

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

HONDURAS

CIUDAD MUJER

(HO-L1117)

LOAN PROPOSAL

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CONTENTS

PROJECT SUMMARY

I.	DESCRIPTION AND RESULTS MONITORING	1
A.	Background, problems addressed, and rationale	1
B.	Objectives, components, and cost	8
C.	Key outcome indicators	11
II.	FINANCING STRUCTURE AND MAIN RISKS	12
A.	Financing instruments	12
B.	Environmental and social risks	12
C.	Fiduciary risks	13
D.	Other project risks	13
III.	IMPLEMENTATION AND MANAGEMENT PLAN	14
A.	Summary of implementation arrangements	14
B.	Summary of arrangements for results monitoring	16

ANNEXES	
Annex I	Summary Development Effectiveness Matrix (DEM)
Annex II	Results Matrix
Annex III	Fiduciary Agreements and Requirements

ELECTRONIC LINKS
<p>REQUIRED</p> <ol style="list-style-type: none"> 1. Multiyear execution plan 2. Annual work plan 3. Monitoring and evaluation plan 4. Environmental and Social Management Report (ESMR) 5. Procurement plan <p>OPTIONAL</p> <ol style="list-style-type: none"> 1. Economic analysis 2. Institutional capacity assessment (SEDIS and INVEST-H) 3. Summary gender policy note on Honduras 4. Econometric analysis of causal factors in the Ciudad Mujer logical framework 5. Specialized and integrated services for women in Honduras 6. Itemized budget 7. Entities participating in the Ciudad Mujer program 8. Interagency coordination bodies for the program 9. Methodology for selecting locations for Ciudad Mujer centers in Honduras 10. Elements in the fiscal and financial sustainability analysis of the Ciudad Mujer program in Honduras, 2016-2025 11. Vertical logic matrix for the project 12. Project operations manual. Draft 13. Compendium of footnotes 14. Safeguard Policy Filter (SPF) and Safeguard Screening Form (SSF)

ABBREVIATIONS

CCM	Centro Ciudad Mujer [Ciudad Mujer Center]
DNCM	Dirección Nacional de Ciudad Mujer [Ciudad Mujer National Office]
ESMP	Environmental and Social Management Plan
FSO	Fund for Special Operations
INVEST-H	Inversión Estratégica de Honduras [Strategic Investment Honduras]
LIBOR	London Interbank Offered Rate
OC	Ordinary Capital
PAPTN	Plan de Alianza para la Prosperidad del Triángulo Norte [Plan of the Alliance for Prosperity in the Northern Triangle]
SCF	Single Currency Facility
SEDIS	Ministry of Development and Social Inclusion

PROJECT SUMMARY

HONDURAS CIUDAD MUJER (HO-L1117)

Financial Terms and Conditions					
Borrower: Republic of Honduras				OC	FSO
			Amortization period:	30 years	40 years
Executing agencies: Ministry of Development and Social Inclusion (SEDIS), through the Dirección Nacional de Ciudad Mujer [Ciudad Mujer National Office] (DNCM); and Inversión Estratégica de Honduras [Strategic Investment Honduras] (INVEST-H)			Disbursement period:	5 years	5 years
Source	Amount (US\$)	%	Grace period:	6 years	40 years
IDB (Ordinary Capital):	12,000,000	60.0	Interest rate:	SCF-fixed ^(a)	0.25%
			Inspection and supervision fee:	^(b)	N/A
IDB (Fund for Special Operations):	8,000,000	40.0	Credit fee:	^(b)	N/A
			Currency of approval:	U.S. dollars	U.S. dollars
Total:	20,000,000	100.0			
Project at a Glance					
<p>Project objective/description: The general objective is to improve the living conditions of Honduran women aged 15 and older in terms of labor force participation, sexual and reproductive health, prevention of and response to violence against women, and prevention of adolescent pregnancy. The specific objectives for the target departments are to: (i) increase the percentage of women aged 15 and older who are participating in the labor force; (ii) reduce the maternal mortality rate and the breast cancer and cervical-uterine cancer mortality rates in women aged 15 and older; (iii) reduce the prevalence of violence (physical or sexual violence committed by a partner, as well as homicides) against women aged 15 and older; (iv) reduce the pregnancy rate among adolescents aged 15 to 19; and (v) expand the coverage of specialized and integrated services for women aged 15 and older by creating and/or strengthening Ciudad Mujer Centers in the departments of Francisco Morazán, Cortés, Olancho, and Atlántida.</p>					
<p>Special contractual conditions precedent to the first disbursement of the loan: (i) hiring of the DNCM's project and program manager, as well as specialists in procurement, finance, and monitoring and evaluation (paragraph 2.4); (ii) entry into force of the operations manuals for the project and the Ciudad Mujer Program (paragraphs 2.6 and 3.6); (iii) signing of an interagency execution agreement for the Ciudad Mujer Program between SEDIS, the DNCM, and the entities participating in the Ciudad Mujer Program (paragraph 2.6); (iv) submittal of evidence that INVEST-H is legally authorized to act as the coexecuting agency for the project (paragraph 3.1); and (v) signing of an interagency execution agreement for the project between the Ministry of Finance, SEDIS, the DNCM, and INVEST-H (paragraph 3.1).</p>					
<p>Special contractual conditions for execution: Before the awarding of each works contract to be financed under project Subcomponent 5A, evidence of legal possession of the properties where the corresponding construction work is to take place, as well as of easements and other rights needed for construction and usage, must be submitted to the Bank's satisfaction (paragraph 3.9).</p>					
Exceptions to Bank policies: None.					

Strategic Alignment			
Challenges: ^(c)	SI <input checked="" type="checkbox"/>	PI <input type="checkbox"/>	EI <input type="checkbox"/>
Crosscutting issues: ^(d)	GD <input checked="" type="checkbox"/>	CC <input type="checkbox"/>	IC <input checked="" type="checkbox"/>

- (a) The borrower will pay interest on the outstanding balance of the OC portion of the loan at a LIBOR-based rate. Whenever the outstanding balance reaches 25% of the approved net amount or US\$3 million, whichever is greater, the base rate will be set based on that balance.
- (b) The credit fee and inspection and supervision fee will be established periodically by the Board of Executive Directors as part of its review of the Bank's lending charges, in accordance with the applicable policies.
- (c) In this document, "Ciudad Mujer Program" refers to the social program of the Government of Honduras, while "project" refers to the activities included in this loan operation. See paragraph 1.12 for more information on the distinction between the Ciudad Mujer Program and the project.
- (d) SI (Social Inclusion and Equality); PI (Productivity and Innovation); and EI (Economic Integration).
- (e) GD (Gender Equality and Diversity); CC (Climate Change and Environmental Sustainability); and IC (Institutional Capacity and Rule of Law).

I. DESCRIPTION AND RESULTS MONITORING

A. Background, problems addressed, and rationale

- 1.1 **General and specific problems to be addressed.** The general problem that the project aims to address is the precarious living conditions of women aged 15 and older in Honduras in economic terms due to low rates of labor force participation; in their sexual and reproductive health as evidenced by maternal mortality and by breast and cervical-uterine cancer mortality; in the violence (homicides; physical or sexual violence committed by a partner) to which they are subjected; in high rates of adolescent pregnancy; and in their limited access to integrated services to address these problems. In connection with this general problem, the following five specific problems have been identified:
- 1.2 **Low rates of women's labor force participation.** The labor force participation rate of Honduran women is the lowest in Latin America and the Caribbean and is well below the regional average (57.8%).¹ With a labor force participation rate of 47.0% in 2014, Honduran women participate in the labor force at a lower rate than men (86.5%).² As a result, 39.7% of females aged 15 and older lack their own income; this rate is the second highest in Latin America and the Caribbean, behind only Guatemala, and is well above the rate for males (15.8%).³
- 1.3 The main factors behind this state of affairs are women's low levels of education⁴ and limited access to productive credit and job-finding services. In 2011-2012, women aged 15 to 49 had received an average of 4.4 years of schooling, both nationally and in the project's area of influence consisting of the departments of Francisco Morazán, Cortés, Olancho, and Atlántida⁵ (target departments). Only 6% of women aged 15 and older in Honduras reported having received a loan to start, run, or expand a business in 2014, compared to 10% of men in the same age group.⁶ Women's access to productive credit is limited, considering that their self-employment rate is 37%.⁷ Meanwhile, only 11.28 of every 1,000 women aged 18 or older receive labor intermediation services in the target departments.⁸
- 1.4 **Precarious state of women's sexual and reproductive health.** The maternal mortality rate was 73 deaths per 100,000 live births nationwide in 2014, which is above the average for Latin America and the Caribbean (69)⁹ and the figure of 66¹⁰ in the target departments. Decisive factors in maternal mortality include (i) insufficient early professional prenatal and postnatal care, which is an obstacle to

¹ [Note 1.](#)

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⁴ [Note 4.](#)

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⁶ [Note 6.](#)

⁷ [Note 7.](#)

⁸ [Note 8.](#)

⁹ [Note 9.](#)

¹⁰ [Note 10.](#)

- timely detection of complications; and (ii) a high rate of unwanted pregnancies, which is related to delays in seeking prenatal care and abortions¹¹ and hence to an increase in maternal mortality risk. In the target departments, only 59.5% of pregnant women get their first prenatal checkup within the first 12 weeks, and 88.6% receive their first postnatal care within seven days after childbirth.¹² Meanwhile, an estimated 46.2% of currently pregnant or amenorrheic (postpartum) women aged 15 to 49 in the target departments reported that their most recent pregnancy was unwanted (because she either did not want any more children or wanted to have them later).¹³ Unwanted pregnancies are primarily the result of the unmet need for family planning to limit the number of children or postpone pregnancy, which in the target departments is 10.4% among women who are married or in a common law relationship.¹⁴
- 1.5 The cervical-uterine cancer mortality rates were 14.1 deaths per 100,000 women aged 15 or older nationwide in 2012 and 7.5 in the target departments in 2015, while the breast cancer mortality rates were 8.0 and 9.8, respectively.¹⁵ The main factors behind this are: (i) the low percentage of women who are regularly examined for purposes of early detection; and (ii) the low percentage of women receiving specialized cancer treatment services in the target departments. In the project area, 59.2% of women aged 30 to 49 have been screened for cervical cancer in the past two years; 27.8% of women aged 40 to 49 have ever received a mammogram.¹⁶ According to estimates, only one out of every three women diagnosed with these forms of cancer receives treatment.¹⁷
- 1.6 **High rates of violence against women.** According to the National Demographic and Health Survey 2011-2012, 10.5% of Honduran women aged 20 to 49 who were ever married or in a common law relationship had experienced physical or sexual violence committed by their partners in the previous 12 months, a rate similar to that of other countries in Central America.¹⁸ This figure was 10.9% in the target departments. The homicide rate among women nationwide was 10.9 per 100,000 women in 2015,¹⁹ which is the second highest rate in the world after El Salvador.²⁰ This figure in the target departments was 14.9.
- 1.7 Among the main risk factors²¹ associated with violence against women are societal norms whereby such violence is met with acceptance. Among women aged 20 to 49, 11.4% nationwide and 9% in the target departments are in agreement with at least one specific reason for a husband to beat his wife. Women who justify intimate partner violence on the basis of at least one reason are 40% more likely to have

