize that they are owners of accommodation ventures and crafts mainly. Those that produce less income are female owners under the age of 30 in the food industry. However, it is worth noting that women represent an important cornerstone of the local economy in the department of Lempira.

The two graphs below summarize the distribution of gross income of small scale entrepreneurs involved in the tourism sector by gender and by department.

Figure 14 Distribution of Tourism gross income by sex and department





1200.2 % increase in sales volumes of women's production units, and those of young men and women and indigenous businesses

The percentage increase in sales volume is the percentage change in the average gross income (see indicator 1000.1) with respect to the sales volume of the base year considered. In this case, the production units of women, young people and indigenous people are discriminated against the total of the participants for the analysis. Out of the total of discriminated units, the total volume of gross income is calculated and compared year after year with the gross income of the base year.

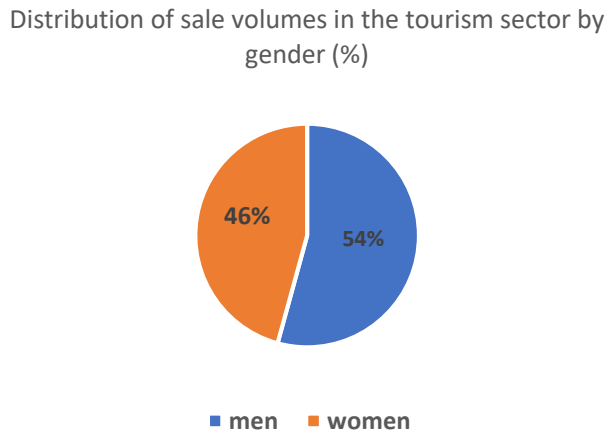
Table 8 Sales volumes of tourism related business by venture and department

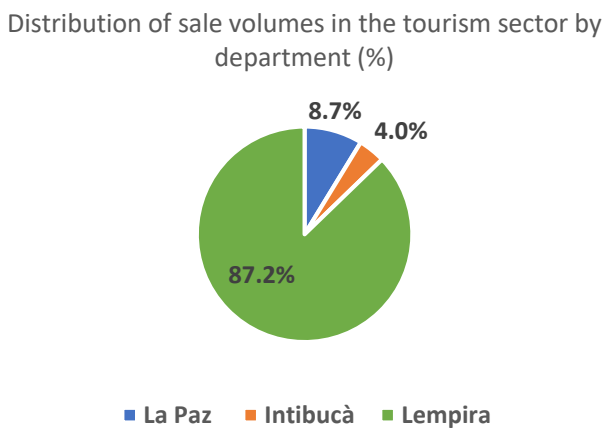
Total Net Sales in Lempira	La Paz	Intibucá	Lempira	Total	Percentage
Food	5,739,091.00	2,147,377.00	4,373,984.00	**12,260,452.00**	**11.93%**
Accomodation	2,771,992.00	609,993.00	83,483,194.00	**86,865,179.00**	**84.53%**
Crafts	192,997.00	606,995.00	1,268,496.00	**2,068,488.00**	**2.01%**
Recreation	10,000.00	29,997.00	-	**39,997.00**	**0.04%**
Tour-operators	-	-	150,000.00	**150,000.00**	**0.15%**
Transport	260,000.00	761,593.00	359,996.00	**1,381,589.00**	**1.34%**
Total	**8,974,080.00**	**4,155,955.00**	**89,635,670.00**	**102,765,705.00**	**100.00%**
Percentage	**8.73%**	**4.04%**	**87.22%**	**100.00%**	

In the department of La Paz, the food centers reach the highest volume of sales with 64%, followed by accommodation venture with 30%. The same trend is observed in Intibucá, since these two items are also those that generate the highest sales volume: food centers in the first place with 51% and accommodation centers in second place with 15%. For its part, in Lempira the order of these 2 categories is reversed, with accommodation obtaining the first place with 93% and the food centers in second place with 48%. This indicates that the hotel offer is the one with the highest sales volume in the department of Lempira.

Globally for the three departments, the category of accommodation is the one that obtained the highest volume of sales with 84.53%, followed by the food businesses, with only 11.93% of sales. The items with the lowest volume of sales are handicrafts with 2.01%, transport with 1.34%, tour operators with 0.15%, and lastly the recreational undertakings with 0.04%.

Figure 15 Distribution of tourism sales volumen by sex and department





Data related to income and sales volumes will be analyzed more in depth during a sense-making workshop in July with the PROLEMPA team in order to better understand these differences and to adjust our interventions.

1200.1 % of women and men who demonstrate good management practices in their businesses, disaggregated by age, sex and ethnic origin

Good practices refer to proven examples that have a positive impact on business management. In this case, the following are considered good practices: the formalization of the company, the use of up-to-date accounting records, the incorporation of women and young people into the boards of the companies, transparency in the management of the businesses and in the decision making of the company, the participation in the distribution of profits, the orientation to the management based on results, the equity of employment, the improvement in working conditions, the presence and respect of a code of ethics, the practices of environmental sustainability. The indicator determines the changes in management practices incorporated by the management of the company. In this case, the indicator is defined by the presence of one or more of these changes with respect to the previous state of the company.

For the purposes of this study, good tourism management practices common to all six categories were considered as well as some specific ones for each particular category. These good practices were classified into four general categories: quality management, negotiation management, electronic marketing management and environmental focus. The percentage in which the companies implemented these practices in the year 2017 was measured.

It should be clarified that, although in the category of good practices of the environmental approach the owner provided a high level of compliance by the majority of tourism business sectors, this information has not been verified by other means. As part of the monitoring, the team should develop a tool to assess the good practices of such companies for triangulation.

