

## COMPREHENSIVE PILOT PROGRAM TO FIGHT URBAN POVERTY

(HO-0184)

### EXECUTIVE SUMMARY

<b>Borrower:</b>	Republic of Honduras	
<b>Executing agencies:</b>	Honduran Child and Family Institute (IHNFA), the Ministry of Culture, Art and Sports (SCAD) and the municipal government of the Central District of Tegucigalpa, coordinated by the Ministry of Finance (SEFIN).	
<b>Amount and source:</b>	IDB (FSO):	US\$8,100,000
	Local:	US\$900,000
	Total:	US\$9,000,000
<b>Terms and conditions:</b>	Amortization period:	40 years
	Grace period:	10 years
	Disbursement period:	2.5 years
	Interest rate:	1% the first 10 years and 2% thereafter
	Inspection and supervision:	1%
	Credit fee:	0.5% per annum on the undisbursed balance
<b>The problem:</b>	<p>The city of Tegucigalpa is in a particularly serious state of disrepair, due mainly to the difficult economic situation the country has been enduring compounded by the devastating impact of Hurricane Mitch. The historic city center (HCC) in downtown Tegucigalpa is especially decayed because every day large numbers of people converge there in search of income, mostly in the informal sector. These groups, which come from various other parts of the city, consist of poor families with children from birth to 18. Some of these children go to school, others work and many are not cared for at all. In addition, there are homeless children and adolescents who live in the streets and are at risk of drug addiction and child prostitution.</p>	

**Justification for an innovation loan:**

The program has been designed as an innovation loan based on the following considerations: (i) it will promote consultation among the stakeholders in order to build a consensus on use of the space and cultural resources in the historic city center; (ii) it will focus on the above-mentioned transient groups, with the innovative approach of having the activities carried out at their place of work—in this case, the historic city center—, as opposed to the Bank's traditional approach to date of focusing on the place of residence; (iii) it will explore alternatives to ensure ownership of the cultural heritage and values on the part of society as a whole, especially low-income groups; (iv) it will use art as an instrument to fight poverty; and (v) it will test coordination of three agencies in an additional study for program implementation.

**Objectives:**

The general objective of the program is to develop and test a new, comprehensive model with which to fight urban poverty. Its specific objectives are to promote: (i) concerted political action and consensus-building on the use of public urban space; and (ii) innovative measures to improve social capital and opportunities for human development for transient groups in their place of work.

**Description:**

To achieve its objectives, the program will have two components that will be implemented concurrently: (i) citizen outreach to help design activities that will promote use by society as a whole of the cultural heritage, space and resources afforded by the historic city center; and (ii) pilot interventions for comprehensive services for vulnerable transient groups, especially children and adolescents.

**Citizen outreach (US\$1.1 million).** The program will finance technical assistance for: (i) development and implementation of a methodology for citizen outreach and participation to identify alternative solutions to the problems of transient poor groups and for use of public space in the historic city center for the benefit of society as a whole; (ii) formulation of a program for promotion and dissemination of the outreach program to generate interest on the part of possible participants in the consensus-building process; (iii) a feasibility study for city planning on rehabilitation of the historic city center for commercial, tourist and recreational use of the public urban space, based on the results of the outreach process; and (iv) visits for observation and exchange of experience with other cities in the region for the staff of the technical executing agency and representatives of the interest groups involved. The program may also finance certain small-scale works identified at various points in the outreach and consensus-building processes by the stakeholders.

**Pilot interventions for care for vulnerable groups (US\$5.9 million),** which will include: (i) a pilot program for comprehensive care for girls

and boys from birth to six, for the purpose of developing and testing new types of comprehensive care for preschoolers and to provide support for mothers and/or the family unit to improve child care in the home; (ii) a pilot program for cultural activities to supplement formal education for children from seven to 14, for the purpose of developing innovative practices using art and culture as instruments to protect children and mitigate risks and create new forms of social inclusion; (iii) a pilot vocational training program for adolescents aged 14 to 18, to test the introduction of a comprehensive approach to job training to facilitate entry into the formal labor market, with training provided by civil society organizations, the public sector and/or the private sector and connected with the objectives of the program 1; and (iv) minor construction works at the facilities where the pilot projects will be carried out.

**The Bank's  
country and  
sector strategy:**

The Bank's support program for Honduras fits into the Master Plan for Reconstruction and Transformation of the Government of Honduras (GOH). The pillars of the plan are fighting poverty, promoting the development of human capital and improving the social and productive environment. The program strategy is consistent with the Bank's policy of furthering these goals in that it endeavors to correct the most acute problems of urban poverty in an area where the various manifestations of extreme poverty are concentrated.

**Environmental  
and social  
review:**

The program is not expected to have any appreciable environmental impact, although some activities will improve the green spaces and thus improve environment. One positive consequence of the program will be to revive parks and recreation areas. CESI reviewed Profile I of this operation and, given the small scale of the physical works, made no special recommendations.

**Benefits:**

Since the program is designed to fight urban poverty in the place of work, it is expected to have positive social and economic benefits. The main social benefits will stem from the combination of activities targeting the most vulnerable groups, especially children and youth at risk, and female heads of household with children. The use of art and culture to promote comprehensive development of girls and boys will help develop a sense of ownership of the cultural heritage and values both by marginal groups and by society as a whole.

Other program benefits will be to: (i) explore the advantages of child care for working mothers in terms of improvements in the performance of their productive activities; and (ii) examine alternative vocational training schemes for adolescents.

Using the "learning by doing" approach for program execution, the executing agencies may determine the feasibility of the proposed

options and make any necessary adjustments for their future application on a larger scale. Moreover, through its comprehensive approach to addressing the needs of poor families, upon program completion GOH will have gained experience in addressing the problem of urban poverty at the place of work, founded on the actual situation in Tegucigalpa.

**Risks:**

The program faces the following risks: (i) the services to be provided in the HCC may attract even more transient groups, but this risk will be mitigated through the selection criteria for the beneficiaries, who, among other requirements, must prove seniority as transient workers in the HCC; (ii) a consensus on commercial, tourist, and recreational rehabilitation of the HCC public spaces may not be reached, but this risk will be mitigated through the system for consultation, negotiation, and consensus-building that will ensure that agreements can be reached and enforced; and (iii) delays in the implementation of program activities may occur if preparation of the social action plans and terms of reference for services are delayed, but this risk will be mitigated through the funds to be assigned under the program to hire consulting services to support the executing agencies in the activities.

**Special contractual clauses:**

As a condition precedent to release of the first tranche, the GOH will submit the following documentation to the Bank: (i) evidence that the coordination agreements between SEFIN and each of the executing agencies, as stipulated in paragraph 3.4, have been signed; and (ii) the operating guidelines for the program, as described in paragraph 3.13.

The Bank may recognize up to US\$75,000 equivalent in expenses incurred after 13 September 2000 and before approval of the loan to hire the general coordinator for the program and to purchase office equipment and materials for the PCU for retroactive financing, provided Bank procedures were followed.

Once the conditions set forth in subparagraphs 4.01 (a), (b) and (e) of the General Conditions have been fulfilled, the Bank may make a special disbursement of up to US\$200,000 from the loan proceeds to initiate the program activities to cover the cost of hiring the social-sector specialist for the PCU and the specialized firm that will formulate the evaluation methodology called for under the program.