¹¹ [Note 11.](#)

¹² [Note 12.](#)

¹³ [Note 13.](#)

¹⁴ [Note 14.](#)

¹⁵ [Note 15.](#)

¹⁶ [Note 16.](#)

¹⁷ [Note 17.](#)

¹⁸ [Note 18.](#)

¹⁹ [Note 19.](#)

²⁰ [Note 20.](#)

²¹ [Note 21.](#)

experienced violence in the past 12 months, compared to women who say that such violence is not justified under any circumstance.²² Other contributing factors include (i) the high percentage of women who do not seek institutional help (in the target departments, only 23.5% of women aged 20 to 49 who have ever been married or in a common law relationship and who have experienced physical and/or sexual violence committed by their husband/partner in the past 12 months sought institutional help);²³ (ii) limited access to integrated services related to violence against women in the target departments (Honduras has 15 integrated service centers for violence against women, but they lack complementary services to address other problems ([Specialized and integrated services for women in Honduras](#))); (iii) failure to enforce protective orders issued in cases of violence against women; and (iv) low closure rates in cases brought before the judicial system (77.2% of domestic violence cases handled by the appropriate courts in the target departments are classified as having exceeded the statute of limitations).²⁴ These factors foster a culture marked by multiple forms of violence against women, in which the justice system does not effectively intervene, so women are unprotected and perpetrators are not held accountable for their acts of violence. As a result, society is not sent a clear message that violence against women will not be tolerated.²⁵

- 1.8 **High rates of adolescent pregnancy.** Honduras has one of the highest rates in Latin America and the Caribbean of women aged 15 to 19 who have at least one child or are pregnant with their first child: 24% nationwide and 21.3% in the target departments. Honduras is also among the few countries where this rate has increased in recent years (21.5% nationwide in 2005-2006).²⁶
- 1.9 Decisive factors in adolescent pregnancy include low rates of condom usage in adolescent females' first sexual experience. In the target departments, only one fourth of adolescent females who have had their first sexual experience used a condom the first time. Another factor is the low prevalence of modern birth control methods among sexually active adolescent females, with 57% in the target departments using such methods; they have the lowest level of usage of modern birth control methods, as well as the greatest unmet demand compared to any other age group.²⁷
- 1.10 Other factors are early entrance into marriage and common law relationships and high levels of exposure to intimate partner violence. In the target departments, females enter into their first marriage or common law relationship at an average age of 15.4 years, an indicator strongly associated with the probability of pregnancy.²⁸ Meanwhile, violence during the teenage years correlates to negative outcomes in the sexual and reproductive health of young women, including early pregnancy, complications in childbirth, and sexually transmitted diseases. Among female adolescents who have ever been married or in a common law relationship, 16.4% nationwide and 17.1% in the target departments have experienced an episode of

²² [Note 22.](#)

²³ [Note 23.](#)

²⁴ [Note 24.](#)

²⁵ [Note 25.](#)

²⁶ [Note 26.](#)

²⁷ [Note 27.](#)

²⁸ [Note 28.](#)

physical or sexual violence committed by their partner in the past 12 months, a rate higher than that of any other age group; and only 40.4% sought some form of help, the lowest rate among all age groups. Research indicates that the teenage years are the best time to act in order to reduce violence.^{29,30}

1.11 Insufficient coverage of specialized and integrated services for women.

Honduras has high demand for services related to sexual and reproductive health, violence against women, adolescent pregnancy, and labor force participation among women aged 15 and older, but coverage of specialized services remains insufficient and that of integrated services, nonexistent. As mentioned above, Honduras only has integrated services models for addressing violence against women (15 centers in operation). As for specialized care for sexual and reproductive health, mammograms had a coverage rate of 17.4 per 1,000 women aged 40 and older in the target departments in 2015.³¹ With regard to violence against women, from 2013 to 2015, the coverage of services for filed complaints of domestic violence against women was 466.8 complaints lodged by women per 100,000 women aged 18 or older.³² The experience of Ciudad Mujer in El Salvador has shown that addressing such coverage problems requires an integrated service delivery model, in contrast to the patchwork model currently in place. This experience has achieved significant outcomes in increased usage of such services: in El Salvador, women who went to the Ciudad Mujer Centers availed themselves of Pap smear and mammogram services 36% and 162% more, respectively, than women who did not go to the centers.³³ Honduras has yet to quantify the demand for integrated services and the causal factors in women's nonusage of services (due to time, cost, distance, etc.) in the target departments. This information is important input for potential adjustments and improvements in targeting and delivering integrated services.

1.12 Ciudad Mujer Program. In 2016 the Government of Honduras is expected to implement the Ciudad Mujer Program, which was designed with technical assistance from the IDB and will combine, in a single physical space known as a Ciudad Mujer Center (CCM), 15 public institutions providing specialized services related to labor force participation, sexual and reproductive health, violence against women, and adolescent pregnancy. The program will be executed by the Ministry of Development and Social Inclusion (SEDIS), through the Ciudad Mujer National Office (DNCM),³⁴ in technical coordination with the National Institute for Women and the Office of the First Lady. In this document, "Ciudad Mujer Program" refers to the social program of the Honduran government, while "project" refers to this loan operation to be executed by SEDIS, via the DNCM, and Strategic Investment Honduras (INVEST-H).³⁵ INVEST-H will be responsible for project activities related to overseeing, building, and equipping the CCMs, among other things, while SEDIS, acting through the DNCM, will be responsible for providing services and making

²⁹ [Note 29.](#)

³⁰ [Note 30.](#)

³¹ [Note 31.](#)

³² [Note 32.](#)

³³ [Note 33.](#)

³⁴ [Note 34.](#)

³⁵ [Note 35.](#)

continual improvements in service quality and the institutional strengthening of the program.

- 1.13 The Honduran government's own resources will be used to build and equip the first CCM in the Central District, to be opened in late 2016. Preliminary engineering designs for the three additional CCMs to be built and equipped by the project are being prepared under the responsibility of the Joint Chiefs of Staff. Project resources will also be used to complete the engineering design work³⁶ and strengthen services at all CCMs, including in the Central District.³⁷
- 1.14 The Ciudad Mujer services will be grouped into six service modules:³⁸ (i) the Economic Autonomy Module, (ii) the Sexual and Reproductive Health Module, (iii) the Module Addressing Violence Against Women, (iv) the Adolescent Service Module,³⁹ (v) the Collective Education Module, and (vi) the Childcare Module.
- 1.15 The Ciudad Mujer program will establish bodies to coordinate with current national initiatives for providing services to women,⁴⁰ as well as with donors and sector-specific IDB operations related to health care and citizen security⁴¹ in Honduras.
- 1.16 **Ciudad Mujer and the Plan of the Alliance for Prosperity in the Northern Triangle (PAPTN).** A significant percentage of girls, boys, and adolescents in the Northern Triangle who migrated unaccompanied to the United States identified violence as a primary reason for leaving their countries. In particular, sexual violence was a factor in the migration of girls.⁴² Scarce economic opportunities constitutes another decisive factor in the unaccompanied migration of male and female adolescents. Ciudad Mujer Honduras will contribute to the PAPTN by improving the social and economic opportunities of young women at risk of irregular migration or who are returning migrants, through actions to prevent violence against women and adolescent pregnancy, as well as to develop skills to increase their employability. On this basis, the project will give priority to building new CCMs in the areas of intervention of the PAPTN (Map 1).

³⁶ [Note 36.](#)

³⁷ [Note 37.](#)

³⁸ [Note 38.](#)

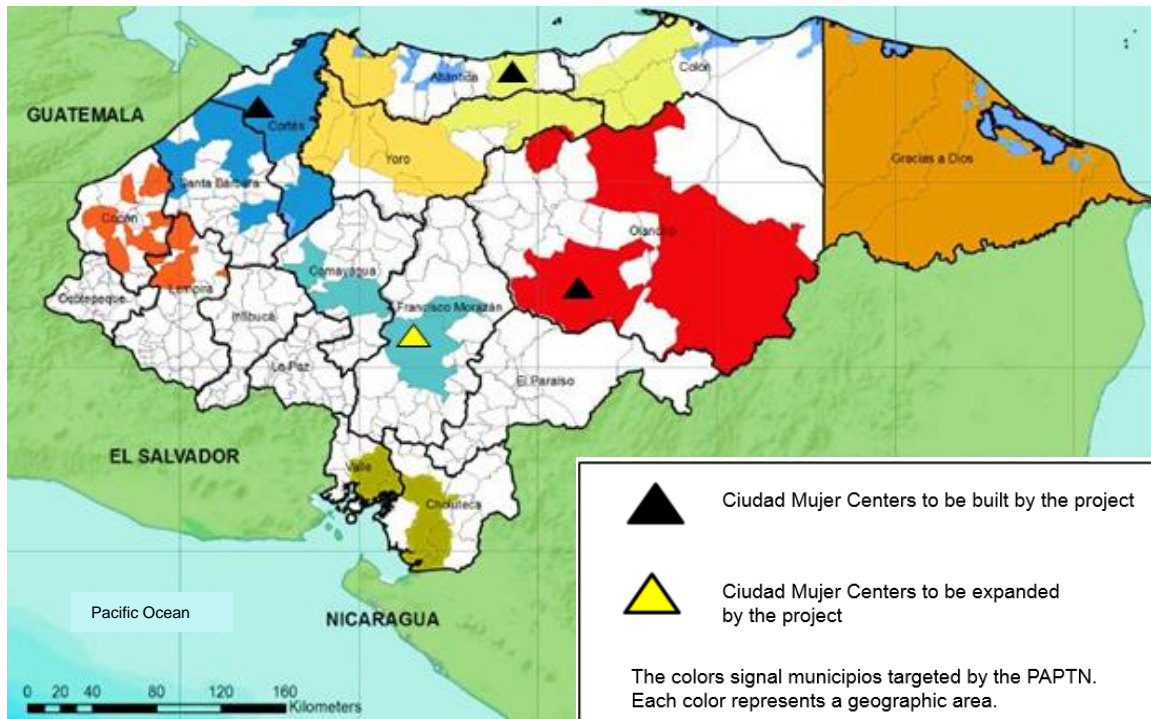
³⁹ [Note 39.](#)

⁴⁰ [Note 40.](#)