The graph below shows the level of self-reported compliance in each one of the good management practices categories. Results show that the majority of the businesses do not have good management practices. This will be an area of intervention that the project has already identified.

Figure 16 Distribution of good management practices by category

The table below shows more details about the percentage of compliance with the main good tourism management practices by category. It is important to note that for each category the list of good practices differ. Those presented in this table are the common ones to all types of businesses.

Table 9 Category of good practices by type of tourism

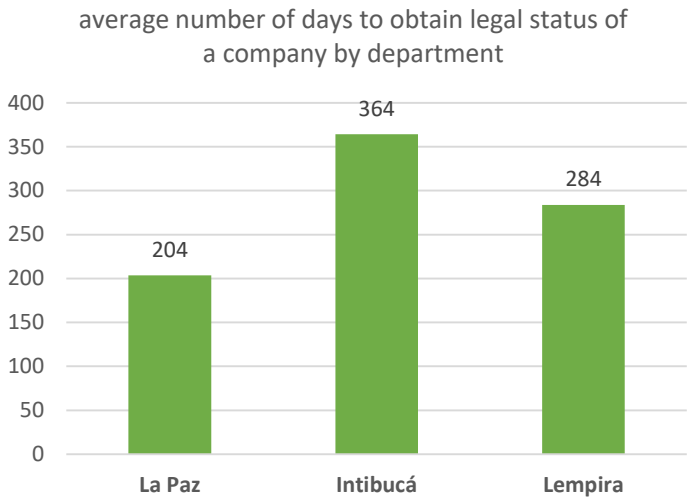
Category of good practices	Food	Accommodation	Crafts	Recreation	Tour-operator	Transport
Quality Management						
Conduct satisfaction surveys	35.7%	33.33%	42.5%	15.3%	66.6%	19.2%
Accounting Management						
Has an Accounting System	30.5%	40.00%	37.5%	0%	100%	15.3%
Has an Accountant	28.6%	78.33%	40%	30.77%	33.33%	7.6%
Has Financial Statements	31.2%	68.3%	40%	30.7%	66.6%	23.0%
Negotiation Management						
Has an Alliance with another tourism business	8.4%	30.0%	17.5%	30.77%	100 %	3.85%
Participated in local, regional or international tourism fairs	16.8%	20%	40%	38.4%	66.6%	19.2%
Electronic Marketing Management						
Has an E-mail address	20.7%	55%	47.5%	23%	100%	19.2%
It has its own website or publicized in a web page	8.4%	13.3%	17.5%	15.3%	33.3%	0%
It is promoted in some search engine	2.6%	15%	22.5%	0%	66.6%	0%

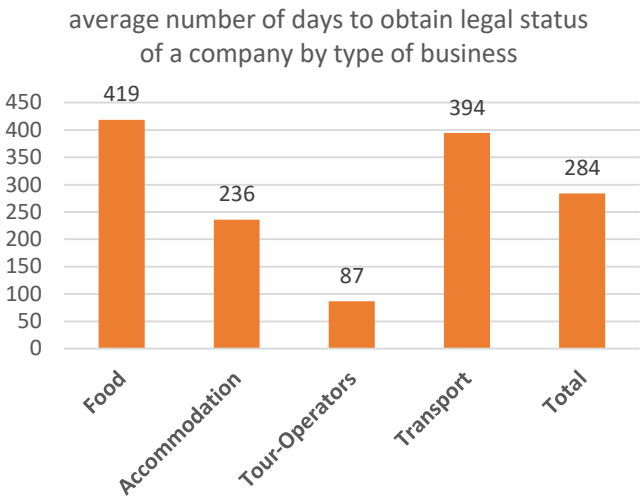
1120.1 # of days needed to obtain the legal status of businesses starting from the filing of the application and the municipal chamber of commerce.

The number of days to obtain legal status is defined as the number of days elapsed between the date the request for the formalization of the company is submitted and the date the final registration document is issued to the applicant manager by the responsible entity (Municipal Chamber of Commerce).

According to the results obtained from the owners consulted, the Tour Operator category is the one that takes less time to obtain the legalization of the company with an average of 87 days elapsed between the request and the granting of the operation permit. Participants informed that to obtain the legal status of a business it is required to travel to the capital to submit some documentation, which may delay the process and explain partly the long period to obtain the legal status.

Figure 17 Average number of days to obtain legal status of a company by department and business category





They are followed by accommodation ventures that reach an average of 236 days, and by transport companies, with 394 days. The latter is equivalent to more than a year in getting the legalization of the company. However, the type of businesses where legal status takes even longer is the one related to the restaurant industry (*mainly owned by women*).

Finally, the graph above shows significant difference among departments in the time length for acquisition of legal status. These results will help the team determine their strategies in supporting small-scale entrepreneurs reaching the legal status of their business. It is important to note that these days were reported by participants but the data should be triangulated from the municipal point of view as well.

VII. GENDER COMPONENT

Throughout history, human societies, in their vast majority, have been characterized by a lack of gender intergenerational equity in the social, cultural, faith and economic aspects, leading to undue marginalization of women and youth in different public and private spheres that regulate their lives and livelihoods.

In recent years, there has been hope through multiples national and local policies and programs for improved women and youth economic, social and cultural empowerment.

The PROLEMPA Project is aiming to contribute to the improvement of social and gender equality in the communities of Lempira, Intibucá, and La Paz department and towards the broader Honduras Government economic and social development initiatives.