**Poverty-targeting and social sector classification:**

This operation qualifies as a project to reduce poverty and enhance social equity, as described in the key objectives mandated by the Bank's Eighth Replenishment (document AB-1704) (see paragraph 4.5).

The operation also qualifies as a poverty-targeted investment (PTI). The borrowing country will be using the 10% points in additional financing (see paragraph 2.23).

**Exceptions to  
Bank policy:**

None.

**Procurement:**

The thresholds above which procurement will be subject to international competitive bidding are US\$250,000 for goods and related services, US\$1 million for works and US\$200,000 for consulting services. In the case of works, goods, related services and consulting services below those thresholds, the procedures stipulated in Annex D to the loan contract will be followed until the Government Procurement Act enters into force. The thresholds set forth in Annex D are as follows:

<b>Type of procurement</b>	<b>Local competitive bidding (LCB)</b>	<b>Limited local bidding (LLB)</b>
Works	Over US\$200,000	Less than US\$200,000
Goods and related services	Between US\$75,000 and US\$250,000	Less than US\$75,000
	<b>Open call for proposals</b>	<b>Restricted call for proposals</b>
Consulting services	Between US\$75,000 and US\$200,000	Less than US\$75,000

## **I. BACKGROUND**

### **A. The problem**

- 1.1 The city of Tegucigalpa is in a particularly serious state of disrepair, due mainly to the difficult economic situation the country has been enduring compounded by the devastating impact of Hurricane Mitch. The historic city center (HCC) in downtown Tegucigalpa is especially decayed because every day large numbers of people converge there in search of income, mostly in the informal sector. These groups, which come from various other parts of the city, consist of poor families with children from birth to 18. Some of these children go to school, others work and many are not cared for at all. In addition, there are homeless children and adolescents who live in the streets and are at risk of drug addiction and child prostitution.
- 1.2 The problems to be addressed in the historic city center include chaotic, inefficient use of public spaces and urban services, as a result of the disorganized informal market. In addition, working mothers face problems in the care of their children and consequently in their performance on the job. Because of the lack of childcare services, the women have to bring children under six to their work place, where the children spend the entire day in unsafe, unsanitary conditions, while school-age children have no after-school care. This situation increases the likelihood of their dropping out of school and exposes them to high-risk situations.

### **B. Justification for an innovation loan**

- 1.3 The program has been designed as an innovation loan based on the following considerations: (i) it will promote consultation among the stakeholders in order to build a consensus on use of the space and cultural resources in the historic city center; (ii) it will focus on the above-mentioned transient groups, with the innovative approach of having the activities carried out at their place of work—in this case, the historic city center—, as opposed to the Bank's traditional approach to date of focusing on the place of residence; (iii) it will explore alternatives to ensure ownership of the cultural heritage and values on the part of society as a whole, especially low-income groups; (iv) it will use art as an instrument to fight poverty; and (v) it will test coordination of three agencies in an additional study for program implementation.
- 1.4 The HCC has an underutilized cultural heritage of which only a single segment of Honduran society claims ownership. The program will explore alternatives to ensure ownership of this cultural heritage and cultural values by society as a whole, especially low-income groups.
- 1.5 To obtain feedback on the experiences and lessons learned on the part of the institutions involved and other stakeholders, the program will have a system for

monitoring and evaluation of the pilot programs. The system will enable the stakeholders to compile the experience gained and incorporate the lessons learned into the policy-setting and decision-making processes at the technical and managerial levels and will enable the Bank to review the possible replicability of the program in other countries and regions.

- 1.6 To ensure that the experience gained is internalized as fast as possible, a coordination unit will be in charge of general coordination and will handle the operating and financial procedures of the program. The institutions in charge of technical execution of the pilot programs [the Honduran Child and Family Institute (IHNFA), the Ministry of Culture, Art and Sports (SCAD), and the municipal government of the Central District of Tegucigalpa] can thus focus on learning the proposed new intervention approaches. Upon program completion, the agencies will have gained experience and learned lessons that will enable them to formulate policies, strategies and intervention models that can be replicated in other parts of the city and/or country. In program evaluation, account will be taken of the experience gained through coordination of the three agencies, which have never worked together before and belong to three different sectors.

**C. Institutional characteristics**

- 1.7 Given its nature, the program will require the involvement of institutions associated with the social, cultural and urban sectors, namely: the IHNFA, the SCAD, and the Tegucigalpa central district municipal government.
- 1.8 Created as an autonomous agency to promote social development, the IHNFA is the governing body for State policy on children, adolescents and the family. As such, it is responsible for formulating policy and coordinating the roles that public and private institutions play in planning and implementing measures to provide comprehensive child and family protection.
- 1.9 Pursuant to the regulations of the 1990 Comprehensive Code for Child and Adolescent Protection, the IHNFA has assigned priority to three areas of intervention: (i) protection of children's rights, with special emphasis on creating opportunities for comprehensive development of at-risk children; (ii) promotion of family welfare and community development; and (iii) retraining and social rehabilitation of juvenile delinquents. As the governing body for policies on children, one of IHNFA's goals is to build up its technical and administrative capability to carry out effective interventions to protect poor children and their families. However, the conventional procedures the institution has used to date have been ineffective in helping it to discharge its mandate. The IHNFA is currently experiencing problems in organization that are being examined in a diagnostic study, financed with technical-cooperation funding from the Norwegian Fund (ATN/NF-6550-HO), with support from the Bank. The GOH requested financing from the Bank for institutional strengthening of the IHNFA to supplement the proposed program.

- 1.10 The SCAD is the agency responsible for the formulation, coordination, implementation, and evaluation of policies on education in the arts and research on the nation's cultural heritage and its restoration, dissemination, conservation and protection. To date, the SCAD has been using a conventional approach to the scope and use of art and culture in its activities. That approach is currently under review in an attempt to engage all segments of society in artistic and cultural programs and activities, particularly the most vulnerable groups. The proposed loan would give the SCAD the opportunity to implement this transformation.
- 1.11 The central district municipal government has exclusive authority to approve urban programs and projects. This authority includes decision-making on the use of space in the historic city center (HCC). The municipal government is thus involved in one of the most critical problems that has to be resolved for rehabilitation of the HCC, which is to reach agreements with street vendors and other HCC users and find solutions that meet the needs of all the parties.

**D. The program's correspondence to the Bank's strategy in Honduras**

- 1.12 The Bank's program to support Honduras follows the guidelines of the GOH Master Plan for Reconstruction and Transformation. The pillars of this plan include fighting poverty, promoting the development of human capital, and improving the social and productive environment. The strategy for comprehensive rehabilitation of the HCC is consistent with the Bank's policy of supporting these objectives, in that its goal is to address the most severe problems of urban poverty in an area where the most acute manifestations of such poverty are concentrated.