⁴¹ [Note 41.](#)

⁴² [Note 42.](#)

Map 1. Location of CCMs and the municipios targeted by the PAPTN



- 1.17 **Benefits of Ciudad Mujer.** The Ciudad Mujer model was originally created by the Ministry of Social Inclusion of the Government of El Salvador and supported by the IDB through the Ciudad Mujer (ES-L1056, loan 2525/OC-ES) and Ciudad Mujer Phase II (ES-L1092, loan 3592/OC-ES) projects to provide essential services to women under a single roof with quality, warmth, and a focus on gender and human rights. The short-term impact evaluation⁴³ of Ciudad Mujer in El Salvador, one year into its operations, found significant preliminary outcomes: on average, half of the women who went to the CCMs (treatment group)⁴⁴ used public services 43% more than those who did not, and the services provided at CCMs increased women's satisfaction levels with their lives (9% higher satisfaction rate than among those who did not go to the CCMs). Ciudad Mujer also helps improve public management, since having institutions in a single facility fosters interagency coordination, thereby enhancing the quality and efficacy of services. One study found that women who used Ciudad Mujer services reported high degrees of satisfaction with these services.⁴⁵
- 1.18 **Challenges of Ciudad Mujer and lessons learned in other Bank operations about Ciudad Mujer.** The Ciudad Mujer project in El Salvador (ES-L1056, loan 2525/OC-ES), executed by the Ministry of Social Inclusion and the Social Investment Fund for Local Development, yielded the following lessons learned for the Ciudad Mujer operation in Honduras: (i) to make the Economic Autonomy Module more effective, collaboration and partnerships with the private sector are needed, and vocational training and crosscutting competencies should be more tailored to local

⁴³ [Note 43.](#)

⁴⁴ [Note 44.](#)

⁴⁵ [Note 45.](#)

demand; (ii) measures to increase the demand for services related to violence against women should be considered, and processes for identifying and monitoring cases in the Module Addressing Violence Against Women should be improved;⁴⁶ (iii) for more effective detection of cervical-uterine cancer, new methods should be incorporated to provide sexual and reproductive health care to women, including gynecological procedures (colposcopies); and (iv) to strengthen the institutional management of the program, consideration must be given to improving processes for the professional development and self-care of staff members, management manuals must be kept up to date, and a territorial management and communication strategy should be developed for the program. These issues will be addressed in the Ciudad Mujer Program in Honduras through institutional-strengthening actions built into the corresponding project components.

- 1.19 **Rationale for the intervention.** With services scattered across various locations, women face obstacles in accessing and using such services due to transportation costs and time constraints. This limits the ability to address the aforementioned problems, which can only be solved if women can access multiple services. Existing evidence indicates that providing integrated services in a single facility, as is done in Ciudad Mujer, increases women's use of public services by saving them money and time and allowing them to bring along their small children when they go to obtain services.⁴⁷ Ciudad Mujer is an effective model for providing specialized services to women, one that has inspired adaptations in multiple countries in Latin America and the Caribbean. This project will help improve the living conditions of women in Honduras in relation to these issues through (i) expanded coverage of specialized and integrated services for women to address these problems; (ii) more effective services at the different Ciudad Mujer modules; and (iii) institutional strengthening of the program.
- 1.20 The project is expected to serve, within the first five years, 99,500 women aged 15 and older in the target departments, which represents 7.0% of the female population in that age group in those geographic areas. The CCMs are to be placed in geographic areas targeted by the PAPT: Central District (Francisco Morazán), San Pedro Sula (Cortés), Juticalpa (Olancho), and La Ceiba (Atlántida). These municipios were selected based on a location analysis using such criteria as potential demand among women for Ciudad Mujer, prevalence of adolescent pregnancy and violence against women, percentage of women with no income, and inclusion among the municipios targeted by the PAPT, *inter alia* ([Methodology for selecting locations of Ciudad Mujer Centers in Honduras](#))
- 1.21 **Strategic alignment of the project.** The project is aligned with the Strategic Plan of the Government of Honduras 2014-2018, which seeks equitable access to comprehensive health care with an emphasis on groups excluded for economic, geographic, or gender-related reasons; and the PAPT, which will promote economic opportunities by developing human capital and enhancing citizen security and access to justice.
- 1.22 The project is consistent with the Update to the Institutional Strategy 2010-2020 (document AB-3008) and is aligned with the development challenge of social inclusion and equality through the following project outcome indicators and outputs:

⁴⁶ [Note 46.](#)

⁴⁷ [Note 47.](#)

(i) maternal mortality rate in women aged 15 and older; (ii) percentage of women aged 15 and older who are participating in the labor force; (iii) number of women receiving sexual and reproductive health services (mammograms, Pap smears, etc.); (iv) number of women completing vocational technical training courses; (v) number of women completing work internships; (vi) number of women with approved loans; (vii) number of women completing (micro)entrepreneurship training courses; and (viii) number of women receiving business-related technical assistance. The project is also aligned with the following crosscutting areas: (i) gender equality and diversity, by promoting women's empowerment; and (ii) institutional capacity and rule of law, by reducing violence against adult women and lowering the homicide rate among women in the target departments, which is an outcome under Component 3 of the project. The project will also contribute to the Corporate Results Framework 2016-2019 (document GN-2727-6) through the maternal mortality rate indicator. The operation is aligned with the Bank's country strategy with Honduras 2015-2018 (document GN-2796-1) in the area of sustainable development of the Central District, its strategic objective of reducing marginalization and improving urban quality of life in the Central District, and its outcome of reduced violence; in the area of social inclusion and its strategic objective of promoting human capital accumulation of minors in households in extreme poverty, since lowering adolescent pregnancy rates will help ensure that this accumulation is not interrupted prematurely; and in the crosscutting area of gender focus and the dialogue areas of strengthening citizen security and the migration of unaccompanied minors to the United States. The project is consistent with the Strategy on Social Policy for Equity and Productivity (document GN-2588-4) and the Gender and Diversity Sector Framework Document (document GN-2800-3). It is also included in the 2016 Operational Program Report (document GN-2849).

B. Objectives, components, and cost

- 1.23 **Objectives.** The general objective of the project is to improve the living conditions of Honduran women aged 15 and older in terms of labor force participation, sexual and reproductive health, prevention of and response to violence against women, and prevention of adolescent pregnancy. The specific objectives for the target departments are to: (i) increase the percentage of women aged 15 and older who are participating in the labor force; (ii) reduce the maternal mortality rate and the breast cancer and cervical-uterine cancer mortality rates in women aged 15 and older; (iii) reduce the prevalence of violence (physical or sexual violence committed by a partner, as well as homicides)⁴⁸ against women aged 15 and older; (iv) reduce the pregnancy rate among adolescents aged 15 to 19; and (v) expand the coverage of specialized and integrated services for women aged 15 and older by creating and/or strengthening CCMs in the departments of Francisco Morazán, Cortés, Olancho, and Atlántida.
- 1.24 **Component 1. Comprehensive employment and income-generation services for women (US\$465,000).** To promote women's labor force participation, services will be provided to enhance their technical and psychosocial skills, increase their access to employment and productive credit, and improve their level of education. This component will support the provision and continual improvement of services in the Economic Autonomy Module: job bank, life skills and job skills training, business training and technical assistance, training to help women's businesses join the

⁴⁸ [Note 48.](#)

formal economy, financial products, financial education, and remedial education courses. Since the private sector plays a major role in attaining the outcomes for this component, support will be provided for activities to promote partnerships with the private sector.⁴⁹ Financing will be provided for (i) labor supply-and-demand studies in the geographical areas of Ciudad Mujer; (ii) adaptation and piloting of vocational/entrepreneurial training; (iii) development/adaptation and piloting of a life skills course; (iv) development of a methodology/guidelines for partnering with the private sector; (v) design of a system for monitoring women who use the Economic Autonomy Module and who enter the labor market or whose businesses receive technical/business training; (vi) advisory services to help women's businesses join the formal economy; (vii) design of financial instruments and financial education products to tailor services to the women who use Ciudad Mujer; and (viii) production of educational materials (see evidence of effectiveness of interventions in the "internal validity" column of the [Vertical logic matrix for the project](#)).

- 1.25 **Component 2. Comprehensive sexual and reproductive health care for women (US\$738,500).** To reduce maternal mortality and cervical-uterine and breast cancer mortality, services will be provided for the care of pregnant women and for early detection of these forms of cancer. This component will support the provision and continual improvement in the quality of services in the Sexual and Reproductive Health Module: prenatal and postnatal checkups by trained medical specialists, preconception counseling, and family planning services, as well as mammograms, ultrasounds, Pap smears, and colposcopies for early detection of breast and cervical-uterine cancer. Financing will be provided for, *inter alia*: (i) digital equipment and instruments for mammograms; (ii) ultrasound equipment; (iii) instruments for Pap smears; (iv) colposcopes; and (v) hiring of a biomedical support specialist for the purchase of equipment and advice on the installation of equipment in the CCMs (see evidence of effectiveness of interventions in the "internal validity" column of the [Vertical logic matrix for the project](#)).
- 1.26 **Component 3. Comprehensive services related to violence against women (US\$544,000).** To reduce violence against women, psychological, medical, and legal services that survivors of violence need to avoid revictimization will be provided in an integrated manner, while educational programs will be carried out in the communities to prevent violence against women. This component will support the provision and continual improvement of the quality of services in the Module Addressing Violence Against Women and the Collective Education Module: psychological and legal services; protective measures for survivors; health services and forensic medicine, police, and prosecutorial services provided by female personnel trained in providing comprehensive assistance and effective management in cases involving violence against women; community educational programs for prevention of violence against women; and tools, such as referral/counter-referral systems to position Ciudad Mujer as the leader in addressing violence against women in the project's area of influence and thereby increase demand for the Module Addressing Violence Against Women. Financing will be provided for: (i) design and implementation of an interagency protocol for providing comprehensive assistance in cases involving violence against women with outside entities in the geographical areas of Ciudad Mujer; (ii) design and implementation of a referral/counter-referral system for cases involving violence against women in the geographic areas of Ciudad Mujer; (iii) training for service providers in the Module

⁴⁹ [Note 49.](#)

Addressing Violence Against Women; (iv) design and implementation of a system for monitoring protective orders for female survivors of violence; (v) design of a tool for developing safety plans for female survivors of violence; (vi) design/adaptation and implementation of collective education to prevent violence against women, aimed at adult women and men; and (vii) production of educational materials (see evidence of effectiveness of interventions in the “internal validity” column of the [Vertical logic matrix for the project](#)).