1100.1 % of adults and youth, indigenous or no indigenous (women and men) with a greater or more equitable decision-making on economic resources of small companies.

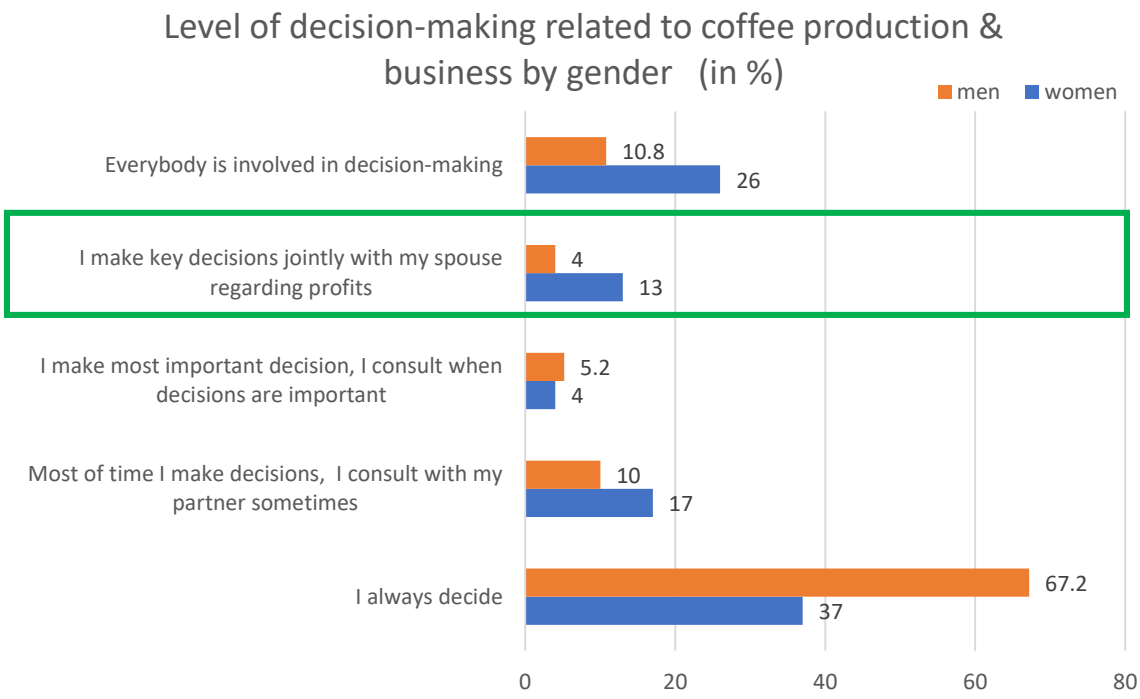
Household decision-making regarding production

To better understand how decisions are taken at the household level, male and female coffee producers were consulted separately on their perspective about production decision-making. Results show that out of 100 female producers, half of them declared making the decision themselves and 44 affirmed deciding together with their spouses. However, it is important to note that from the total sample; only 20% of women were heads of

households, which has a strong influence in the responses here. On the other hand, out of the 250 male producers surveyed, 73% of them declared to make decision on their own and 27% said the decision was made in consensus within the couple.

The graph below shows a more nuanced response regarding decision making at the household level. In general, results are consistent with the previous table, where most of the participants decide by themselves with a larger proportion from men compared to women. Decision-making power is the ability to influence decisions that affect one's life and through specific questions, it is possible to graduate the level of gender equality. In this case, the response that shows transformative gender practice is related to the joint decision making regarding profits of the business. For both male and female respondents, this choice has been very low. The project gender specific and sensitive interventions will aim to improve the power decision-making dynamic at the household, workplace and community levels.

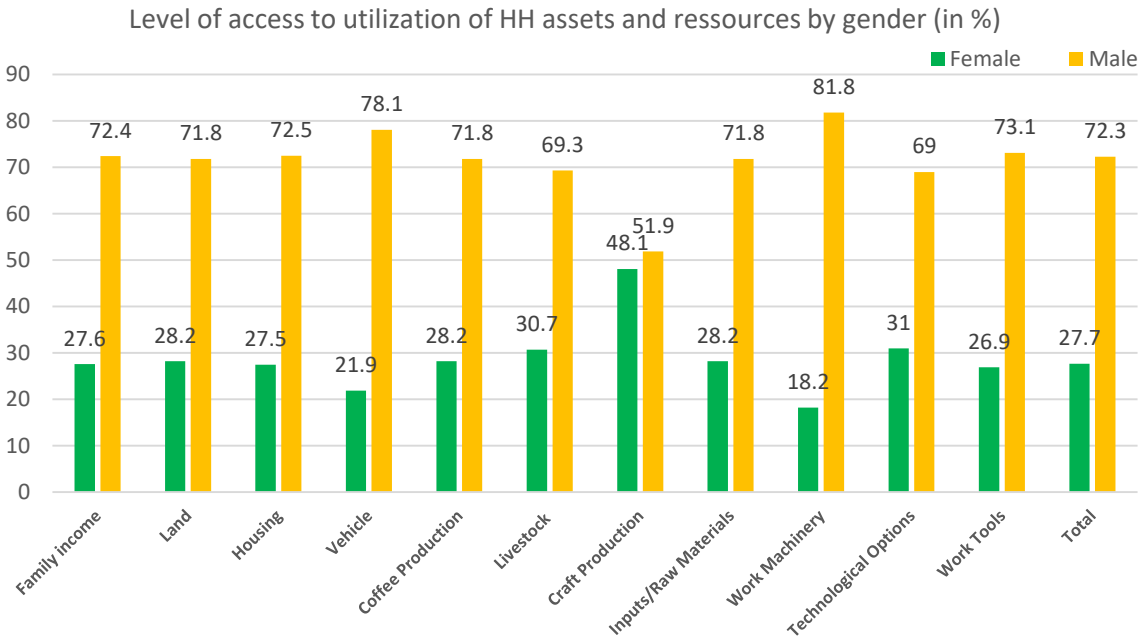
Figure 18 Level of decision-making related to coffee production & business by sex



