

TC Document

I. Basic Information for TC

▪ Country/Region:	HONDURAS
▪ TC Name:	Support to the strengthening of public procurement in Honduras
▪ TC Number:	HO-T1482
▪ Team Leader/Members:	Harper, Leslie Elizabeth (IFD/FMM) Team Leader; Alejos Marroquin, Luis Alejandro (IFD/FMM) Alternate Team Leader; Martinez Aguero, Rolando Antonio (IFD/FMM); Kevish, Maria Lorena (IFD/FMM); Yegros Lobos Mario Luis (TTD/TDS); Alvarez Junco, Brenda Mariana (VPC/FMP); Sierra Lopez, Claudia Melissa (CID/CHO); Sanchez Galindo Stephanie Michelle (SCL/GDI); De Dobrzynski, Esteban (LEG/SGO)
▪ Taxonomy:	Client Support
▪ Operation Supported by the TC:	.
▪ Date of TC Abstract authorization:	18 Mar 2025.
▪ Beneficiary:	Oficina Normativa de Contratación y Adquisiciones del Estado (ONCAE)
▪ Executing Agency and contact name:	Inter-American Development Bank
▪ Donors providing funding:	Women Entrepreneurs Finance Initiative (We-Fi)(WEF)
▪ IDB Funding Requested:	US\$345,000.00
▪ Local counterpart funding, if any:	US\$0
▪ Disbursement period (which includes Execution period):	36 months
▪ Required start date:	August 1st, 2025
▪ Types of consultants:	Individuals
▪ Prepared by Unit:	IFD/FMM-Fiscal Management Division
▪ Unit of Disbursement Responsibility:	CID/CHO-Country Office Honduras
▪ TC included in Country Strategy (y/n):	Sí
▪ TC included in CPD (y/n):	No
▪ Alignment with the IDB Group's Institutional Strategy "Transformation for Greater Scale and Impact":	Gender equality; Institutional capacity, rule of law, and citizen security; Fiscal policy and management

II. Objectives and Justification of the TC

2.1 **Background.** On May 13, 2019, the IDB Group received funding through the WeForLac: "Women Entrepreneurs for Latin America and the Caribbean" proposal from the Women's Entrepreneurship Finance Initiative (We-Fi) (GN-2906).¹ The WeForLac program seeks to promote the growth of women-led SMEs by developing innovative and catalytic projects and programs, building an entrepreneurial ecosystem in complex environments in the different countries, generating information to fill knowledge gaps, and promoting smart public policies and private sector initiatives. The specific objectives of WeForLAC are to improve: (i) access of women-led SMEs to financing; (ii) access of women-led SMEs to markets; (iii) access of women entrepreneurs to networks and knowledge; and (iv) entrepreneurship ecosystems for women-led SMEs in the region.

¹ [The Women's Entrepreneurship Finance Initiative](#) (We-Fi) is a fund that seeks to promote the growth of women-led SMEs globally.

- 2.2 In Honduras, the Regulatory Office for State Contracting and Procurement (ONCAE)² is developing an ambitious certification program, known as "*Sello Empresa Mujer (SEM)*,"³ whereby the government uses a nationally pre-established definition of women-owned businesses to certify that a business is indeed owned by a woman. This type of program has been implemented in Chile, the Dominican Republic, and the City of Buenos Aires in Argentina, three pioneers worldwide in this key area, which includes both vertical and horizontal measures for the promotion of women in public procurement.⁴
- 2.3 The first stage of the *SEM* program in Honduras was financed with support of the TC program Program to promote Women-Owned Businesses in Honduras (ATN/WE-18392-HO) using resources from the WE-FI. During that stage, activities were carried out that set the foundation for a *SEM* program. This included: (i) diagnostic and legal assessments to learn about the obstacles faced by MSMEs led by women in public procurement; (ii) market study and supply chain analysis of women-led MSMEs, which concluded that there is a high concentration in certain sectors such as health services, pre-school education and creative industries, visibility challenges and a significant mismatch between what the state needs and what women-led MSMEs offer; (iii) design of a *SEM* program customized for the Honduras context to enable business owners that are women-owned to be recognized in the public procurement system; (iv) virtual platform with information about the program and to enable ONCAE to identify women-owned businesses; (v) establishment of a Roundtable Technical Committee and Institutional Collaboration, integrating representatives from 12 institutions, including the Secretariat for Transparency and Fight against Corruption (STLCC), the Secretariat for Women (SEMujer) and the General Directorate of Services to the Entrepreneur of Honduras (SENPRENDE). The committee's main function is to coordinate the efforts of all government institutions to promote women's participation in public procurement; (vi) training and certification, in August 2023, a comprehensive training plan was developed for women-led MSMEs. Training topics included how to become a supplier in the public procurement market, public procurement modalities, contractual requirements, and how to prepare successful bids. During 2024, 250 women entrepreneurs were trained also extended to public employees; (vii) communication and outreach, a communication strategy was developed that included outreach on social networks, creating content and conducting awareness campaigns; and (viii) public procurement fairs to promote women-led MSMEs and connect them with government and private sector representatives. These fairs provided women entrepreneurs with a platform to showcase their products and services, with over 100 participants and 300 attendees from various sectors. The fairs were held in Tegucigalpa, Cortés and at the Secretariat of Transparency and Fight against Corruption between December 2022 and April 2023.
- 2.4 A second stage of the *SEM* program will be critical to expand the depth and scope of the program, supporting digital tools for the implementation of the *SEM*; capacity