1.27 Component 4. Comprehensive services for adolescent females (US\$886,540).

To reduce adolescent pregnancy, support will be provided for the provision and continual improvement of services in the Adolescent Services Module: life skills training, including social/emotional skills and development of life plans, online sex education; sexual and reproductive health counseling, psychological services for mental health, and community-based prevention of violence against adolescent women. Also, the capacity of other Ciudad Mujer modules to assist young women through vocational training and guidance in the Economic Autonomy Module, as well as other services in the Module Addressing Violence Against Women and the Sexual and Reproductive Health Module, will be strengthened. Financing will be provided for the design and piloting of (i) a life skills course; (ii) an online course in comprehensive sex education; (iii) a sexual and reproductive health clinic for adolescents; (iv) a strategy to generate demand for Ciudad Mujer services among adolescent females; and (v) a community outreach model for prevention of violence against women, aimed at young people. Financing will also be provided to train female personnel of Ciudad Mujer on providing friendly service to adolescents (see evidence of effectiveness of interventions in the “internal validity” column of the [Vertical logic matrix for the project](#)).

1.28 Component 5. Expansion and strengthening of the Ciudad Mujer Program (US\$15,379,607).

The geographic coverage of Ciudad Mujer will be expanded by building new CCMs, and program management will be strengthened. Subcomponent 5A. Construction and equipping of CCMs (US\$14,651,607). This subcomponent will be executed by INVEST-H. Activities will include completion of preliminary engineering design work by the Joint Chiefs of Staff (paragraph 1.13). Financing will be provided for (i) construction of three CCMs; (ii) oversight of the CCM construction process, including completion of engineering design work; (iii) equipping and furnishing of CCMs; (iv) INVEST-H's operating costs associated with contract administration (see Annex III, paragraph 5.3c); and (v) hiring of an environmental specialist for work/dealings associated with CCM construction. Subcomponent 5B. Institutional strengthening (US\$728,000). Activities in this subcomponent related to contracting development of the recordkeeping and information system and contracting the infrastructure and information technology specialists will be executed jointly by INVEST-H and the DNCM, while the remainder of the activities will be executed by the DNCM. Financing will be provided for (i) implementation of CCM staff onboarding training; (ii) design of continuing education plans for staff members; (iii) development of an online learning platform for staff and module coursework; (iv) design of protocols and a referral system for cases involving violence against children in the Childcare Module; (v) design of pedagogical methodologies for the Childcare Module;⁵⁰ (vi) design of a recordkeeping/information system; and (vii) development and implementation of a communication strategy and informational material on Ciudad Mujer. In addition, the

⁵⁰ [Note 50.](#)

DNCM will be strengthened by hiring specialists in infrastructure and information technology (see evidence of effectiveness of interventions in the “internal validity” column of the [Vertical logic matrix for the project](#)).

- 1.29 **Project management (US\$1,126,800).** Contracting for a project manager and procurement, finance, and monitoring and evaluation specialists for the DNCM will be executed jointly by INVEST-H and the DNCM. INVEST-H will contract an infrastructure coordinator and procurement and finance specialists, together with technical assistance for evaluating bids in procurement processes for INVEST-H. Financing will also be provided for INVEST-H office equipment and supplies.
- 1.30 The budget includes financing for evaluations (midterm and final), baseline and endline surveys for the project, and audits.
- 1.31 Project cost structure. The project cost is estimated at US\$20 million. Table 1 shows the breakdown of costs ([Itemized budget](#)).

Table 1. Project costs (US\$)

Components/Activities	IDB	%
Component 1. Comprehensive employment and income-generation services for women	465,000	2.3
Component 2. Comprehensive sexual and reproductive health care for women	738,500	3.7
Component 3. Comprehensive services related to violence against women	544,000	2.7
Component 4. Comprehensive services for adolescent females	886,540	4.5
Component 5. Expansion and strengthening of the Ciudad Mujer Program	15,379,607	76.9
Project management	1,126,800	5.6
Evaluations and auditing	560,000	2.8
Contingencies	299,553	1.5
Total	20,000,000	100

C. Key outcome indicators

- 1.32 The expected impacts and outcomes are presented in the [Results Matrix, Annex II](#). The expected impacts (measured nationally) and outcomes (measured in the target departments) include: (i) increase in the percentage of women over 15 who are participating in the labor force; (ii) reduction in the rate of maternal mortality and mortality due to cervical-uterine and breast cancer in women aged 15 and older; (iii) reduction in the prevalence of physical and/or sexual violence committed by their partners against women aged 15 or older, as well as in the homicide rate among women; (iv) reduction in the percentage of women aged 15 to 19 who are mothers or are pregnant; and (v) increased coverage of specialized and integrated services for women aged 15 and older.
- 1.33 **Economic analysis.** The analysis was performed by estimating annual benefits, considering the following assumptions: a 10% increase in women’s employment, a 60% reduction in maternal mortality, a 75% reduction in mortality due to cervical-uterine cancer, a 75% reduction in mortality due to breast cancer, a 14.6% reduction in the rate of violence against women, and a 20% reduction in the adolescent pregnancy rate. When calculating the benefits, the assumption is that one CCM will begin to operate in 2017 and that the other three CCMs will begin to operate in 2018. From that year on, the full effect is applied until reaching the time horizon of 15 years. The analysis shows the social return of the project, with a cost-benefit ratio of 1.36 for every dollar invested, and an internal rate of return of 25.1%, using a

discount rate of 12%. A sensitivity analysis explores a conservative scenario and another more favorable scenario. Even in the most conservative case, the project's social returns are maintained ([Economic analysis](#)).

II. FINANCING STRUCTURE AND MAIN RISKS

A. Financing instruments

- 2.1 The cost of the project is US\$20 million in Bank financing, including US\$12 million from the Bank's Ordinary Capital and US\$8 million from the Fund for Special Operations, with a disbursement period of five years. Table 2 shows the annual flow of project funds.

Table 2. Annual flow of project funds (US\$)

Source	Year 1	Year 2	Year 3	Year 4	Year 5	Total
IDB	5,591,161	12,575,179	1,098,516	446,957	288,187	20,000,000
% of total loan	28.0%	62.9%	5.5%	2.2%	1.4%	100%

B. Environmental and social risks

- 2.2 In accordance with the Bank's Environment and Safeguards Compliance Policy (OP-703)—Directive B.03, Screening and classification—this is classified as a category "B" operation because the potential negative impacts and social and environmental risks are localized and short-term and the mitigation measures are known and easily implemented. The most significant social and environmental risks are related to the operational phase, particularly increased demand for energy and drinking water; the quality of drinking water and sewerage systems; discharges of hospital effluents; generation of hospital solid waste; and occupational safety and health for Sexual and Reproductive Health Module employees, patients, and visitors. Social and environmental risks during construction have also been identified. To address these risks, the following mitigation measures are proposed: (i) implement the environmental measures contained in project-related resolutions issued by the relevant authorities in the construction and operations phases; (ii) hire an environmental specialist in INVEST-H for the project; (iii) conduct consultations on Ciudad Mujer with the population in surrounding areas and in communities near the CCMs; and (iv) develop and implement the bioinfectious waste management plans in each CCM.
- 2.3 The Environmental and Social Management Plan (ESMP) set forth in the [Environmental and Social Management Report \(ESMR\)](#) will be the project instrument used to manage the environmental and social aspects to be considered for proper incorporation during the identification, preparation, analysis-evaluation, execution, and monitoring of each of the activities proposed during implementation of the project, consistent with the phases for identification, construction, and operation of the works. It also defines the responsibilities and presents the instruments and procedures to be applied in the social and environmental evaluation and management plans. Construction of the project's works in San Pedro Sula triggers the Bank's Involuntary Resettlement Policy (OP-710). Because it involves a family whose compensation has already been agreed upon with the Government of Honduras, no involuntary resettlement plan is required. The ESMP will include monitoring of compliance with this agreement and the conditions in which the family was resettled. The ESMP will be part of the Project Operations Manual and includes

the environmental and social conditions that must be fulfilled during project execution and reflected in the corresponding loan contract.

C. Fiduciary risks

- 2.4 The institutional capacity assessment rated the project's overall risk related to financial management and procurement as medium and trending downward if the appropriate actions are taken. One of the risks rated medium is that the DNCM's Project and Program Administration Unit, which will execute the project, might not be adequately staffed. To mitigate this risk, **a special contractual condition precedent to the first disbursement of the loan will be the hiring of the DNCM program and project manager, as well as specialists in procurement, finance, and monitoring and evaluation.** Another procurement risk rated medium is that critical procurement processes might be declared null or be delayed, for which the following mitigation measures are planned: (i) hiring qualified consultants to support these processes; (ii) prepare an equipment list for the CCMs with well-defined technical specifications; and (iii) establish a Project Operations Committee, consisting of the DNCM and INVEST-H, to address bidders' questions on the designs for the works and the equipment for the CCMs.

D. Other project risks

- 2.5 Other risks rated as high are: (i) that inadequate coordination between the institutions participating in Ciudad Mujer could compromise the effectiveness and efficiency of the CCMs, as well as the quality of services; (ii) that the personnel assigned by the various institutional service providers in Ciudad Mujer might lack the required qualifications; (iii) that a lack of an effective system for monitoring women referred for services outside Ciudad Mujer could compromise the ability to attain outcomes and resolve cases in the various modules; (iv) that the start of construction work on the CCMs could be delayed due to the time it takes to arrange for the properties' legal status, inadequate quality in the engineering design work, and/or turnaround time in securing environmental permits; and (v) that the continuity of the Ciudad Mujer program could be affected when a new administration takes office.
- 2.6 To mitigate these coordination risks, **special contractual conditions precedent to the first disbursement of the loan will be: (i) entry into force of the Ciudad Mujer Program Operations Manual**, which will include the program's operating and execution mechanisms; **and (ii) signing of an interagency execution agreement for the Ciudad Mujer Program between SEDIS, the DNCM, and the [entities participating in the Ciudad Mujer Program](#)**, setting forth their responsibilities and coordination mechanisms. The [interagency coordination bodies for the program](#) will also be put in place. To address the risk of unqualified personnel being assigned to the CCMs, a joint personnel selection committee consisting of the DNCM and the entities participating in the program will be formed, and a continuing education plan for staff members will be designed and implemented. To monitor the CCMs' female clients outside Ciudad Mujer, monitoring methodologies will be designed and implemented in the modules and the referral and counter-referral systems in the CCMs' areas of influence. To avoid delays in the start of construction work, an infrastructure adviser will be hired in Ciudad Mujer to monitor the design work, and a Project Operations Committee consisting of the DNCM and INVEST-H will be put in place to monitor processes critical to the construction of CCMs. To mitigate the risk to program continuity, a communication strategy will be developed with key

social actors and the general public to ensure the acceptance and social sustainability of Ciudad Mujer.