Access to household economic resources

Similarly, households were consulted on equity in access to assets and resources available at the household. Results clearly show that men have greater access of resources and assets than women do. In fact, only 27% of women have access to the use of family income, compared to 72% of men. Regarding access to land, housing and coffee production, the behavior is very similar. This result is concerning especially because the previous data has shown that women have a certain power in decision-making. The lowest level of access for women is observed for vehicle and work machinery (around 20%); while the highest level of access is related to the use of income generated by craft production (48%). This brings to our attention the importance to further analyze the gender dynamics through qualitative methodologies and implement a strong gender equality strategy within the project.

Figure 19 Level of access to utilization of household assets and resources by sex



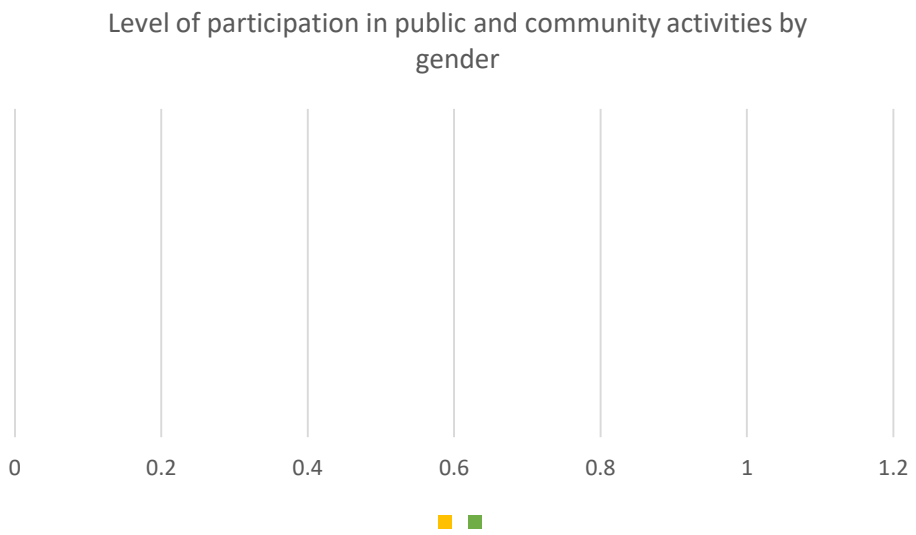
Source: Baseline Study Project PROLEMPA, 2018

Participation in public spaces

Participants regardless of gender participate in public open spaces and events that are held in the community or municipality. Of the five activities described in the graph below, open lobbying, community meetings and meetings with other organizations are the activities where most women and men participate. Around 40% of men and women are involved in initiatives to improve food and nutrition security, housing, education, health, access to land and decent wages. Very few women and men have submitted proposals related to a business or coffee production. The project will aim to increase the level of active community participation of all beneficiaries by increasing their knowledge, skills and level of confidence.

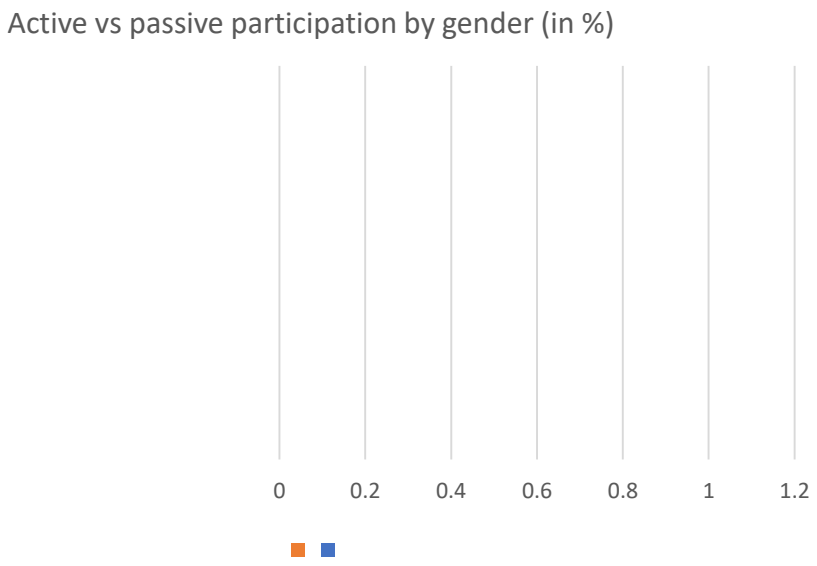
(photo illustration: focus group with youth association)

Figure 20: Level of participation in public & community activities by sex



This participation need to be assessed if it is more active or passive. The graph below shows interesting findings. Most of women and men who participate in those meetings do not speak in public. There are more men than women that are considered active in those meetings. These results are important for the project implementation strategy as there is a clear need to strengthen and build capacities of women and men to acquire a more active role in their community to look after their rights as coffee producers, women, men, young people and Lenca.