² [ONCAE](#) is the policy and oversight body responsible for public procurement policy making and for developing and improving the technical, operational and economic aspects of public procurement administration.

³ The program known as "*Sello Empresa Mujer*" refers to certification using a nationally accepted definition of companies whose owners are women (the most widely accepted parameter stipulates that a minimum of 51% of ownership must be in the hands of women). Once certified as a women-owned company supplying the State, this sector of the economy will be able to access different programs and take advantage of this certification to promote itself. In turn, government agencies will have more complete information that can be used to create public policies and monitor results.

⁴ Toolkit Promoting women in public procurement. IDB, 2018.

building; and knowledge and dissemination. These areas will be fundamental for ONCAE to have tools to address the gaps that have been identified and facilitate women's access and participation in public procurement.

- 2.5 **Objective.** To that regard, the objective of this technical assistance program is to support the entity in charge of public procurement to increase the participation of women-owned businesses in public procurement in Honduras.
- 2.6 **Justification.** Public procurement is an area where governments can relatively quickly and cost-effectively deploy policies to create market opportunities for women-owned businesses. Public procurement, which accounts for approximately 13.5% of Honduras' GDP,⁵ is an economically important area that offers great opportunities for non-traditional economic actors.⁶ However, women have not benefited from this lucrative market, accounting for one-third of small and medium-sized enterprises (SMEs) in developing countries, only 1% of contracts for goods and services are awarded to women-owned businesses.⁷
- 2.7 In Honduras, as in many other countries in the region, deep gender gaps persist in access to employment, educational and economic opportunities. The latest global report on gender gaps of the World Economic Forum (2024) places Honduras in 94th place out of 146 countries in the ranking, in the pillar of economic participation and opportunities, presenting the lowest results in the percentage of labor participation, in which it is positioned in 121st place, and in equal pay for similar work, it is in 91st place.
- 2.8 In the area of public procurement, women face barriers that hinder their participation: from lack of formalization, to limited knowledge of public procurement processes, and excessive requirements, in addition, women-owned businesses tend to be SMEs, and face the same difficulties as those of this type of business in terms of access and successful participation in public procurement, large contracts, compliance with technical requirements, unreasonable financial requirements, short deadlines to gather proposals and delays in payments.⁸ In Honduras, companies cannot currently identify themselves as women's businesses when registering to participate in a tender through the electronic government procurement system⁹ *HonduCompras*.¹⁰
- 2.9 Governments have the opportunity to effectively promote women as economic actors in the public procurement market with policies that facilitate more equitable access and lower transaction costs. Such policies have long-term benefits, as many women-owned and professional businesses use the public sector market as an anchor and platform to make their ventures more competitive and viable in the private sector. There are also benefits for governments, as the participation of new economic actors in the public procurement market generates more competition and therefore savings, while improving the quality of goods and services for public sector agencies.¹¹
- 2.10 **Strategic Alignment.** The TC is consistent with the Inter-American Development Bank (IDB) Group's Institutional Strategy 2024-2030: Transformation for Greater Scale and Impact (GN-3159-11) particularly the objective of reducing poverty and inequality.

⁵ PEFA Honduras, 2015

⁶ Public spending reform: Difficult choices. IMF, 2014

⁷ *The Power of procurement, how to source from women-owned businesses*. UN Women, 2017.

⁸ *Empowering women through public procurement*. International Trade Centre, 2014.

⁹ [Gender-smart Procurement Policies for Driving Change](#). Chathan House, 2017.

¹⁰ [HonduCompras](#)

¹¹ [Gender-smart Procurement Policies for Driving Change](#). Chathan House, 2017.

It will do so by improving public procurement, which is critical for ensuring the quality of the country's public goods and access to services which are essential for addressing poverty and inequality. This TC also aligns with the following operational focus area(s): (i) gender equality, as it will strengthen national capacity for the incorporation of Gender and Diversity in the design of public procurement management systems and Institutional Capacity, and (ii) Rule of Law and Citizen Security, by supporting actions related to strengthening public management and the digital transformation of the public sector. Finally, it is consistent with the Sectoral Framework Document for Fiscal Policy and Management (GN-2831-13) promoting medium-term fiscal sustainability through improvements to public procurement.