- 2.7 **Financial sustainability.** To promote financial sustainability, State institutions that are already providing different services to women will reassign some of their personnel to provide the human resources needed to operate the CCMs; the remaining positions will be filled by new hires.⁵¹ State institutions will also cover current expenses for operating the CCMs, expenses that already are or will be part of their annual budget allocations. There are no medium-term plans to scale up the Ciudad Mujer Program beyond the four CCMs supported by this project.
- 2.8 Because of the identified high risk that budget allocations needed to effectively operate the program and that the CCMs may not be sustained over the long term, a fiscal and financial sustainability plan will be developed and implemented during the project ([Elements in the fiscal and financial sustainability analysis of the Ciudad Mujer program in Honduras, 2016-2025](#)), taking into account such considerations as CCM maintenance and operation and continuity/scalability of services financed by this operation, and others. In addition, the final evaluation will include a cost analysis of some of Ciudad Mujer's strategic services and of the same services elsewhere, in order to ascertain how efficiently the services are being provided.

III. IMPLEMENTATION AND MANAGEMENT PLAN

A. Summary of implementation arrangements

- 3.1 The executing agencies for the project will be SEDIS, through the DNCM, and INVEST-H. INVEST-H will execute the activities under Component 2 and Subcomponent 5A, as well as some of the activities for developing the registration and information system and for contracting infrastructure and information technology specialists under Subcomponent 5B. The DNCM will execute the rest of the components, subcomponents, and activities. **As special conditions precedent to the first disbursement of the loan, (i) evidence that INVEST-H is legally authorized to act as the coexecuting agency for the project must be submitted; and (ii) an interagency execution agreement for the project must be signed between the Ministry of Finance, SEDIS, the DNCM, and INVEST-H.** This interagency agreement will set forth, *inter alia*: (i) how the loan proceeds are to be transferred; (ii) the commitment of the DNCM and INVEST-H to execute project activities in accordance with the terms and conditions in the loan contract; and (iii) the commitment to use the loan proceeds solely for project purposes.
- 3.2 SEDIS, acting through the DNCM, will be responsible for technical, operational, and monitoring-related coordination of the project as a whole. The DNCM and INVEST-H will have fiduciary independence to execute their respective project components, subcomponents, and activities.
- 3.3 For project execution, administration, procurement, administrative-financial management, and monitoring and evaluation, the DNCM⁵² will include a Project and Program Administration Unit with specialties in those fields and will also have an IT and Technology Unit for project monitoring purposes.

⁵¹ [Note 51.](#)

⁵² [Note 52.](#)

- 3.4 INVEST-H will have a project infrastructure coordinator who will report to the executive director and deputy director. Under this coordinator will be a biomedical specialist to provide procurement support and verify the installation of medical equipment at the CCMs, and an environmental specialist to support the studies for construction-related environmental permits and the environmental measures during construction of the CCMs. The project infrastructure coordinator will rely on INVEST-H's line management offices for procurement processes and administrative-financial management, and to that end these areas will be reinforced with specialists financed by the project.
- 3.5 For operational coordination, monitoring, and adjustment of execution plans for CCM equipment and construction processes, a Project Operations Committee will be formed and will be coordinated by the DNCM with the participation of INVEST-H.
- 3.6 Coordination and clarity of roles during project execution between SEDIS, the DNCM, and INVEST-H is necessary to achieve project outcomes. Thus, **a special contractual condition precedent to the first disbursement of the loan will be the entry into force of the Project Operations Manual.** This manual will include, *inter alia*, the duties of the Project Operations Committee and the roles and responsibilities of each entity in project execution.
- 3.7 Implementation of the Ciudad Mujer Program will impact project execution, and thus arrangements must be made for coordination with participating institutions and service providers in the program ([Interagency coordination bodies for the program](#)).
- 3.8 Project procurement processes financed wholly or partly by the loan proceeds will be conducted in accordance with the Policies for the Procurement of Goods and Works Financed by the Inter-American Development Bank (document GN-2349-9) and the Policies for the Selection and Contracting of Consultants Financed by the Inter-American Development Bank (document GN-2350-9). The document [Fiduciary Agreements and Requirements \(Annex III\)](#) and the procurement plan include more details on procurement management.
- 3.9 Before the awarding of each works contract to be financed under project Subcomponent 5A, evidence of legal possession of the properties⁵³ where the corresponding construction work is to take place, as well as of easements and other rights needed for construction and usage, must be submitted to the Bank's satisfaction.
- 3.10 In procurement processes for the contracting of works and nonconsulting services, consideration will be given to establishing incentives to promote women's labor force participation in executing the contracts, especially in occupations not traditionally held by women.
- 3.11 **Retroactive financing.** The Bank may provide retroactive financing, charged against the loan proceeds, for eligible expenditures made by the borrower/executing agencies before the loan was approved, up to US\$4 million (20% of the loan amount), provided that procedures substantively similar to those set forth in the corresponding loan contract were used, and provided that such expenditures were made no earlier than 25 March 2016 (Project Profile approval date). Under no circumstance may expenditures be included if they were incurred more than 18 months before the loan approval date. These expenses may include the works

⁵³ [Note 53.](#)

to build and equip each CCM under Subcomponent 5A, as long as evidence has been submitted to the Bank's satisfaction that the borrower has legal possession of the property where the corresponding CCM is to be built, as well as the easements and other rights needed for construction and usage for the Ciudad Mujer Program.

- 3.12 Retroactive financing is required to assist the Government of Honduras in implementing and strengthening the program and the first CCM in 2016.

B. Summary of arrangements for results monitoring

- 3.13 SEDIS, through the DNCM, will be responsible for project oversight and monitoring. It will use the Results Matrix, outcome/output indicators, and costs set forth in the Project Monitoring Report and the tools set forth in the [Monitoring and Evaluation Plan](#) for this purpose. SEDIS will also coordinate with INVEST-H to compile the data needed for this monitoring effort.
- 3.14 To measure impacts attributable to Ciudad Mujer, a quasi-experimental impact evaluation⁵⁴ is proposed in order to evaluate the effectiveness of services using a counterfactual selection methodology through propensity score matching. The project will finance the administration of surveys for the baseline and for the project endline one year after project completion. The DNCM could collaborate with the National Statistics Institute to administer these surveys.
- 3.15 Lastly, two independent external evaluations of project processes will be conducted: (i) a midterm project evaluation, with the corresponding report to be submitted once the first CCM built under the project has been operating for 24 months; and (ii) a final evaluation, with the corresponding report to be submitted once 95% of the project financing has been disbursed.

⁵⁴ [Note 54.](#)

Development Effectiveness Matrix				
Summary				
I. Strategic Alignment				
1. IDB Strategic Development Objectives		Aligned		
Development Challenges & Cross-cutting Themes	-Social Inclusion and Equality -Gender Equality and Diversity -Institutional Capacity and the Rule of Law			
Regional Context Indicators	-Social Progress Index			
Country Development Results Indicators	-Maternal mortality ratio (number of maternal deaths per 100,000 live births) -Beneficiaries receiving health services (#) -Beneficiaries of on-the-job training programs (#) -Micro / small / medium enterprises financed (#) -Micro / small / medium enterprises provided with non-financial support (#)			
2. Country Strategy Development Objectives		Aligned		
Country Strategy Results Matrix	GN-2796-1	Reduction of marginality and improvement of urban quality of life the Central District.		
Country Program Results Matrix	GN-2849	The intervention is included in the 2016 Operational Program.		
Relevance of this project to country development challenges (If not aligned to country strategy or country program)				
II. Development Outcomes - Evaluability		Evaluable	Weight	Maximum Score
		8.2		10
3. Evidence-based Assessment & Solution		8.8	33.33%	10
3.1 Program Diagnosis		2.4		
3.2 Proposed Interventions or Solutions		3.6		
3.3 Results Matrix Quality		2.8		
4. Ex ante Economic Analysis		7.0	33.33%	10
4.1 The program has an ERR/NPV, a Cost-Effectiveness Analysis or a General Economic Analysis		4.0		
4.2 Identified and Quantified Benefits		0.0		
4.3 Identified and Quantified Costs		1.5		
4.4 Reasonable Assumptions		0.0		
4.5 Sensitivity Analysis		1.5		
5. Monitoring and Evaluation		8.9	33.33%	10
5.1 Monitoring Mechanisms		2.5		
5.2 Evaluation Plan		6.4		
III. Risks & Mitigation Monitoring Matrix				
Overall risks rate = magnitude of risks*likelihood		High		
Identified risks have been rated for magnitude and likelihood		Yes		
Mitigation measures have been identified for major risks		Yes		
Mitigation measures have indicators for tracking their implementation		Yes		
Environmental & social risk classification		B		
IV. IDB's Role - Additionality				
The project relies on the use of country systems				
Fiduciary (VPC/FMP Criteria)	Yes	Financial Management: Budget, Treasury, Accounting and Reporting. Procurement: Information System.		
Non-Fiduciary	Yes	Monitoring and Evaluation National System.		
The IDB's involvement promotes additional improvements of the intended beneficiaries and/or public sector entity in the following dimensions:				
Gender Equality				
Labor				
Environment				
Additional (to project preparation) technical assistance was provided to the public sector entity prior to approval to increase the likelihood of success of the project	Yes	To ensure success of the project, the country has received technical assistance through various Technical Cooperations (RG-T2482; RG-T2500; and HO-T1238) for the design/adaptation of the Women's City Program (including the design of the operation manuals for the service modules and program management).		
The ex-post impact evaluation of the project will produce evidence to close knowledge gaps in the sector that were identified in the project document and/or in the evaluation plan	Yes	A quasi-experimental evaluation (propensity score matching) will be implemented in the area of influence of the project. The impact evaluation will produce evidence on the effectiveness of Women's City to increase women's income and labor participation, to improve women's sexual y reproductive health, and to reduce violence against women and teen pregnancy.		

Note: (*) Indicates contribution to the corresponding CRF's Country Development Results Indicator.

The general problem that the project seeks to address is the precarious living conditions of women aged 15 years or more in Honduras. The following specific problems have been identified: (a) their low labor participation; (b) their high maternal mortality and by cervical and breast cancer; (c) their high victimization by violence (homicides, physical or sexual partner violence); (d) their high risk of teenage pregnancy; and (e) their restricted access to appropriately integrated services to address these issues. The determinants of the main problems are identified and quantified. However, the loan proposal does not successfully quantify how much of the main problems can be explained by the determinants of the problems identified.

The project's vertical logic is clear and well specified. The project presents adequate evidence of internal validity of the proposed solutions. In general, the Result Matrix included in the loan proposal contains all of its required elements for the monitoring of the project. However, the result indicator targets were not adequately quantified. For some result indicators, the expected change in the result indicator value (from the baseline to the target) is so small that ex-post it would be difficult to distinguish it from a measurement error.

The project's economic analysis is partially adequate. Taking a social discount rate of 12%, a time horizon of 15 years and benefits and costs at market price, the program proposed is economically viable. The internal rate of return is of 15.5%, under the conservative scenery.