Figure 21 Active versus passive participation by sex



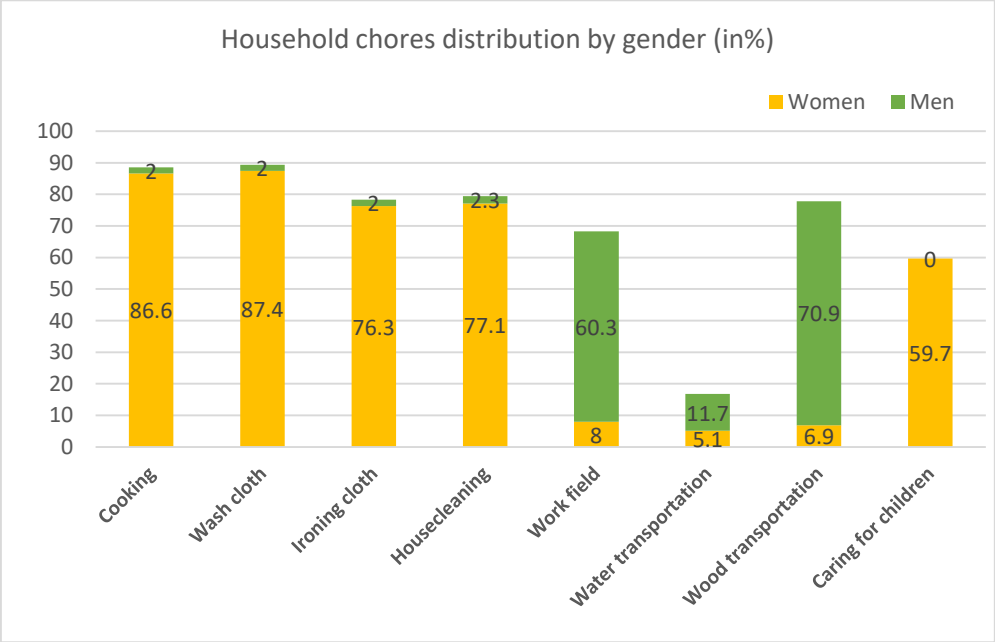
Responsibility of household's members in domestic chores

One aspect with less equity in the household relationship resides in the realization of household chores. In recent years, there have been small changes observed in this working relationship, which is the product of the efforts

made by the programs or activities of gender equity and by the transmission of behaviors observed in other countries or companies.

To understand the behavior of household members in the implementation of activities that comprise the domestic chores, formulating the consultations related with female and male respondents: cooking, laundry, ironing, housecleaning, field work, water transportation, firewood transportation, and caring children. The graph below show how the division of labour follows the traditional society where women are in charge of most of the household chores and men in charge of working in the coffee field and wood transportation. The project is very committed in closing these gender inequalities through community dialogues, raising awareness campaign and advocacy actions. It is important to show how change in the gender division of labour will have an impact on women's decision-making power, control and access to income sources.

Figure 22 Household chores distribution by sex



VIII. Conclusion and next steps

The baseline study conducted by *ANED Consultores* in the three departments allowed us to set-up partially baseline values and review the project life targets as described in the updated version of the Performance Measurement Framework (PMF). Findings have informed the project team about the opportunities and challenges in the region in terms of improving economic well-being of the small entrepreneurs and producers of the Dry Corridor, specially the marginalized people.

This baseline evaluation allowed us to measure the main PMF indicators and set-up realistic life of project targets. However, some data is still unavailable and the following actions will be taken as a mitigation measure for the missing data:

- An in-depth gender analysis with municipal offices and women and youth networks will be undertaken
- A desk review of current gender and youth municipal policies and plans will be carried out
- A feasibility study for the operationalization of the micro-finance component which includes the identification of the MFI partner, the guiding document and protocol for the fund management
- An initial technical capacity assessment will be undertaken with the entire target beneficiary to better understand the specific needs for capacity strengthening.

To properly unpack and understand the baseline situation, the project team is planning a baseline data sense-making workshop in early Year 2 in order to revise the implementation strategy in light of the comprehensive baseline findings. During this workshop, the monitoring and evaluation system of the project will be finalized; tools to measure intermediate and immediate outcomes will be developed as well as the information flow from the household/business level to the municipalities to CARE offices.

Annex 1: Performance Measurement Framework

Expected Outcome (from Logical Framework)	Indicator	Baseline Data	Target	Data Source(s)	Data Collection Method	Frequency	Responsible
ULTIMATE OUTCOME							
1000 Improved economic well-being of small entrepreneurs and producers of the Dry Corridor, especially women, youth and marginalized people living in poverty.	**1000.1** % increase in gross income of members of small businesses, especially those that are directed or that employ women and men, young men and women and indigenous men and women living in poverty, disaggregated by age and sex.	Coffee sector: 50,396 L (2114$US)[1]/Coffee producer/year Tourism sector: average 154,665 L (6489$US)/business/year	30% increase 10-15% increase	Beneficiaries Registries of producers and entrepreneurs	Survey Document Review	Baseline study, mid-term evaluation and final evaluation	CARE, TechnoServe, SAJE
INTERMEDIATE OUTCOMES							
1100 Improved and more equitable management of productive and financial resources by women, young men and women and marginalized people living in poverty.	**1100.1** % of adults and youth, indigenous or non-indigenous (women and men) with greater and more equitable decision-making about productive resources and the benefits of small businesses	Coffee sector[2]: W:13.3%; M:4.2% Tourism sector[3]: W:52%, M:48%	Coffee sector: Women, Men: 15% Tourism sector: Women, Men: 65%	Beneficiaries Files, records, documents and project reports	Survey Document Review	Baseline study, mid-term evaluation and final evaluation	CARE Honduras
	1100.2 # of policies, norms and plans to facilitate the access, use and control of the economic resources of women, youth and indigenous women living in poverty	N/A[4]	10 policies, norms and plans	Business statistics, CDE MIPYME, OMM, associations and the Lempa Regional Council Municipal employees	Document Review Survey	Baseline study, mid-term evaluation and final evaluation	CARE Honduras