## **II. THE PROGRAM**

### **A. Objectives**

- 2.1 The program's general objective is to develop and test new, comprehensive models for fighting urban poverty. Its specific objectives are to promote: (i) concerted political action and consensus-building on the use of public urban space; and (ii) innovative measures to improve social capital and opportunities for human development for transient groups in their place of work. These objectives are part of the GOH poverty-reduction strategy.<sup>1</sup>

### **B. Program description**

- 2.2 The program will be carried out in the historic city center (HCC) of Tegucigalpa, where women, children and adolescents converge daily for activities connected with the informal market and where the rates of unemployment, child neglect and homelessness are high, due in part to low per-capita income levels and accelerated migration to the city as a result of Hurricane Mitch. These complex problems are compounded by distorted use of public spaces and urban services. The proposed program will test a model to address the problem by targeting the transient population at their place of work.
- 2.3 To achieve its objectives, the program includes two types of activities to be carried out concurrently: (i) citizen outreach to help design activities that will promote use by society as a whole of the cultural heritage, space and resources afforded by the historic city center; and (ii) pilot interventions for comprehensive services for vulnerable transient groups, especially children and adolescents.

#### **1. Citizen outreach (US\$1.3 million)**

- 2.4 The purpose of this activity is to develop and test a methodology for citizen outreach and negotiation that involves all the stakeholders in the public and private sectors, including civil society. The program will finance technical assistance for: (i) development and implementation of a methodology for citizen outreach and participation to identify alternative solutions to the problems of transient poor groups and for use of the HCC for the benefit of society as a whole; (ii) formulation of a program for promotion and dissemination of the outreach program to generate interest on the part of possible participants in the consensus-building process; (iii) a preinvestment study on rehabilitation of the HCC for commercial, tourist and recreational use of its public spaces; and (iv) visits for observation and exchanges of experience for the staff of the technical executing agency and representatives of the interest groups involved.

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<sup>1</sup> Government of Honduras, *Estrategia para la Reducción de la Pobreza* (ERP) [Poverty-Reduction Strategy], June 2000.

- 2.5 The central district municipal government will be responsible for technical implementation of this pilot program. Some small-scale works identified at various points in the citizen outreach and consensus-building processes by the stakeholders and that would qualify under this activity may be financed under the proposed program.

**2. Pilot interventions for services for vulnerable groups (US\$6.5 million)**

- 2.6 The purpose of these activities is to test, on a small scale and in a controlled environment, new approaches to intervention designed to promote development of the social and human capital of the more vulnerable groups, especially girls and boys and adolescents linked to the informal market and suffering from unemployment, neglect and homelessness in the HCC. These activities will include training for parents to ensure their support for the program.
- 2.7 **Pilot program for comprehensive care for girls and boys from birth to six.** The purpose of this subcomponent is to develop and test new types of comprehensive care and services for preschoolers and to provide support for mothers at their place of work and the family unit to improve child care at home.
- 2.8 The technical assistance activities under this pilot project will consist of support for the development and implementation of innovative strategies for working with families and new approaches to early stimulation and nutrition programs for comprehensive child development. A program to promote and disseminate these activities will also be financed, as will a system to monitor the strengthening of the IHNFA's management and policy formulation capacity; an evaluation of the economic and financial feasibility of the proposed type of activities; and development of a managerial and organizational strategy for efficient administration of the services. In addition, the program will finance activities for training of the IHNFA technical and managerial staff, including visits to observe and share experiences with other countries.
- 2.9 The pilot program services will be provided by the Centro de Atención Integral Infantil San Isidro [San Isidro Comprehensive Child Care Center] (CAISI), run by the IHNFA. Part of the CAISI facilities are currently being used to serve at-risk children and youth suffering from drug addition, prostitution and other problems. To ensure that both groups have appropriate facilities for the services to be provided, this activity will finance renovation of the CAISI and improvements in the space to be used as a child care center and for the treatment of at-risk youth, also administered by the IHNFA. The GOH is currently examining various options for the at-risk youth. The program will also finance equipment, furnishings, teaching materials, games and other appropriate items for the two groups.
- 2.10 Administration and delivery of CAISI's services will be outsourced to the private sector and governed by the IHNFA Manual for the Care of Boys and Girls Under the Age of 6, which the Bank has reviewed and approved. The IHNFA will be in charge of management, administration and technical supervision of this component,

and of implementation of the CAISI activities. To that end, the institution will put together the criteria for selecting beneficiaries, the terms of reference for delivery of the services, review of the proposals for the services and the profiles of the staff in charge of those services. Estimates are that, in principle, the needs of some 500 children will be attended during the life of the program.

- 2.11 The operating guidelines for the program will stipulate: the eligibility criteria for the girls and boys who benefit from the services under this subcomponent; the selection criteria for the civil society organizations that provide the services; and the criteria for determining the areas covered and the methodologies used for the comprehensive care, proposals for which are to be submitted by the private sector to the review committee. In the operating guidelines, the IHNFA will also stipulate how the proposal review committee will be incorporated.
- 2.12 **Pilot program for cultural enrichment activities for children ages 7 to 14 to supplement formal education.** The purpose of this pilot program is to test innovative activities that use art and culture as tools to protect at-risk children and adolescents and to devise new ways of ensuring their social inclusion. The activities will use a comprehensive approach designed to get the beneficiaries involved in cultural and artistic activities and to provide academic support through tutoring in a safe environment for social interaction after school. The financing will be used to enable children and adolescents to participate in classes and activities in music, the graphic arts, theater and other areas. The pilot program services will be provided at the *Instituto Merceditas Agurcia* and the National Gallery of Art.
- 2.13 The SCAD will be responsible for management, administration and technical supervision of the artistic and cultural education activities. To that end, it will develop criteria for selecting beneficiaries, the terms of reference for delivery of the services, and the profiles of the personnel responsible for those services, for which purpose the program will provide technical assistance. For the tutoring to provide academic support, the SCAD will coordinate the content of the programs and the terms of reference for the tutors with the IHNFA. Contracts will be let with the private sector for the provision of the services, including the tutoring.
- 2.14 The program will finance training for the SCAD technical staff, including: visits for observation and exchanges of experience; promotion and dissemination of the activities to be conducted; a system for monitoring and evaluation of the services; and analysis of the economic and financial feasibility of this type of activity so as to ensure its future sustainability.
- 2.15 Approximately 300 children are expected to benefit from the pilot program during the program execution period. Financing will be provided for equipment, furnishings, musical instruments, teaching materials, books and other items. Financing will also be provided for upgrading of certain rooms in the *Instituto Merceditas Agurcia* and the National Gallery of Art, and designs for the *Casa de la Cultura*. Since not all the beneficiaries will be from schools located close to the two institutions, transportation costs to and from the respective schools will also be

covered. The operating guidelines for the program will stipulate how this activity will be carried out.