The loan proposal includes a satisfactory monitoring and evaluation plan. In general, the project has identified and adequately addressed the monitoring and evaluation requirements and the data availability. The project proposes an impact evaluation to measure the effectiveness of Women's City to increase women's income and labor participation, to improve women's sexual and reproductive health, to reduce violence against women and teen pregnancy. The evaluation plan proposes a quasi-experimental design (Propensity Score matching) to evaluate the program. However, the strategy for data collection lacks some required elements.

The project's overall risk rating is High. Of the nine risks identified, six were classified as High. All of them have mitigation measures with adequate monitoring indicators.

RESULTS MATRIX

Project objective:	The general objective of the project is to improve the living conditions of Honduran women aged 15 and older in terms of labor force participation, sexual and reproductive health, prevention of and response to violence against women, and prevention of adolescent pregnancy.
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EXPECTED IMPACT

Indicators	Unit of measurement	Baseline		Targets ¹		Means of verification	Observations ²
		Value	Year	Value	Year		
EXPECTED IMPACT							
I1.1 Women 15 and older who are participating in the labor force in Honduras	%	46.96	2014	47.04	2021	Ongoing Multipurpose Household Survey (EPHPM)	
I2.1 Maternal mortality rate (women 15 and older) in Honduras	Ratio (number of maternal deaths per 100,000 live births)	73.0	2014	71.9	2021	Honduran Ministry of Health, Dirección General de Vigilancia de la Salud [Health Monitoring Bureau]	
I2.2 Cervical-uterine cancer mortality rate among women 15 and older in Honduras	Rate (number of deaths per 100,000 women 15 and older)	14.1	2012	13.89	2021	Administrative data from the Ministry of Health	
I2.3 Breast cancer mortality rate among women 15 and older in Honduras	Rate (number of deaths per 100,000 women 15 and older)	8.0	2012	7.83	2021	Administrative data from the Ministry of Health	
I3.1 Women aged 20-49 in Honduras who have ever been married or in a common law relationship and who have experienced physical or sexual violence from their husband/partner in the past 12 months	%	10.49	2011-2012	10.47	2021	National Demographic and Health Survey (ENDESA)	
I3.2 Homicides of women in Honduras	Rate (number of homicides of women per 100,000 women)	10.88	2015	10.87	2021	Administrative records from the Ministry of Justice	

¹ See calculation of targets for results matrix.

² See observations for each indicator in the extended results matrix, available in the [Monitoring and Evaluation Plan](#), Section IV.

Indicators	Unit of measurement	Baseline		Targets ¹		Means of verification	Observations ²
		Value	Year	Value	Year		
I4.1 Women aged 15-19 who have ever been married or in a common law relationship and who have experienced physical and/or sexual violence from their husband/partner in the past 12 months	%	16.4	2011-2012	16.34	2021	ENDESA	
I4.2 Women aged 15-19 in Honduras who are already mothers or are pregnant for the first time, at the time of the survey	%	24.0	2011-2012	23.87	2021	ENDESA	

EXPECTED OUTCOMES

Expected outcomes	Unit of measurement	Baseline		Intermediate		Targets ³		Means of verification	Observations ⁴
		Value	Year	Value	Year	Value	Year		
EXPECTED OUTCOME 1. Increase the percentage of women over 15 years of age who are participating in the labor force in Francisco Morazán, Cortés, Olancho, and Atlántida.									
O1.1. Women 15 and older participating in the labor force	%	46.96	2014			47.13	2021	Project survey applied in treatment and control areas (EPZTC)	
O1.2 Women 15 and older who received labor intermediation services	Rate (per 1,000 women 18 and older)	11.28	2015			12.41	2021	Administrative data of the Ministry of Labor and Social Security	
O1.3 Women who received a productive loan in the past 12 months at the Ciudad Mujer Centers, out of all women aged 18 and older who applied	%	0	2016			30.0%	2021	Administrative databases of Ciudad Mujer	
O1.4 Average number of years of schooling among women aged 15-49	Years of schooling	4.38	2011-2012			4.41	2021	EPZTC	

³ See calculation of targets for results matrix.

⁴ See observations for each indicator in the extended results matrix, available in the [Monitoring and Evaluation Plan](#), Section IV.

Expected outcomes	Unit of measurement	Baseline		Intermediate		Targets ³		Means of verification	Observations ⁴
		Value	Year	Value	Year	Value	Year		
EXPECTED OUTCOME 2. Reduce the maternal mortality rate and the breast cancer and cervical-uterine cancer mortality rates in women aged 15 and older in Francisco Morazán, Cortés, Olancho, and Atlántida.									
O2.1 Maternal mortality ratio (women 15 and older)	Ratio (number of maternal deaths per 100,000 live births)	65.98	2014			64.01	2021	Honduran Ministry of Health, Health Monitoring Bureau	
O2.2 Hospital deaths from cervical-uterine cancer in women 15 and older	Rate (number of deaths per 1,000,000 women 15 or older)	7.5	2015			7.28	2021	Administrative data from the Honduran Social Security Institute (IHSS)	
O2.3 Hospital deaths from breast cancer in women 15 and older	Rate (number of deaths per 1,000,000 women 15 or older)	9.8	2015			9.21	2021	Administrative data from the IHSS	
Intermediate outcome 2									
O2.4 Women aged 15-49 who had a live birth within the FIVE years prior to the survey, and who received their first prenatal checkup from a health care professional during the first 12 weeks of pregnancy	%	59.5	2011-2012			61.73	2021	EPZTC	
O2.5 Women aged 15-49 who gave birth within the TWO years prior to the survey, and who received their first postnatal care from a health care professional within seven days after their most recent childbirth	%	88.62	2011-2012			89.87	2021	EPZTC	
O2.6 Women aged 30-49 who received a Pap smear or cervical cancer screening in the past 2 years	%	59.2	2011-2012			64.02	2021	EPZTC	
O2.7 Women aged 40-49 who have ever had a mammogram	%	27.77	2011-2012			31.61	2021	EPZTC	
O2.8 Women aged 15-49 who are currently pregnant or amenorrheic (postpartum) and whose most recent pregnancy was unwanted (because either	%	46.18	2011-2012			45.31	2021	EPZTC	

Expected outcomes	Unit of measurement	Baseline		Intermediate		Targets ³		Means of verification	Observations ⁴
		Value	Year	Value	Year	Value	Year		
she did not want any more children, or she wanted them but not until later)									
O2.9 Women who had a colposcopy and were treated at the Ciudad Mujer Centers (CCMs), out of all women 15 and older who had a Pap smear and were diagnosed with precancerous lesions at Ciudad Mujer during the project period	%	0	2017	10%	2019	10%	2021	Administrative databases of Ciudad Mujer	
O2.10 Women who were referred for cancer treatment in the public system, out of all women 15 and older who had a Pap smear at Ciudad Mujer and were diagnosed with precancerous/cancerous lesions during the project period	%	0	2017	90%	2019	90%	2021	Administrative databases of Ciudad Mujer	
O2.11 Women who were referred for treatment in the public system, out of all women 40 and older who had a mammogram at Ciudad Mujer and were diagnosed with cancer or a tumor during the project period	%	0	2017	100%	2019	100%	2021	Administrative databases of Ciudad Mujer	
EXPECTED OUTCOME 3. Reduce the prevalence of violence (physical or sexual violence committed by a woman's intimate partner) against adult women and the homicide rate among women in Francisco Morazán, Cortés, Olancho, and Atlántida.									
O3.1 Women aged 20-49 who have ever been married or in a common law relationship and who have experienced physical or sexual violence by their husbands/partners in the past 12 months	%	10.93	2011-2012			10.89	2021	EPZTC	
O3.2 Homicides of women	Rate (number of homicides of women per 100,000 women)	14.86	2015			14.82	2021	Administrative records of the Ministry of Justice	

Expected outcomes	Unit of measure ment	Baseline		Intermediate		Targets ³		Means of verification	Observations ⁴
		Value	Year	Value	Year	Value	Year		
Intermediate outcome 3									
O3.3 Cases of domestic violence handled in the appropriate courts and classified as having exceeded the statute of limitations, out of all domestic violence cases	%	77.15	2015			77.42	2021	Administrative records of the Electronic Center for Judicial Documentation and Information, Judicial Branch	
O3.4 Women aged 20-49 who have ever been married or in a common law relationship, who have experienced physical and/or sexual violence committed by their spouse/partner in the past 12 months, and who sought institutional help	%	23.49	2011-2012			23.58	2021	EPZTC	
O3.6 Women aged 20-49 who agree with AT LEAST ONE specific reason for a husband to beat his wife	%	9.14	2011-2012			9.10	2021	EPZTC	
O3.7 Women reporting that their assailant violated the protective order issued at Ciudad Mujer, out of all women who obtained protective orders	%	0	2017			45	2021	Administrative databases of Ciudad Mujer	
O3.8 Women who are experiencing violence and who receive two or more services from the Module Addressing Violence Against Women at Ciudad Mujer	%	0	2017			15.88	2021	Administrative databases of Ciudad Mujer	
EXPECTED OUTCOME 4. Reduce the pregnancy rate among adolescents aged 15-19 in Francisco Morazán, Cortés, Olancho, and Atlántida.									
O4.1 Women aged 15-19 who, at the time of the survey, are already mothers or are pregnant for the first time	%	21.27	2011-2012			21.04	2021	EPZTC	
Intermediate outcome 4									
O4.2 Women aged 15-19 who have had sex and who used condoms during their first sexual experience	%	25.22	2011-2012			25.50	2021	EPZTC	

Expected outcomes	Unit of measure ment	Baseline		Intermediate		Targets ³		Means of verification	Observations ⁴
		Value	Year	Value	Year	Value	Year		
O4.3 Sexually active women aged 15-19 who use modern birth control methods	%	56.89	2011-2012			57.52	2021	EPZTC	
O4.4 Women aged 15-19 who have ever been married or in a common law relationship, and who have experienced physical or sexual violence committed by their husband/partner in the past 12 months	%	17.06	2011-2012			16.78	2021	EPZTC	
O4.5 Average age at which women aged 15-19 enter into their first marriage or common law relationship	Years of age	15.39	2011-2012			15.44	2021	EPZTC	
EXPECTED OUTCOME 5. Expand the coverage of specialized and integrated services for women in Francisco Morazán, Cortés, Olancho, and Atlántida									
O5.1 Covered demand for sexual and reproductive health services: mammogram	Rate (Number of mammograms given to women per 1,000 women 40 and older)	17.38	2015			20.4	2021	Administrative databases of the IHSS	
O5.2 Covered demand for services related to violence against women: complaints received alleging domestic violence against women	Rate (number of complaints lodged by women per 100,000 women 18 and older)	466.76	Average 2013-2015			468.68	2021	Administrative records of the Office of the Special Prosecutor for Women	
O5.3 Quantified demand among women 15 and older who are not using at least one service related to health care, employment, or violence against women due to time or cost in the target departments	Available study with quantification	No	2016			Yes	2020	EPZTC	