[1] Conversion as of May 25, 2018
[2] Data extracted from responses on how decisions are made around benefits from the coffee production
[3] Data extracted from responses on who makes decisions related to tourism business (joint decision making)
[4] A comprehensive review of existing policies and plans will be undertaken as part of the gender study planned in July 2018

Expected Outcome (from Logical Framework)	Indicator	Baseline Data	Target	Data Source(s)	Data Collection Method	Frequency	Responsible
1200 Increased productivity and sales of small businesses, especially those run by or mainly employing women, youth and / or marginalized people living in poverty.	**1200.1** % of women and men who demonstrate good management practices in their businesses, disaggregated by age, sex and ethnic origin	Coffee sector: 11.4 %[5] W: 4.8%, M:14%, YW:5.9%, YM:13.5% Tourism sector : 33% of businesses [6]	Coffee sector: 70% Tourism sector: 43%	Sample of women and youth Statistics and records of companies and CDE MIPYME Data record sheets and project reports	Survey Document Review	Baseline study, mid-term evaluation and final evaluation	CARE Honduras y TechnoServe
	1200.2 % increase in sales volumes of women's production units, and young men and women and indigenous businesses	Coffee sector: 40 quintals of wet parchment/producer Tourism sector[7]: 35,1567L (14,895$US/unit/year)	25% increase 10-15% increase	Statistics and records of purchases or sales of companies, exporters and CDE MIPYME, data sheets and project reports Beneficiaries	Document Review Surveys, Focus Groups Discussion (FGD)	Baseline study, mid-term evaluation and final evaluation	CARE Honduras y TechnoServe
IMEDIATE OUTCOMES							
1110 Increased leadership, communication and public relations skills of women, men, young men and women and indigenous peoples in local, regional and national spaces that	**1110.1** # of women, youth and indigenous people who demonstrate the attitudes of leaders and / or in leadership positions in their organization	Coffee sector[8]: 53 men, 16 women Tourism sector: N/A	100 new people: 50 women, 25 young women, 25 young men (50%) indigenous	Beneficiaries Books of the organizations	Surveys, Document Review FGD	Baseline study, mid-term evaluation and final evaluation	CARE Honduras

[5] In addition, the data will be collected as part of the initial capacity assessment that will be undertaken in both sectors prior to the training activities
[6] This data represents the mean of the application of best practice in 4 main domains of tourism sector. Disaggregation by sex and age was not collected and will be monitored during implementation
7 Exclude Accommodation sector as the sales volumes are much higher (8,686.517L e.g. 368,023 $US /business/year)
[8] This data represents women and men who declared speaking in most public meeting, being active in carrying work for the organization and promoting it. Disaggregation by age was not collected and will be monitored during implementation

Expected Outcome (from Logical Framework)	Indicator	Baseline Data	Target	Data Source(s)	Data Collection Method	Frequency	Responsible
promote inclusive economic development.	**1110.2** % of individuals who report confidence in their own negotiation and communication skills	N/A[9]	40% of women trained 30% of men trained	Beneficiaries	Surveys, FGD	Baseline study, and final evaluation	CARE Honduras
1120 Better informed and capable actors from the public and private sectors to act on issues related to CSR, the legalization of the informal sector, the simplification of procedures and commercial policies focused on women's rights, young women and men and indigenous people	**1120.1** # of days to obtain the legal status of the company from the filing of the claim to the Municipal Chamber of Commerce	Tourism/Coffee sector: Average 284 days	Less than 6 months	Participants Private and Public Actors	Surveys	Baseline study, and final evaluation	CARE Honduras
	1120.2 % of public and private actors that invest/act on issues related to social responsibility and the rights of women, youth and indigenous peoples in their investment plans	N/A	25%	Books of the organizations	Document Review	Annual	CARE Honduras
1210 Improved skills acquisition and access to technological innovation, basic financial education, business planning and market intelligence for women, young women and men and indigenous people.	**1210.1** # of women, youth and indigenous businesses that have been legalized		86 businesses legalized (36 coffee, 50 tourism)	Record of the businesses	Review of business legalization processes.	Anual	CARE, CESO, SAJE y Technoserve
	1210.2 # de businesses with a complete business plan		220 businesses	Documents of businesses	Document Review	Anual	CARE, CESO, SAJE y Technoserve
1220 Improved access to high-value markets and the use of financial, commercial and extension services by small rural entrepreneurs,	**1220.1** # of companies and organizations of women producers, youth and indigenous people linked to formal markets		86 companies (36 coffee companies, 64 tourism) with formal contracts or strategic alliances	Beneficiaries Copies of marketing contracts, financial services approved	Surveys Document Review	Anual	CARE Honduras-Technoserve

[9] An initial capacity assessment will be conducted prior to the training (pre-test training)