- 2.16 The operating guidelines for the program will stipulate: the eligibility criteria for the girls and boys who benefit from the cultural enrichment activities to supplement formal education; the selection criteria for the civil society organizations that provide the services; the criteria for evaluating proposals; the criteria for determining the areas covered, the methodologies used and the scope of the tutoring; and the procedures for establishing selection committees.
- 2.17 **Pilot program for vocational training for adolescents aged 14 to 18.** The purpose of this pilot program is to test the introduction of a comprehensive vocational training and education model for adolescents who live in extreme poverty and have dropped out of the formal education system. The model is designed to train adolescents of both genders in various trades in order to help them enter the formal labor market. In principle, these young people would begin by working on program activities, as paid assistants to plumbers, electricians, carpenters, contractors and so on.
- 2.18 The program will finance the hiring of government enterprises, private firms and/or civil society organizations for short-term training services in occupations that are related but not limited to the works carried out in the HCC. Training may also be provided for youth as apprentices in government enterprises or private companies. The number of young people trained during the life of the program will depend on the capacity of the supply of services. Approximately 2,000 will be trained by month 30 of the program. At the same time, financial feasibility studies will be conducted for continuity and sustainability of the training program.
- 2.19 The operating guidelines of the program will stipulate: the eligibility criteria for the participants in the training activities, the service providers and the proposals for training (see Annex III).
- 2.20 **Contingencies (US\$789,000).** The program includes resources for contingencies that may be used to expand some of the above-described activities and to introduce new activities designed to meet the same objectives. The operating guidelines will establish the eligibility criteria and mechanisms to introduce new activities and for their evaluation.

**C. Program administration (US\$944,000)**

- 2.21 To ensure that administrative management of the loan is expeditious and that the institutions in charge of the pilot programs' technical execution (IHNFA, SCAD and the central district municipal government) internalize the experience they acquire, the program will have a general loan coordination unit (LCU) whose purpose will be to oversee the procedures for program execution, operations and finances.

- 2.22 The LCU will be attached to SEFIN and will be made up of a general coordinator, a financial and accounting specialist, a social sector specialist and support staff. Program resources will fund this staff, as well as the LCU's office equipment and supplies, evaluations of the activities and external auditing.

**D. Cost and financing**

- 2.23 The estimated cost of the program is US\$9 million. The IDB loan, the equivalent of US\$8.1 million, will be from the Fund for Special Operations (FSO). Since this operation is poverty targeted, the Bank financing will underwrite up to 90% of the program's total cost. The local counterpart funding, equivalent to US\$900,000, will be from the central government.

**Cost Table (in thousands of US\$)**

<b>Investment category</b>	<b>IDB</b>	<b>Local</b>	<b>Total</b>	<b>%</b>
<b>1. Citizen outreach</b>	<b>1,000</b>	<b>90</b>	<b>1,090</b>	<b>12.1</b>
1. Consulting services	450	-	450	
2. Training	50	-	50	
3. Works	500	-	500	
4. General support		90	90	
<b>2. Pilot programs for vulnerable groups</b>	<b>5,351</b>	<b>600</b>	<b>5,951</b>	<b>66.1</b>
1. Consulting services	2,478	300	2,778	
2. Training	735	-	735	
3. Goods and services	1,138	150	1,288	
4. Works	1,000	-	1,000	
5. General support	-	150	150	
<b>3. Contingencies</b>	<b>692</b>	<b>96</b>	<b>789</b>	<b>8.8</b>
<b>Total for activities</b>	<b>7,043</b>	<b>786</b>	<b>7,830</b>	<b>87.0</b>
<b>4. Program administration</b>	<b>855</b>	<b>89</b>	<b>944</b>	<b>10.5</b>
1. Consulting services	165	-	165	
2. Goods and services	15	30	45	
3. Evaluations	375	-	375	
4. External audits	300	-	300	
5. General support	-	59	59	
<b>Subtotal</b>	<b>7,898</b>	<b>875</b>	<b>8,774</b>	<b>97.5</b>
<b>5. Finance charges</b>	<b>202</b>	<b>25</b>	<b>226</b>	<b>2.5</b>
1. Interest	121	-	121	
2. Inspection and supervision	81	-	81	
3. Commitment fee	-	25	25	
<b>Grand total</b>	<b>8,100</b>	<b>900</b>	<b>9,000</b>	<b>100.0</b>
<b>Percentage</b>	<b>90%</b>	<b>10%</b>	<b>100%</b>	

2.24 The terms and conditions of the proposed loan are as follows:

Source of financing	FSO
Terms: - Amortization period - Grace period - Commitment period - Disbursement period	40 years 10 years 2 years 2.5 years
Interest rate	1% the first 10 years 2% per annum thereafter
Supervision	1%
Credit fee	0.5% per annum on the undisbursed balances

### **III. ORGANIZATION AND ADMINISTRATION**

#### **A. Program Execution**

- 3.1 The borrower will be the Republic of Honduras. The executing agencies will be the Honduran Child and Family Institute (IHNFA), the Ministry of Culture, the Arts and Sports (SCAD), and the municipal government of the central district, coordinated by the Ministry of Finance (SEFIN).
- 3.2 The program is innovative and must be carried out within a period of 30 months. The method of execution must, therefore, ensure that the IHNFA, the SCAD and the municipal government focus their resources and efforts on the technical and learning aspects of the program. Their responsibilities, therefore, will be to ensure the suitability of the suppliers and of the services provided under their respective pilot programs. Their specific duties will be stipulated in the operating guidelines of the program.
- 3.3 Given the multisectoral nature of the activities, the IHNFA, the SCAD and the municipal government clearly cannot shoulder the entire burden that coordination of execution and ensuring full execution of the activities represent. SEFIN will carry this responsibility, thus ensuring that coordination is effected in timely fashion.
- 3.4 Through the PCU, the SEFIN will manage and coordinate the operative and financial procedures of the program and will serve as contracting agent for the executing agencies. To this end, SEFIN will enter into a coordination agreement with each executing agency, under which the parties will agree that SEFIN will handle financial management of the program and the counterpart resources, along with procurement for the program, which will be carried out with the participation of the executing agencies. The agreements will also stipulate the obligations of the parties, as indicated in paragraphs 3.8 et seq. The PCU will be supported by representatives appointed by the respective executing agencies, as set forth in the operating guidelines of the program. A technical review committee will be set up for selection of the proposals. It will be chaired by the general coordinator of the program and its membership will be the PCU social sector specialist and a technical representative from each of the three executing agencies appointed by each agency, respectively.

#### **B. Execution arrangements**

- 3.5 The program will be carried out over a period of two and a half years, in accordance with the operational, technical and financial requirements and with the rules and procedures established in the proposed coordination agreements and the operating guidelines of the program. The guidelines will stipulate the mechanisms, commitments and structure of the program with respect to the various participating agencies.