Expected outcomes	Unit of measure ment	Baseline		Intermediate		Targets ³		Means of verification	Observations ⁴
		Value	Year	Value	Year	Value	Year		
Intermediate outcome 5									
O5.4 Women 15 and older who are using Ciudad Mujer and receiving integrated services (from at least two modules, with the exception of the Childcare Module) at the CCMs	%	0	2017			12.0	2021	Administrative records from CCMs	

OUTPUTS

Outputs	Estimated cost (US\$)	Unit of measurement	Baseline	Year 1	Year 2	Year 3	Year 4	Year 5	Final target	Means of verification
Component 1. Comprehensive employment and income-generation services for women										
P1.1 Study conducted on productive supply and demand of labor	96,000	#		1					1	Study report/DNCM
P1.2 Women served by job bank services	307,624	#		2,160	8,640	8,640	8,640	8,640	36,720	Administrative data from Ciudad Mujer
P1.3 Women completing work internships	6,889	#		50	200	200	200	200	850	Idem.
P1.4 Women completing vocational technical training courses (in classroom)	3,129,165	#		960	3,840	3,840	3,840	3,840	16,320	Idem.
P1.5 Women completing life skills training in the Economic Autonomy Module	6,068,331	#		1,920	7,680	7,680	7,680	7,680	32,640	Idem.
P1.6 Women completing (micro)entrepreneurial training courses	2,979,165	#		960	3,840	3,840	3,840	3,840	16,320	Idem.
P1.7 Methodology designed for partnering with the productive sector	24,000	#		1					1	Idem.
P1.8 Women provided entrepreneurial technical assistance	403,542	#		96	384	384	384	384	1,632	Idem.
P1.9 Women trained in bringing businesses into the formal sector	433,542	#		96	384	384	384	384	1,632	Idem.

P1.10 Women completing financial education courses	675,725	#		96	384	384	384	384	1,632	Idem.
P1.11 Women with approved loans	668,118	#		96	384	384	384	384	1,632	Idem.
P1.12 Women completing remedial education courses (literacy, basic and intermediate)	155,808	#		720	2,880	2,880	2,880	2,880	12,240	Idem.
Component 2. Comprehensive sexual and reproductive health care for women										
P2.1 Women undergoing a mammogram	1,354,413	#		2,400	9,600	9,600	9,600	9,600	40,800	
P2.2 Women undergoing a breast ultrasound	1,179,463	#		2,400	9,600	9,600	9,600	9,600	40,800	Idem.
P2.3 Women getting a Pap smear	1,591,678	#		3,360	13,440	13,440	13,440	13,440	50,120	Idem.
P2.4 Women undergoing a colposcopy	61,108	#		34	136	136	136	136	578	Idem.
P2.5 Women getting preconception checkups	39,800	#		84	336	336	336	336	1,428	Idem.
P2.6 Women getting family planning checkups	684,738	#		1,445	5,782	5,782	5,782	5,782	24,573	Idem.
P2.7 Women getting prenatal checkups	922,738	#		1,445	5,782	5,782	5,782	5,782	24,573	Idem.
P2.8 Women getting postnatal checkups	880,188	#		1,445	5,782	5,782	5,782	5,782	24,573	Idem.
Component 3. Comprehensive services related to violence against women										
P3.1 Women assisted at the Module Addressing Violence Against Women for the first time	2,566,224	#		1,200	5,280	5,808	6,388	7,027	25,703	Idem.
P3.2 Referral and counter-referral system implemented in the geographic areas of Ciudad Mujer and in operation	117,000	#			1				1	Consultant's report and memorandum of the DNCM notifying external entities that it is in operation
P3.3 Female staff in the Module Addressing Violence Against Women who are trained in comprehensive care and effective management of cases involving violence against women	37,000	#		16	64	64			144	Course report with list of participants/DNCM
P3.4 System for monitoring protective orders granted to women served by Ciudad Mujer, designed and in operation at the four CCMs	95,000	#			1				1	Report and administrative data from Ciudad Mujer / National Police

P3.5 Women served at the CCMs with safety plans developed	953,437	#		480	1,920	2,112	2,323	2,555	9,390	Administrative data from Ciudad Mujer
P3.6 Number of women trained in community programs for preventing gender violence	219,591	#				700	700	700	2,100	Idem.
P3.7 Number of men trained in community programs for preventing gender violence	219,591	#				700	700	700	2,100	Idem.
P3.8 Interagency protocol for comprehensive assistance in cases involving violence against women with external entities in the regions, designed and in operation	70,000	#			1				1	Protocol and memorandum of the DNCM notifying external entities that it is in operation
Component 4. Comprehensive services for adolescent females										
P4.1 Adolescent females who have completed workshops on life skills / social and emotional skills with a focus on human rights and gender in the Adolescent Services Module	466,928	#		300	900	1,200	1,200	1,200	4,800	Course report with list of participants and DNCM certificates
P4.2 Adolescent females who have a life plan developed and registered	336,134	#		300	900	1,200	1,200	1,200	4,800	Administrative data from Ciudad Mujer
P4.3 Adolescent females who have completed an online course on sex education and sexual and reproductive health	495,844	#			900	1,200	1,200	1,200	4,500	Course report with list of participants and DNCM certificates
P4.4 Adolescent females receiving preventive counseling in comprehensive sexual and reproductive health in the Adolescent Services Module	276,503	#		300	900	1,200	1,200	1,200	4,800	Administrative data from Ciudad Mujer
P4.5 Adolescent females receiving psychological care in the Adolescent Services Module	240,503	#		240	276	345	380	417	1,658	Idem.
P4.6 Number of young women trained in community programs for preventing gender violence	274,701	#				1,000	1,000	1,000	3,000	Course report with list of participants and DNCM certificates
P4.7 Number of young men trained in community programs for preventing gender violence	274,701	#				1,000	1,000	1,000	3,000	Idem.
P4.8 Adolescent females who have completed the vocational guidance activities in the Economic Autonomy Module	33,069	#		240	960	960	960	960	4,080	Idem.

P4.9 Adolescent females certified in vocational-technical training courses of the Economic Autonomy Module	744,789	#		240	960	960	960	960	4,080	Idem.
P4.10 Adolescent females served by the Sexual and Reproductive Health Module	170,539	#		360	1,440	1,440	1,440	1,440	6,120	Administrative data from Ciudad Mujer
P4.11 Adolescent females who are victims of violence against women and are served by the Module Addressing Violence Against Women	938,439	#		480	1,920	2,112	2,323	2,555	9,390	Idem.
P4.12 Female staff members (service personnel) of Ciudad Mujer trained in friendly service and effective strategies for reaching adolescents	26,000	#		85	340				425	Course report with list of participants/DNCM
P.4.13 Strategy for generating demand for Ciudad Mujer's services among adolescents, implemented	93,000	#			1					Consultant's report and DNCM report on implementation
Component 5. Expansion and strengthening of the Ciudad Mujer Program										
P5.1 CCMs equipped and in operation	1,523,607	#			3				3	DNCM – INVEST-H report
P5.2 CCMs built	13,212,000	#			3				3	Idem.
Milestone: CCMs with construction 50% complete		%		1	2					Idem.
P5.3 Female staff members trained in intake	75,000	#		94	282				376	Report and list of participants/DNCM
P5.4 Continuing education system for staff, designed and in operation	125,000	#				1			1	DNCM report
P5.5 Recordkeeping and information technology system in operation at all CCMs	284,000	#				1			1	System manual and list of participants in training courses/DNCM
Milestone: Phase I of recordkeeping system		#		1						Idem.
Milestone: Phase II of recordkeeping system		#			1					Idem.
Milestone: Phase III of recordkeeping system		#				1				Idem.
P5.6 Ciudad Mujer communication strategy implemented	125,000	#		1	1	1	1	1	5	DNCM report – Communications Unit

FIDUCIARY AGREEMENTS AND REQUIREMENTS

Country:	Honduras
Project number:	HO-L1117
Name:	Ciudad Mujer
Executing agency:	Ministry of Development and Social Inclusion (SEDIS), through Dirección Nacional de Ciudad Mujer [Ciudad Mujer National Office] (DNCM) in coordination with Inversión Estratégica de Honduras [Strategic Investment Honduras] (INVEST-H)
Fiduciary team:	Kelvin Suero (Financial Management FMP/CHO) and María-Cecilia del Puerto (Procurement FMP/CHO)

I. EXECUTIVE SUMMARY

- 1.1 Acting in close coordination, the Government of Honduras and the Bank joined forces to move forward in building the country's capacities for project execution. Against this backdrop, the Bank has carried out ongoing efforts to provide technical support and strengthen the country systems for management of public finances. The latest diagnostic assessments of **public financial management systems** reflect significant strides toward good practices and international standards. Support continues to be provided along these lines for implementation of a module of the Integrated Financial Management System (SIAFI/UEPEX) for financial management of projects and strengthening of the country system for control of public resources. As for the **public procurement system**, the country has shown strengths in the MAPS/OECD diagnostic assessment since 2010, especially in a legal framework consistent with most international best practices. Still, challenges remain in meeting standards that would allow the Bank to use the country public procurement system in Bank-financed operations.

II. THE EXECUTING AGENCY'S FIDUCIARY CONTEXT

- 2.1 The executing agency is SEDIS, acting through the DNCM; INVEST-H is the coexecuting agency for works and related equipment, among other activities. INVEST-H, which will be in charge of 76% of the financing, has been executing Bank operations in a satisfactory manner¹ and has fiduciary personnel trained in financial management procedures and the Bank's procurement policies, in addition to using SIAFI/UEPEX. SEDIS, meanwhile, is currently executing a number of Bank-financed operations.² The institutional analysis found that the DNCM should be strengthened by providing it with the capacity needed to support SEDIS in managing the operation.

¹ [Note 1.](#)

² [Note 2.](#)

III. FIDUCIARY RISK EVALUATION AND MITIGATION ACTIONS

- 3.1 The fiduciary team determined that the operation has a medium level of overall risk associated with financial management and procurement, considering the experience of the entities involved in fiduciary management and the agreed arrangements for execution. Also, internal controls are enhanced by usage of the SIAFI/UEPEX system in financial management and all country controls that stem from its usage. Procurement risks are mitigated by the designation of INVEST-H for fiduciary management of the components for infrastructure and related equipment, which was the main execution challenge for SEDIS because it lacked experience in works of this nature. Both entities will have personnel who specialize in procurement under Bank procedures. Even so, refresher workshops on Bank procedures will be held during the operation, if necessary, and the monitoring system to be implemented will include procurement planning through the Procurement Plan Execution System (SEPA).