Expected Outcome (from Logical Framework)	Indicator	Baseline Data	Target	Data Source(s)	Data Collection Method	Frequency	Responsible
especially women, men and young and / or indigenous women.	**1220.2** # of companies / enterprises of women, youth and indigenous people with financing (disaggregated by sex and value chain)		86 companies with access to financing (36 coffee companies, 64 tourism)	Beneficiaries Copies of marketing contracts, financial services approved	Surveys Document Review	Anual	CARE Honduras-Technoserve
OUTPUTS							
1111 Trained women, men, young men and women and indigenous men and women in leadership, decision making, gender equality and gender violence, reproductive and economic rights.	**1111.1** # of women, men, young men and women and indigenous women and men trained.		80% (9,312) 5,994 women (5,369 >29 years, 625 between 18 a 29 years) 3,318 men (2,600 >29 years, 718 between 18 and 29 years) - 50 % indigenous population (9,312)	Attendance Lists	Document Review	Quarterly	CARE Honduras, Technoserve, SAJE
	1111.2 # of certified training courses		3 certified training courses	Attendance Lists	Document Review	Quarterly	CARE Honduras, Technoserve
1112 Conducted a study on the division of work in the household and introduced national methods and technologies to address the unequal domestic and reproductive workload in the household	**1112.1** # of families with new technologies installed (stoves, water filters, floors, etc.)		550 families	Delivery Record	Document Review	Quarterly	CARE Honduras y CESO
	1112.2 # of carried out studies		1	Study Report	Document Review	Once	CARE Honduras
1113 Trained women, youth and indigenous organizations/networks in government policies, advocacy and procedures related to the economic empowerment of women,	**1113.1** # of organizations and networks trained		60 (2 networks - the youth network and the women network per municipality and 10 other organizations in the project region)	Attendance Lists	Document Review	Quarterly	CARE Honduras

Expected Outcome (from Logical Framework)	Indicator	Baseline Data	Target	Data Source(s)	Data Collection Method	Frequency	Responsible
youth and indigenous women.	**1113.2** # of women and young women and young men trained		60% (5,034) 3,544 women, 960 young women, 530 young men (50% to the indigenous population of the total)	Attendance Lists	Document Review	Quarterly	CARE Honduras
1114 Facilitated the exchange between young men and women, women and indigenous organizations to share experiences and learnings about production, marketing and small business development.	**1114.1** # of exchanges between young men and women, women and indigenous people		16 exchanges (4 per year)	Attendance Lists Field Reports	Document Review	Quarterly	TechnoServe y CARE Honduras
	1114.2 # of participants (men, women, young women, young men and indigenous people) in the exchanges		300 participants (150 women/young women, 150 men)	Attendance Lists Field Reports	Document Review	Quarterly	TechnoServe y CARE Honduras
1115 Carried out awareness campaigns in defense of gender equality in local economic development by women, youth and indigenous organizations / networks.	**1115.1** # of participants in open town reunions meetings and campaigns organized by gender and age, indigenous population.		1,300 women 700 men 500 young women 500 young men (50% to the indigenous population of the total)	Attendance Lists	Document Review	Quarterly	CARE Honduras
	1115.2 # of agreements or agendas that leave reinforced spaces for coordination between women's and youth organizations, the public and private sectors in favor of women, young people and marginalized people		12	Campaigns records Minutes Produced agreements or agendas	Document Review	Quarterly	CARE Honduras

Expected Outcome (from Logical Framework)	Indicator	Baseline Data	Target	Data Source(s)	Data Collection Method	Frequency	Responsible
1121 Trained municipal employees, public officials, members of round tables, business service providers, members of associations and trade and tourism councils on gender equality and business development.	**1121.1** # of municipal employees, public officials, members of round tables, Committees of Commerce and Tourism (disaggregated by gender, ethnicity and age) qualified in gender equality and business development		250 (49% women and 51% men)	Attendance Lists	Document Review	Quarterly	CARE Honduras, SAJE, CESO
1122 Carried out investments of adequate financial resources in an inclusive economic development for women, youth and indigenous peoples from the municipal budgets.	**1122.1** # of municipalities allocating / executing resources for inclusive economic development		20 municipalities (80% of the 25 municipalities)	Secondary data of the municipalities Reports, Social oversight of the Municipalities	Document Review	Anual	CARE Honduras
1123 Established one-stop-centers that provide technical assistance / legal support, in collaboration with municipal authorities, the Ministry of Economic Development (SDE) and the Honduran Institute of Tourism (IHT).	**1123.1** # of one-stop centers established		12 (4 in large municipalities and 8 in the commonwealths)	Secondary Data Minutes from meeting of the Municipal Associations (commonwealths)	Document Review	Semestral	CARE Honduras y CESO
	1123.2 # of companies that use the services of one-stop centers		86 businesses	Documents of the attention centers List of clients	Document Review	Semestral	CARE Honduras
1124 Revised and updated and / or developed economic agendas, plans, policies and gender standards related to gender equality and small business development led by women, young men and women and indigenous peoples.	**1124.1** # of economic agendas, policies and gender standards updated and / or developed and approved in public meetings with the participation of public and private actors.		12	Secondary data from the municipal offices, field reports, agendas / policies	Document review	Anual	CARE Honduras