- 3.6 The program will be implemented based on annual operating plans, semiannual technical reviews and a concurrent system of monitoring, evaluation and learning. The execution system will be flexible so that any necessary adjustments, readjustments or redefinitions can be made in the annual plans. The plans will be prepared by the agencies responsible for technical execution of the activities.
- 3.7 The **Ministry of Finance, through the PCU**, will be responsible for: (i) monitoring and oversight of the program objectives; (ii) compliance with the operating guidelines; (iii) efficient management of the resources; (iv) preparation and timely delivery to the Bank of the periodic progress reports, including financial reports; (v) keeping financial and accounting records that identify the source and application of the program funds, and internal oversight procedures; (vi) dissemination of program activities; (vii) procurement of goods and services and the awarding of construction contracts in connection with the consulting services, with the participation of the respective executing agency; (viii) preparation of the terms of reference for the consulting services to support the program evaluations and audits; and (ix) administration of the financial resources and payment of suppliers and service providers.
- 3.8 The **Honduran Institute for Children and Families (IHNFA)** will be responsible for implementation of the pilot programs for comprehensive care of children from birth to six and vocational training for adolescents aged 14 to 18.
- 3.9 With respect to the pilot program for comprehensive care of children from birth to six, the IHNFA will: (i) identify the needs for specialized services and will prepare the terms of reference for hiring them; (ii) help identify and select the individual consultants and/or consulting firms that will provide the services and to select the proposals from the private sector; (iii) prepare the annual operating plans; (iv) develop and implement a methodology for monitoring and evaluation, with assistance from the specialized firm hired for this purpose; (v) submit semiannual progress reports to the PCU; (vi) administer the services to be provided in the CAISI; and (viii) appoint the person or persons in charge of coordinating the activities and the representatives to sit on the PCU for implementation of the activities.
- 3.10 With respect to the pilot program for vocational training for adolescents aged 14 to 18, the IHNFA will: (i) identify the needs for specialized services and will prepare the terms of reference for hiring them; (ii) help identify and select the individual consultants and/or consulting firms that will provide the services and to select the proposals from the private sector; (iii) prepare the annual operating plans; (iv) develop and implement a system for dissemination and promotion of the pilot program activities; (v) develop and implement a methodology for monitoring and evaluation, with assistance from the specialized firm hired for this purpose; (vi) monitor the program activities for which it is responsible; (vii) submit semiannual progress reports to the PCU; (viii) administer the services provided; and (ix) appoint the person or persons in charge of coordinating the activities and the representatives to sit on the PCU for implementation of the activities.

- 3.11 The **Ministry of Culture, the Arts and Sports (SCAD)** will be responsible for implementing the pilot program for cultural enrichment activities to supplement formal education for girls and boys ages 7 to 14. To this end, it will: (i) identify the needs for specialized services and prepare the terms of reference for their hiring; (ii) help identify and select the individual consultants and/or firms that will provide the services and select the proposals from the private sector; (iii) formulate the annual operating plans; (iv) develop and implement a methodology for monitoring and evaluation; (v) monitor the activities for which it is responsible; (vi) submit semiannual progress reports to the PCU; (vii) administer the services to be provided in the *Instituto Merceditas Agurcia* and the National Gallery of Art; and (viii) appoint the person or persons in charge of coordinating the activities with the IHNFA and the representatives to sit on the PCU for implementation of the activities.
- 3.12 The **operating guidelines of the program** will stipulate the systems, commitments and procedures for execution and will at least include: (i) the eligibility criteria for the children to receive services under the pilot programs to be carried out under activity 2; (ii) the selection criteria for the private-sector institutions that provide the services; (iii) the criteria to determine the areas covered and the methodologies used for the comprehensive care, including the methodology for and scope of the tutoring to be provided under the program; (iv) membership of the technical review committee that ranks the proposals and its decision-making procedures; (v) the specific functions of each member of the PCU; and (vi) the eligibility criteria for the construction works to be carried out under activity 1.
- 3.13 The **central district municipal government** will be responsible for: (i) preparing the terms of reference for design of the methodology for consensus-building and other consulting services; (ii) help identify and select the individual consultants and/or firms that will provide the services and select the proposals from the private sector; (iii) organize workshops to train the individuals involved in use of the methodology; (iv) appoint the person or persons in charge of sitting on the PCU for implementation of the activities; and (v) select the minor construction works to be carried out for restoration of parks and recreational areas.

**C. Procurement of works, goods and related services and consulting services**

- 3.14 The thresholds above which international competitive bidding will be required are US\$1 million for works, US\$250,000 for goods and related services and US\$200,000 for consulting services. Contracts for works, goods and related services and consulting services for lesser amounts will be subject to the procedures set forth in Annex D to the loan contract until the Government Procurement Act has entered into force. For procurement below the above-mentioned thresholds, the following procedures will be followed:

Type of procurement	Local competitive bidding (LCB)	Private bidding (PB)
Works	For contracts of over US\$200,000	For contracts under US\$200,000
Goods and related services	For contracts between US\$75,000 and US\$250,000	For contracts under US\$75,000
	<b>Open call for proposals</b>	<b>Restricted call for proposals</b>
Consulting services	For contracts between US\$75,000 and US\$200,000	For contracts under US\$75,000

**D. Disbursements**

- 3.15 **Revolving fund.** It is recommended that an advance equivalent to 5% of the Bank loan be made available to the executing agency.
- 3.16 The proceeds from the loan will be disbursed to the SEFIN, which will open an account in the program's name at the Central Bank. The local counterpart funding will also be deposited in this account and will be contributed entirely by the central government.
- 3.17 **Retroactive financing.** The Bank may recognize up to US\$75,000 equivalent in expenses incurred after 13 September 2000 and before approval of the loan to establish the PCU, including the hiring of the general coordinator for the program and the purchase of office equipment and materials as eligible for retroactive financing, provided Bank procedures were followed.
- 3.18 **Disbursement to launch the program's activities.** Once the requirements set out in clauses 4.01 (a), (b) and (e) of the General Conditions have been met, the Bank may make a special disbursement of up to US\$200,000 of the loan proceeds to cover the cost of hiring the social-sector specialist for the PCU and the specialized firm that will formulate the evaluation methodology called for under the program.
- 3.19 **Disbursements schedule.** The tentative timetable for disbursements appears below.

Year 1	Year 2	Year 3	Total
20%	60%	20%	100%

**E. Accounting and auditing**

- 3.20 SEFIN will establish and keep the proper accounts and records, in accordance with accepted accounting practices, and will establish independent internal control mechanisms that guarantee that the program's resources are used properly. These accounts will be audited at the end of every fiscal year by a firm of independent, qualified auditors acceptable to the Bank. The financial statements of the program will be submitted to the Bank during the program execution period, beginning with the first year of execution.

**F. Monitoring and evaluation system**

- 3.21 In order to evaluate the implementation process and the benefits of the services to be provided under the program, systems will be established for monitoring, mid-term evaluation and final evaluation. The systems will be based on interviews and opinion surveys of the beneficiaries and executing agencies and on the documents used for implementation of the activities.
- 3.22 The evaluations will be based on indicators for quality, coverage and satisfaction devised for this purpose. The indicators must include the following: (i) quality of the designs or plans of operation for the various activities financed under the program; (ii) coverage and quality of the services delivered; (iii) effectiveness of the administration and management of the services by IHNFA, SCAD and the central district municipal government; (iv) effectiveness of the design and implementation of the methodology for the participatory processes, including reliability and representativeness of the sample, especially the participation of women in the negotiation and consensus-building processes; (v) comparative index of the degree of satisfaction of the mothers of the children benefiting from the comprehensive services for the various age groups, compared with mothers using comparable services; (vi) comparative index of the behavior of families receiving training in child-raising practices, compared with that of families not receiving such training; (vii) academic performance of the children participating in extracurricular cultural enrichment activities compared with their pre-program performance; and (viii) comparative index of the attitude towards the future of the participants in the vocational training workshops compared with that of users of comparable services and/or young people not receiving any such services.
- 3.23 The evaluation process will take place in three stages. First, prior to program initiation, the baseline data will be compiled. Second, in month 18 of program execution, the progress made in the activities, the effectiveness of the methodologies used and the quality of the services provided will be assessed, in order to determine whether any changes or adjustments need to be made during the second half of the program execution period. The third stage of the evaluation process will be carried out six months after program completion, for a period of six months. The SEFIN will hire consulting service to conduct an ongoing evaluation of the program throughout the program execution period, using the proceeds of the proposed loan.
- 3.24 The program will finance the hiring of a specialized firm that will develop and implement the methodology for the three stages of evaluation described above. In addition, the firm will support the IHNFA, SCAD and municipal government in compiling, analyzing and disseminating information to monitor the progress made, results achieved and impact of the pilot programs (ongoing evaluation). This information should be geared towards performance-based criteria reflecting: (i) the strengths and weaknesses of the design of the activities and main obstacles encountered in their execution; and (ii) the effectiveness of the procedures followed for implementation of the program activities. The firm will also help the executing