IV. CONSIDERATIONS FOR THE SPECIAL PROVISIONS OF CONTRACTS

- 4.1 Below are the agreements and requirements that must be reflected in the special provisions of the contract:
- a. **Special conditions precedent to the first disbursement.** (i) hiring of the DNCM's project and program manager, as well as specialists in procurement, finance, and monitoring and evaluation; (ii) entry into force of the operations manuals for the project and the Ciudad Mujer Program; (iii) signing of an interagency execution agreement for the Ciudad Mujer Program between SEDIS, the DNCM, and the entities participating in the Ciudad Mujer Program; (iv) submittal of evidence that INVEST-H is legally authorized to act as the coexecuting agency for the project; and (v) signing of an interagency execution agreement for the project between the Ministry of Finance, SEDIS, the DNCM, and INVEST-H.
 - b. **Special contractual conditions for execution.** Before the awarding of each works contract to be financed under project Subcomponent 5A, evidence of legal possession of the properties where the corresponding construction work is to take place, as well as of easements and other rights needed for construction and usage, must be submitted to the Bank's satisfaction.
 - c. **Exchange rate agreed upon with the executing agency/borrower for accounting purposes.** For the purposes of Article 4.01(b) of the general conditions of the loan contract, the parties agree that the applicable exchange rate will be as indicated in subparagraph (b)(ii) of the aforementioned article. In this case, the applicable exchange rate is the one in effect on the day that the borrower, the executing agencies, or any person or entity who has been authorized to incur expenses makes the relevant payment to the contractor or supplier.
 - d. **Financial statements and other audited reports.** The borrower agrees that the following reports are to be submitted by the borrower or the executing agency: (i) within 120 days after the end of each fiscal period of the executing agency and during the disbursement period for the loan, the project's audited financial statements, duly accompanied by the opinion of an independent auditor acceptable to the Bank; the last of these reports will be submitted within 120 days after the stipulated date for the last disbursement of the loan;

in the event of retroactive financing, a report prepared by an independent auditor acceptable to the Bank on the incurred expenses to be financed retroactively, in accordance with the terms of reference agreed upon with the Bank.

V. AGREEMENTS AND REQUIREMENTS FOR PROCUREMENT EXECUTION

- 5.1 The procurement-related fiduciary agreements and requirements set forth the provisions that apply in all procurement processes for the project.

A. Procurement execution

- 5.2 SEDIS, acting through the DNCM, and INVEST-H, each in their respective areas, will conduct the selection, bidding, contracting, oversight, and receipt of procurement processes, which will be carried out in accordance with the Bank's procurement policies (documents GN-2349-9 and GN-2350-9) and the procurement plans³ to be prepared by each executing unit.
- 5.3 Even though country systems do not have to be used on Bank-financed operations in Honduras, executing agencies may use the **website of the Oficina Normativa de Contratación y Adquisiciones del Estado [Regulatory Office for Government Procurement] (ONCAE)**, www.honducompras.hn, to disseminate procurement processes for which nationwide dissemination is required.

Procurement of works, goods, and nonconsulting services. Contracts for works, goods, and nonconsulting services⁴ generated under the project and subject to international competitive bidding (ICB) will use the standard bidding documents issued by the Bank. Procurement processes subject to national competitive bidding (NCB) will use documents agreed upon with the Bank and posted on HONDUCOMPRAS. As provided in paragraph 3.3 of the Policies for the Procurement of Goods and Works Financed by the Inter-American Development Bank, procurement processes for works are expected to be able to use NCB procedures that allow for foreign participation and use standard documents agreed upon between **ONCAE** and the Bank, as this is deemed the most efficient and economical method. That is because these works will be located in areas of high security risk, which could discourage foreign participation, and also because the advantages of ICB are offset vis-à-vis NCB procedures due to the administrative and financial burdens that it entails in this type of operation.

- a. **Selection and contracting of consultants.** Consulting service contracts generated under the project will be procured using the Standard Request for Proposals issued by or agreed upon with the Bank. Reviewing the terms of reference for the procurement of consulting services is the responsibility of the project's sector specialist.
- b. **Selection of individual consultants.** At the discretion of each executing agency, individual consultants may be contracted through local or international advertising to create a shortlist of qualified individuals.
- c. **Recurring expenses.** These are operational and maintenance expenses that are necessary to perform the specific duties of INVEST-H as part of this

³ [Note 3.](#)

⁴ [Note 4.](#)

project, and they will be financed with proceeds from the Bank loan. These expenses will not need to be financed after the project is completed, and they include a portion of the salary of staff members who will be assigned on a part-time basis to assist in project execution, as well as the coverage of INVEST-H's regular operating costs as part of the project, consisting in facility usage and property insurance, basic services, logistical support for monitoring, and other necessary administrative expenses to support project execution. These expenses are eligible for financing since they (i) are included in the financial parameters for Honduras; (ii) are directly attributable to the project; (iii) are incremental; and (iv) are necessary in order to achieve project objectives.⁵ These expenses will be financed for the life of the project, with an estimated US\$278,298 from the Bank loan to be used for this purpose.

- d. **Retroactive financing.** The Bank may provide retroactive financing, charged against the loan proceeds, for eligible expenditures made incurred by the borrower/executing agencies before the loan was approved, up to US\$4 million (20% of the loan amount), provided that procedures substantively similar to those set forth in the corresponding loan contract have been used and provided that such expenditures were made no earlier than 25 March 2016 (Project Profile approval date). Under no circumstance may expenditures be included if they were incurred more than 18 months before the loan approval date. These expenditures may include the works to build and equip each CCM under Subcomponent 5A, as long as evidence has been submitted to the Bank's satisfaction that the borrower has legal possession of the property where the corresponding CCM is to be built, as well as the easements and other rights needed for construction and usage for the Ciudad Mujer Program.

B. Threshold amounts (thousands of US\$)

- 5.4 The thresholds that determine when ICB is required and the shortlist of international consultants will be made available to the executing agencies at www.iadb.org/procurement.

C. Main procurement processes

- 5.5 Each executing agency will be responsible for preparing the procurement plan^{6,7} for its area of responsibility. The main procurement processes expected on this operation are as follows.

⁵ [Note 5.](#)

⁶ [Note 6.](#)

⁷ [Note 7.](#)

Main Procurement Processes

Activity	Type of procurement contract	Estimated date	Estimated amount (US\$)
Services			
Construction of Center 1	NCB		4 million
Construction of Center 2	NCB		4 million
Construction of Center 3	NCB		4 million
Work supervision Center 1	QCBS		400,000
Work supervision Center 2	QCBS		340,000
Work supervision Center 3	QCBS		340,000

* Link to [procurement plan](#).

D. Procurement supervision

- 5.6 In accordance with the analysis of fiduciary risk in procurement processes, the method of supervision will be set forth in the corresponding procurement plan of each executing agency.
- 5.7 **Records and files.** SEDIS, the DNCM, and INVEST-H will be responsible for maintaining their respective files and original supporting documentation for procurement processes carried out for each institution.

VI. FINANCIAL MANAGEMENT AGREEMENTS AND REQUIREMENTS

- 6.1 **Programming and budget.** Implementation of SIAFI/UEPEX and the Single Treasury Account has led to prudential, disciplined management of cash funds and has decentralized the treasury function. The Bank's financial parameters for the country allow for the entirety of a project or program to be financed.
- 6.2 **Accounting and information systems.** SIAFI/UEPEX is used for financial reports and accounting on Bank-financed projects. Accounting is on a cash basis.
- 6.3 **Disbursements and cash flow.** For advances of funds, each executing agency will open a special account in the name of the project at the Central Bank of Honduras into which funds will be disbursed. The maximum amount of each advance will be set by the Bank in accordance with the cash flow analysis submitted by the executing agency. More than one advance may be made depending of the cash flow. These advances may be made per component, in accordance with the operational structure of the project, in which case each fiduciary manager may have a separate accounting for advances. In the event of retroactive financing, the borrower/executing agencies will identify the official account to which the resources were transferred.
- 6.4 **Internal control and internal audit.** The entities responsible for execution will develop the appropriate internal control system and implement the recommendations from the independent audit reports. The Bank is carrying out efforts to strengthen internal control in Honduras.
- 6.5 **External control and reports.** The Audit Office (TSC) is the lead public entity in external control. It is eligible to audit Bank-financed operations. The external auditing of the operation will be performed by an independent auditor acceptable to the Bank, and will be financed with proceeds from the loan.

- 6.6 In view of the foregoing, the following financial arrangements and agreements are made:
- a. Use external financial auditing services for the project, annually and including semiannual preliminary audit reports.
 - b. The governing guidelines for this operation are the Financial Management Policy for IDB-financed Projects (OP-273-6), the Financial Management Operational Guidelines for IDB-financed Projects (OP-274-2), the Guidelines for Financial Reports and External Audits (AF-200), the Bank's Model Terms of Reference for Financial Audits, and updates.
 - c. The auditing services will cost an estimated US\$200,000, to be financed with proceeds from the loan.
 - d. The mechanism for selecting and contracting the firm of independent auditors will be based on document AF-200 and in accordance with the established guidelines. As for the TSC, an interagency arrangement may be used.
- 6.7 **Financial supervision plan.** Supervision will be carried out by the Bank's financial management specialist assigned to the operation, with support from external auditing services and consultants and in coordination with the Project Team Leader.

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

PROPOSED RESOLUTION DE-___/16

Honduras. Loan ____/BL-HO to the Republic of Honduras
Ciudad Mujer

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 Republic of Honduras, as Borrower, for the purpose of granting it a financing to cooperate in the execution of the “Ciudad Mujer” project. Such financing will be for the amount of up to US\$12,000,000 from the resources of the Single Currency Facility of the Bank’s Ordinary Capital, corresponds to a parallel loan within the framework of the multilateral debt relief and concessional finance reform of the Bank, and will be subject to the Financial Terms and Conditions and the Special Contractual Conditions of the Project Summary of the Loan Proposal.

(Adopted on __ _____ 2016)

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

PROPOSED RESOLUTION DE-___/16

Honduras. Loan ____/BL-HO to the Republic of Honduras
Ciudad Mujer

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 Republic of Honduras, as Borrower, for the purpose of granting it a financing to cooperate in the execution of the “Ciudad Mujer” project. Such financing will be for the amount of up to US\$8,000,000 from the resources of the Bank's Fund for Special Operations, corresponds to a parallel loan within the framework of the multilateral debt relief and concessional finance reform of the Bank, and will be subject to the Financial Terms and Conditions and the Special Contractual Conditions of the Project Summary of the Loan Proposal.

(Adopted on __ _____ 2016)