Expected Outcome (from Logical Framework)	Indicator	Baseline Data	Target	Data Source(s)	Data Collection Method	Frequency	Responsible
	1124.2 # of development plans, strategies and policies that incorporate actions aimed at small businesses of women, youth and indigenous people		3 departmental development plans for sustainable and inclusive tourism.	Secondary data, departmental policies	Document review	Anual	CARE Honduras
1125 Documented successful business cases based on inclusive economic development, corporate social responsibility, legalization of the informal sector, simplification of procedures and commercial policies on the rights of women, youth and indigenous women.	**1125.1** # success stories of entrepreneurs (governance / gender / coffee / tourism / finance)		30 stories	Entrepreneurs, Officials	Interviews	Semestral	CARE Honduras, CESO y TechnoServe
1211 Trained women, men and young and indigenous women in basic financial education, marketing and sales, customer service, business development, agronomic management, information technology (IT) and resilience.	**1211.1** # of women, men, young and marginalized men and women with knowledge in business development, agronomic management, business culture and mentality, information technology, financial literacy and climate change		3,000 people: 700 women 300 men 660 young women 340 young men 800 indigenous women 200 indigenous men	Beneficiaries Pre-and post training tests Presence lists / attendance record	Document review Annual quantitative harvest surveys and focus groups	Quarterly/Anual	CARE Honduras TechnoServe
	1211.2 # of graduate businesses in the coffee and tourism training cycle		132 businesses (70 coffee, 62 tourism sector)	Presence lists / attendance record	Document Review	Annual	CARE Honduras, TechnoServe

Expected Outcome (from Logical Framework)	Indicator	Baseline Data	Target	Data Source(s)	Data Collection Method	Frequency	Responsible
1212 Established research groups and agroindustry plots in order to adapt technologies for local agriculture and market conditions, in collaboration with schools, IHCAFE, ITH and INFOP.	**1212.1** # of groups of women and young people (disaggregated by gender and age) that practice participatory research and validate technologies		25 groups (to be determined) groups of women youth groups	Documents	Presence lists Group registration sheets Research reports	Annual	CARE Honduras y TechnoServe
1213 Promoted masculine and feminine business initiatives by actors of the private sector, centers of business development, networks and schools.	**1213.1** # of young men and women certified in business development		1,175 youth (50% women)	Attendance list / certificates	Document Review	Semestral	SAJE y CESO
1214 Created alliances between companies run by women, youth and indigenous people and public-private entities with Mother Parkers, IHCAFE, ITH and INFOP, the Ministry of Economic Development, the Small Business Development Center, the Municipalities, Chamber of Commerce and Tourism, to allow market links.	**1214.1** # of small businesses that have formed public-private partnerships with private sector organizations for production and marketing		5 small businesses in tourism, 25 small coffee companies	Members of Companies, Buyers Documents (contracts)	Surveys and Document Review	Anual (coffee) Quarterly (tourism)	CARE Honduras SAJE y TechnoServe
	1214.2 Level of satisfaction of the managers of small businesses with alliances		75% of the managers satisfied with the alliances	Manager/s	Surveys	Anual	CARE Honduras y TechnoServe
1215 Information technologies and communication tools are used to raise awareness and promote an enabling environment for the development of small rural businesses run by women, young men and women and indigenous peoples.	**1215.1** # Designed communication strategy and visibility		1 Visibility and communication strategy	Sustainable Development Network (RDS)	Document Review	Once	CARE Honduras
	1215.2 # dissemination instruments		To be determined	Sustainable Development Network (RDS)	Review of audio-visual material produced	Anual	CARE Honduras

Expected Outcome (from Logical Framework)	Indicator	Baseline Data	Target	Data Source(s)	Data Collection Method	Frequency	Responsible
1221 Carried out analysis of the value chains of coffee and rural tourism and gender-sensitive market research.	**1221.1** # carried out analysis		2 analysis	Actors of coffee value chains and rural tourism	Evaluation (surveys)	Once	CARE Honduras
	1221.2 # of market researches		2 researches	Women, youth and indigenous people	Evaluation (surveys)	Once	CARE Honduras
1222 Strengthened the capacity of rural extension service providers and inputs in the coffee value chain and rural tourism to provide gender equality and better access and quality of services and goods to women, youth and indigenous peoples .	**1222.1** % of farmers and entrepreneurs / businesswomen and businessmen of small businesses satisfied with the technical assistance provided		75% of women, men, women and young farmers and businessmen satisfied with the extension services	Farmers and entrepreneurs	Surveys satisfaction of suppliers Focus groups	Anual	CARE Honduras TechnoServe
1223 Developed a loan guarantee mechanism and a revolving fund for small rural businesses run by women, youth and indigenous peoples and / or individuals.	**1223.1** # of new financial services created		2 new created services	Secondary data Reports of financial institutions	Document Review	Once	SOCODEVI
	1223.2 # of collective and / or individual businesses that access at least one guarantee mechanism for loans and / or revolving funds (disaggregated by gender, age, indigenous or non-indigenous, category of fund, amount and site)		86 collective and / or individual companies 65 companies and 35 individual	Secondary data: Fund system Reports of financial institutions	Document Review	Semestral	SOCODEVI
1224 A Strengthened and functional Regional Small Business Development	**1224.1** # of small businesses with business plans		220 businesses (70 in coffee and 150 in rural tourism)	CDE MIPYME	Document Review	Semestral	CARE Honduras, CESO, SAJE y Technoserve

Expected Outcome (from Logical Framework)	**Indicator**	**Baseline Data**	**Target**	**Data Source(s)**	**Data Collection Method**	**Frequency**	**Responsible**
Center to provide services to small rural enterprises in collaboration with the Ministry of Economic Development (SDE), the Municipal Councils	**1224.2** Level of satisfaction of the managers of small companies with technical assistance		75% of the managers satisfied with the business services	Managers of small businesses (users)	Surveys satisfaction of managers	Semestral	CARE Honduras
1225 Established small rural enterprises for women, young men and women and indigenous peoples in rural tourism and coffee.	**1225.1** # of new enterprises / established rural enterprises for women, young men and women and indigenous peoples		50 new companies / rural enterprises (25 coffee and 25 tourism)	Secondary Data (visits registry)	Document Review	Semestral	CARE Honduras, CESO, SAJE y Technoserve