agencies lay the foundations for internalizing the organizational and technical capacities they each need to incorporate the systems for monitoring and evaluation of the methodologies and process. The indicative terms of reference for the firm can be found in the technical annexes of the program.

- 3.25 **Reports.** The PCU will file six-month progress reports and a report on each evaluation conducted under the program. The Bank and the SEFIN will meet to review the findings of the mid-term evaluation and will agree on any necessary adjustments in the program. The executing agencies will participate in these meetings.

**G. Supervision**

- 3.26 The Bank's country office in Honduras will supervise program execution. Social Programs Division 2 will assist the COF/CHO with all technical matters requiring special attention, among them the following: (i) the progress made on the pilots' operative technical plans; (ii) the mechanisms of dissemination and learning in use; and (iii) the methods of execution and coordination. With the findings of these technical reviews, the Bank may: (i) request adjustments to the operative technical plans, including changes in the program's activities; (ii) cancel components; and (iii) broaden the scale of the pilots or suspend them.

## **IV. BENEFITS AND RISKS**

### **A. Benefits**

- 4.1 Since the proposed program targets urban poverty in the place of work, it is expected to have a positive social and economic impact. The chief social benefits will accrue from the combination of activities targeting the most vulnerable groups—especially children and at-risk youth—and women heads of household who have children in their care. For children and youth at risk who might otherwise be left out of the system, a safe environment affording protection and comprehensive care close to their mothers' place of work will facilitate learning and their psychosocial and cultural growth and development. The use of art and culture as an instrument for the prevention and mitigation of risk situations represents an innovative model to promote social inclusion for marginal groups. The program will also facilitate access to jobs for school dropouts by training them in productive trades and creating opportunities for them to achieve a certain degree of specialization. The women will in turn have a secure place for the care of their children, which will expend their opportunities for the performance of productive activities and thereby generate income. The population as a whole will benefit from a sense of ownership of the use of the historic heritage of the city.
- 4.2 Through a program execution system that will promote "learning by doing", the executing agencies may determine the feasibility of the proposed options and make any necessary adjustments in their future application on a larger scale. Moreover, through the comprehensive approach to addressing the needs of poor families, by program completion the GOH will have gained experience in addressing urban poverty that have been validated through actual implementation in Tegucigalpa. The Bank will have a new model for addressing urban poverty that may be replicated in other cities.
- 4.3 Although no activities specifically targeting the environment are planned, the program will promote activities that will improve the environment. Preparation for the spatial reorganization of the HCC and rehabilitation of its squares, parks and recreational areas will have long-term benefits in terms of reducing the pollution affecting public spaces.

### **B. Risks**

- 4.4 The program faces the following risks: (i) the services to be provided in the HCC may attract even more transient groups, but this risk will be mitigated through the selection criteria for the beneficiaries, who, among other requirements, must prove seniority as transient workers in the HCC; (ii) a consensus on the alternatives proposed in the preinvestment study for commercial, tourist, and recreational rehabilitation of the HCC public spaces may not be reached, but this risk will be mitigated through the system for consultation, negotiation, and consensus-building that will be subject to monitoring and evaluation and will ensure that agreements

can be reached and enforced; and (iii) delays in the implementation of program activities may occur if preparation of the social action plans and terms of reference for services are delayed, but this risk will be mitigated through the funds to be assigned under the program to hire consulting services to support the executing agencies in the activities. At the same time, since procurement will be delegated to the SEFIN, the procurement process will be expedited, thereby reducing the risk of repeated delays and consequently any loss of opportunity for use of the experience accrued.

**C. Poverty targeting and social sector classification**

- 4.5 The PTI classification is automatic because the program promotes measures to enhance social capital, improve living conditions and provide opportunities for development for vulnerable groups.

**COMPREHENSIVE PILOT PROGRAM TO FIGHT URBAN POVERTY (HO-0184)**  
**LOGICAL FRAMEWORK**

<b>Interventions</b>	<b>Indicators</b>	<b>Means of Verification</b>	<b>Assumptions</b>
<p>at urban poverty using a comprehensive approach</p> <p>ose</p> <p>overnment of Honduras and municipal</p> <p>ities agree to apply the experience</p> <p>from this operation to improve the</p> <p>capital and opportunities for human</p> <p>ment of the HCC's vulnerable</p>	<ol style="list-style-type: none"> <li>1. % of unserved children ages 0 to 6 whose mothers/fathers work in the HCC informal sector drops from 90% in month 18 to 50% by month 30 of the project.</li> <li>2. At the program's end, 85% of children ages 7 to 13 who enter the pilot program are still involved in the regular activities it offers.</li> <li>3. By program's end, 60% of children ages 14 to 18 having completed the basic vocational module also enroll in at least one other module in their field of specialization by program completion.</li> <li>4. The program's monitoring and evaluation system is established by month 30 of the program</li> </ol>	<ol style="list-style-type: none"> <li>1. A copy of the regulations and the agreement[s] of the parties on file with the executing unit</li> <li>2. Copies of the publications produced by the executing unit containing the results of the focal groups' meetings.</li> <li>3. Copy of IHNFA's six-month monitoring reports</li> </ol>	
<b>Interventions</b>			
<p>citizen outreach</p>	<ol style="list-style-type: none"> <li>1. Methodology for citizen outreach and participation developed and implemented by month 30 of the program</li> <li>2. Program for promotion and dissemination of pilot activities developed and in operation by end of year one of program execution</li> <li>3. System for monitoring and evaluation of pilot program operational by end of year one of program</li> <li>4. Feasibility study on urban rehabilitation for commercial, tourist and recreational use of HCC public spaces completed by month 30 of</li> </ol>	<ol style="list-style-type: none"> <li>1. Copy of monthly reports of municipality in the executing unit files</li> </ol>	<p>The new municipal authorities make commitment to the program activities and results.</p>

Activities	Indicators	Means of Verification	Assumptions
	program, including informal sector evaluation		
<b>Pilot programs for vulnerable groups</b>			
Comprehensive care program for girls (ages from birth to 6) executed	<ol style="list-style-type: none"> <li>1. By month 30 of the program, 500 children ages 0 to 6 are receiving comprehensive care at the CAISI, following the pilot method developed</li> <li>2. By month 30 of the program, the family caregivers/parents of the 250 children are receiving help to improve parenting practices, following the pilot's method</li> <li>3. By month 30 of the program, 85% of family caregivers/parents who have benefited from the pilot, support (express satisfaction with) the methods the pilot uses</li> <li>4. By month 30 of the program, 100% of CAISI's staff has been trained in how to deliver the services</li> <li>5. The program for reporting and circulating CAISI's activities has been developed and is in operation by the end of the program's first year</li> <li>6. The system for monitoring and evaluating the pilot is in operation by the end of the program's first year</li> <li>7. The monitoring system to strengthen IHNFA's capacity to craft and manage policy is developed and in operation by month 30 of the program</li> <li>8. The evaluation of the economic/financial feasibility of the pilot program is completed by month 30 of the program</li> <li>9. IHNFA's management- and organization-related strategy for efficient administration of CAISI's services is completed by month 30 of the program</li> </ol>	<ol style="list-style-type: none"> <li>1. Semiannual reports and final report submitted by IHNFA</li> <li>2. Report on outputs in ex post evaluation</li> </ol>	
Program of cultural enrichment (activities to supplement formal education for children ages 7 to 14) executed	<ol style="list-style-type: none"> <li>1. By month 30 of the program, at least 300 vulnerable children ages 7 to 14 are benefiting from the services offered</li> </ol>	<ol style="list-style-type: none"> <li>1. Semiannual and final reports submitted by SCAD and IHNFA</li> <li>2. Ex post evaluation report</li> </ol>	

Activities	Indicators	Means of Verification	Assumptions
	<p>under the pilot program at the <i>Instituto Merceditas Agurcia</i> and the National Gallery of Art, according to the method of the pilot program</p> <ol style="list-style-type: none"> <li>By month 30 of the program, 90% of 300 children ages 7 to 14 living in extreme poverty are still with the pilot program (and in school).</li> <li>By month 30 of the program, the family caregivers/parents of the 300 beneficiary children (express satisfaction with) the methods used in the pilot program and are keeping their children involved in it.</li> <li>The program to report and circulate the activities of the SCAD has been developed and is in operation by the end of the program's first year.</li> <li>The system for monitoring and evaluating the pilot is in operation by the end of its first year</li> <li>The evaluation of the economic/financial feasibility of the pilot program's activities is completed by month 30 of the program</li> </ol>		
Occupational training program for youth 14 to 18 executed.	<ol style="list-style-type: none"> <li>Number of vulnerable youth ages 14 to 18 who are pilot program beneficiaries as of month 30 of the program</li> <li>75% of vulnerable youth ages 14 to 18 and beneficiaries of the pilot program are employed in program or other activities by month 30 of the program.</li> </ol>	<ol style="list-style-type: none"> <li>IHNFA semiannual reports</li> <li>Ex post evaluation report</li> </ol>	
Construction work for the pilots under component completed.	<ol style="list-style-type: none"> <li>San Isidro Center remodeled and equipped by month 12 of the project</li> <li><i>Instituto Merceditas Agurcia</i> remodeled and equipped by month 12 of the project</li> </ol>	<ol style="list-style-type: none"> <li>Visits to works</li> </ol>	

Activities	Indicators	Means of Verification	Assumptions
<p>hire technical-assistance services for citizen outreach on HCC rehabilitation</p> <p>hire consulting services for dissemination activities</p> <p>hire consulting services for reinvestment study on HCC rehabilitation; training for municipal staff</p>	Budget for activities		<ol style="list-style-type: none"> <li>1. IHNFA assigns priority to pilot programs.</li> <li>2. SCAD assigns priority to pilot programs.</li> <li>3. Municipal government assigns to outreach activities for HCC rehabilitation.</li> <li>4. The local counterpart funding is disbursed on a timely basis during program execution.</li> </ol>
<p>design methods and programs for comprehensive care</p> <p>prepare TORs and retain services to promote and circulate the pilot activities</p> <p>develop terms of reference and hire consulting services to evaluate the financial/economic feasibility of the activities.</p> <p>prepare TORs and hire consulting services to develop a managerial/administrative strategy for efficient delivery of services.</p> <p>contract for activities to teach new techniques to the staff of the pilot programs</p>	Budget for activities		

Activities	Indicators	Means of Verification	Assumptions
<ul style="list-style-type: none"> <li>Prepare TORs and contract childcare services for children ages 0 to 6.</li> <li>Purchase equipment and materials</li> <li>Remodel the CAISI</li> <li>Train IHNFA's management and technical staff</li> <li>Train CAISI's staff</li> </ul>			
<ul style="list-style-type: none"> <li>Prepare TORs and contract childcare services for children ages 7 to 14.</li> <li>Purchase equipment, materials, musical instruments, books and so on</li> <li>Remodel the <i>Instituto Mercedes Agurcia</i> and the National Gallery of Art.</li> </ul>			
<ul style="list-style-type: none"> <li>Prepare TORs and hire consulting services to develop modules that combine vocational training and education for youth ages 14 to 18.</li> <li>Do the following: <ul style="list-style-type: none"> <li>Purchase the necessary training equipment and materials</li> <li>Remodel the physical space</li> </ul> </li> </ul>			

**PROCUREMENT PLAN**  
**Comprehensive Pilot Program for Combating Urban Poverty**  
**(HO-0184)**

Principal Contracts	Financing	Bidding Method (US\$)	Prequalification	Date planned for publication of SPN
<b>1. Program administration</b>				
<u>Consultants on long-term contracts to help with program execution: US\$215,000</u> 1. Key personnel of the program coordination unit	77% IDB 23% GOH	ICB for contracts over US\$200,000 LCB for contracts between US\$75,000 and US\$200,000 LLB for contracts under US\$75,000	No	I/2001
<u>Short- and medium-term consulting services: US\$675,000</u> 1. Evaluations 2. External auditing	100% IDB	ICB for contracts over US\$200,000 LCB for contracts between US\$75,000 and US\$200,000 LLB for contracts under US\$75,000	No	II/2001 to I/2003
<u>Equipment, goods and related services: US\$45,000</u> 1. Office equipment and materials 2. Software, communications network	33% IDB 67%GOH	ICB for contracts over US\$250,000 LCB for contracts between US\$75,000 and US\$250,000 LLB for contracts under US\$75,000	No	II/2001 to II/2002
<b>2. Program execution</b>				
<u>Short- and medium-term technical assistance: US\$2,228,000</u> 1. Diagnostic of the socioeconomic profile of THC children. 2. Development and implementation of innovative strategies of working with families and early childhood intervention methods for children ages 0 to 6. 3. Development of a management and organizational strategy for efficient administration of the services. 4. Contracting of additional instructors for cultural and art classes and the additional schooling under the pilot program for children ages 7 to 14. 5. Development of terms of reference for the delivery of services and the profiles of the professionals. 6. Design of basic training, specialization and schooling modules for the pilot program to provide young people ages 14 to 18 with vocational training. 7. Feasibility studies for the pilot programs to be able to expand them into other parts of the city and country. 8. Development of plans to make each pilot program financially sustainable. 9. Design and implementation of monitoring and evaluation systems for each pilot program. 10. Development of programs to promote and publicize each pilot program. 11. Strengthening of the IHNFA and SCAD. 12. Development and implementation of a method of canvassing the public and involving those of the informal sector who are users of the THC. 13. Designs for the <i>Casa de Cultura</i>	91% IDB 9%GOH	ICB for contracts over US\$200,000 LCB for contracts between US\$75,000 and US\$200,000 LLB for contracts under US\$75,000	No	II/2001 to I/2003

14. Design and implementation of systems to monitor and evaluate the IHNFA and SCAD.				
15. Other technical assistance for the program.				
<b>Training: US\$785,000</b>				
1. Training for staff of centers caring for troubled children, to teach them innovative techniques for their treatment and full recovery.	100% IDB	ICB for contracts over US\$200,000	No	II/2001 to I/2003
2. Training for staff of NGOs and other organizations in issues, methods and innovative techniques regarding children and their problems.		LCB for contracts between US\$75,000 and US\$200,000		
3. Training provided at such centers to parents and family caregivers to teach them preventive health, nutrition, the use of proper parenting practices.		LLB for contracts under US\$75,000		
4. Courses, seminars and visits to study and share experiences, provided for staff of the IHNFA, the SCAD and the municipal government of the central district.				
<b>Equipment, goods and related services for child care centers: US\$1,228,000</b>				
1. Furnishings and equipment for the various centers.	88% IDB 12% GOH	ICB for contracts over US\$250,000	No	II/2001 to II/2002
2. Equipment, teaching materials, toys, musical instruments, art supplies, children's books, etc.		LCB for contracts between US\$75,000 and US\$250,000 LLB for contracts under US\$75,000		
<b>Works: US\$1,500,000</b>				
1. Minor physical works at the facilities where the pilots will be conducted: <i>Centro de Atención Integral San Isidro, Instituto Mercedes Agurcia</i> , center for children and youth at risk, National Gallery of Art.	100% IDB	LCB for contracts over US\$200,000	No	I/2001 to II/2002
2. Some small-scale works that are the product of the negotiation and public-consensus building in the THC.		LLB for contracts under US\$200,000		

ICB International competitive bidding  
LCB Local competitive bidding<sup>1</sup>  
LLB Limited local bidding<sup>2</sup>  
SPN Special procurement notice

<sup>1</sup> Call for proposals for the hiring of consulting services.

<sup>2</sup> Restricted call for proposals for the hiring of consulting services.

## **HONDURAS**

### **COMPREHENSIVE PILOT PROGRAM TO FIGHT URBAN POVERTY (HO-0184) ELIGIBILITY CRITERIA FOR PARTICIPANTS, SERVICE PROVIDERS AND PROPOSALS**

#### **I. ELIGIBILITY CRITERIA FOR BENEFICIARIES AND FAMILIES**

- 1.1 The program beneficiaries will be selected according to the criteria set forth in the operating guidelines. The criteria are based on vulnerability indicators by age bracket and family unit features. The main ones are listed below:

##### **1. Girls and boys from birth to six years of age**

- 1.2 The beneficiary children must meet at least one of the following criteria:

- (i) Belong to a household living in extreme poverty
- (ii) Belong to a single-parent household living in extreme poverty
- (iii) Belong to a single-parent household with a woman head of household working outside the home
- (iv) Be undernourished
- (v) Lack adequate health care
- (vi) Be the victim of domestic violence or sexual abuse
- (vii) Lack proper day care
- (viii) Have been abandoned
- (ix) Have a teenage mother or father

##### **2. Girls and boys aged 7 to 14 in school**

- 1.3 The beneficiary children must meet at least one of the following criteria:

- (i) Belong to a household living in extreme poverty
- (ii) Belong to a single-parent household living in extreme poverty
- (iii) Have low academic performance
- (iv) Have repeated a grade

- (v) Be working while in school
- (vi) Be the victim of domestic violence or sexual abuse
- (vii) Be a teen or preteen mother or father or be pregnant
- (viii) Use drugs or alcohol
- (ix) Have been abandoned
- (x) Be undernourished

**3. Adolescents aged 14 to 18**

- (i) Belong to a household living in extreme poverty
- (ii) Belong to a single-parent household living in extreme poverty
- (iii) Have dropped out of school
- (iv) Be unemployed and outside of the school system
- (v) Be the victim of domestic violence or sexual abuse
- (vi) Use drugs or alcohol
- (vii) Have left home
- (viii) Be undernourished
- (ix) Live in the streets
- (xi) Be a teenage mother or father or be pregnant

**4. Families**

- (i) Be jobless or have an unstable situation in the productive system
- (ii) Have an adolescent dependent who is not in school and not working
- (iii) Lack health coverage and cannot afford primary health care
- (iv) Be a single-parent household with a woman head of household who must work and simultaneously care for dependent children
- (v) Depend on official transfers for subsistence

## II. ELIGIBILITY CRITERIA FOR SERVICE PROVIDERS

- 2.1 The projects will be carried out by the IHNFA, SCAD and central district municipal government or through civil society organizations (CSOs). The CSOs must meet the following eligibility criteria:
- (i) Have at least four years' experience working in the services it would provide
  - (ii) Submit a proposal consistent with the program objectives and activities
  - (iii) Accept the rules and procedures established in the operating guidelines of the program
  - (iv) Agree to take the necessary steps to carry out the activities, including cooperation with the executing units in presentation of the diagnostic studies and progress reports to the PCU

## III. ELIGIBILITY CRITERIA FOR PROPOSALS

- 3.1 Proposals must meet the following criteria to be eligible for consideration:
- (i) **Technical criteria:** the projects must be consistent with the types of interventions described in the operating guidelines.
  - (ii) **Social criteria:** the projects must target beneficiaries selected according to vulnerability indicators.
  - (iii) **Economic criteria:** the projects must meet least-cost criteria, as determined by a comparison of benchmark unit costs for inputs and cost indicators for each type of intervention, considering variations of up to 10% in the costs indicated in this proposal.
  - (iv) **Financial criteria:** the projects must demonstrate consistency between the initial investment and local financial capacity to sustain and services once the financing is exhausted. The financial plan must clearly identify sources of financing that would cover an increasing portion of recurrent expenditures.
  - (v) **Organizational criteria:** the project design must take into account the institutional, legal, and organizational capacity of the executing agencies to carry out the projects.
  - (vi) **Environmental criteria:** although the projects will not include any activities that would have a significant environmental impact, the executing agencies must comply with local and national environmental legislation.

PROPOSED RESOLUTION

HONDURAS. LOAN \_\_\_\_/SF-HO TO THE REPUBLICA DE HONDURAS  
Comprehensive Pilot Program to Fight Urban Poverty

The Board of Executive Directors

RESOLVES:

That the President of the Bank, or such representative as he shall designate, is authorized, in the name and on behalf of the Bank, to enter into such contract or contracts as may be necessary with the República de Honduras, as Borrower, for the purpose of granting it a financing to cooperate in the execution of a comprehensive pilot program to fight urban poverty. Such financing will be for the amount of up to US\$8,100,000, or its equivalent in other currencies, except that of Honduras, which are part of the resources of the Fund for Special Operations, and will be subject to the "Special Contractual Conditions" and the "Financial Terms and Conditions" of the Executive Summary of the Loan Proposal.