- 2.11 **Country Strategy.** The TC is aligned with the IDB Country Strategy with Honduras 2025-2026 (GN-2944-3) in terms of use of country systems particularly with regard to the priority area strengthening of public management and institutional infrastructure, strategic objective of improving the quality and efficiency of public expenditure.
- 2.12 It will also contribute to the Strategy for Strengthening and use of Country Systems (GN-2538-31) with regards to the cross-cutting issues in terms of helping countries close gaps with international standards and adopt best practices. It is also in line with the Fiscal Management Sector Framework Document (GN-2831-13) document as the program will support activities aimed at strengthening public procurement and digitalization.
- 2.13 The program is also in line with the objectives and activities of the priority area of "Effective, Efficient and Transparent Institutions" of the Strategic Program for Development Financed with Ordinary Capital (GN-2819-14), which has the following expected results: (i) strengthen the quality of institutions and policies as well as the provision of services and implementation of policies, to improve public management; and (ii) leverage digital transformation to promote more effective, efficient and transparent governments, better and more equitable opportunities for citizens, and more productive and innovative companies.
- 2.14 Finally, the TC is aligned with the objectives of the Women Entrepreneurs Finance Initiative (We-Fi) fund which seeks to address financial and non-financial constraints faced by women-owned/led small and medium enterprises in developing countries.
- 2.15 **Alignment with IDB operations.** By strengthening public procurement in the country, the TC will complement the programs related to public sector reform and modernization as well as digitalization currently under execution, including Fiscal Policy for Climate Change in Honduras (ATN/FC-21546-HO); Support for the modernization of public financial management system and public procurement (ATN/OC-21305-HO); Strengthening the Transparency and Integrity Agenda in the Use of Public Resources in Honduras II (ATN/OC-21256-HO); Improve the capacity of fiscal institutions for transparent, monitorable and evaluable growth public spending (ATN/OC-20980-HO); Transparency and Integrity Program for Sustainable Development II (5887/BL-HO); and Fiscal Strengthening Program for Inclusive Growth under preparation. Finally, it will expand the work that was carried out under the TC program Support to Women in Public Procurement (ATN/WE-18392-HO) that concluded in 2024.
- 2.16 **Innovation** The project is innovative in that it will take a comprehensive approach to promoting women in public procurement, considering the barriers presented by both the public and private sectors, and will facilitate participation in the public procurement process through digital tools, information on procurement opportunities will be

improved, capacity building in the public sector will be supported, and companies whose owners are women will be trained. Only two other countries (Chile and the Dominican Republic) in the Latin American region have done so. With the support of the program, Honduras will take advantage of the lessons learned in those two countries. Both focused especially on extensive outreach, training and identification of women's enterprises, which was a key element of their success.¹²

- 2.17 **Sustainability** Women's participation in public procurement will be sustainable as it proposes permanent measures that will level the playing field for women's businesses to participate in the public procurement market. By simplifying procedures and making procurement information more accessible the program will generate benefits long after its conclusion. It will build on ONCAE's ongoing modernization initiatives in procurement operations, including the development of an electronic catalog, framework agreements and reverse auctions. These improvements will facilitate the activities envisaged under this technical assistance program.
- 2.18 In addition, sustainability will be reinforced through institutional capacity building, the inclusion of gender equality criteria in public procurement regulatory frameworks, and the establishment of permanent monitoring and evaluation mechanisms. The active participation of women's business networks and organizations will be promoted so that they can act as observers and monitors of the process. Likewise, efforts will be made to ensure a specific budget allocation to continue promoting women suppliers through training, technical advice, and dissemination activities, thereby strengthening the ecosystem that promotes women suppliers.

III. Description of activities/components and budget

- 3.1 This second stage of the *SEM* program will be critical to expand the depth and scope of the program, supporting activities in three main areas: (i) digital tools for the implementation of the *SEM*; (ii) capacity building; and (iii) knowledge and dissemination. These areas will be fundamental for ONCAE to have tools to address the gaps that have been identified and facilitate women's access and participation in public procurement.
- 3.2 **Component 1. Digital tools (US \$125,000).** This component will support the expansion of digital and innovative tools to promote women-owned businesses in the public procurement market. These tools will enable ONCAE to increase the number of women-owned businesses participating in the public procurement market. The component will include the following activities: (i) support for the development of inputs for a policy that will define the requirements for accessing the *SEM* and its implementation in the electronic system. This is important as it is not currently legally recognized; and (ii) design of technological developments for the expansion and increased use of the *SEM* on part of public purchasers in the eGP system.
- 3.3 **Component 2. Capacity Building (US \$100,000).** The objective of this component is to support the government in building capacity to successfully implement the program for the promotion of women in public procurement. The component will provide training

¹² *Toolkit Promoting women in public procurement (Toolkit Promoting women in public procurement)*. IDB. 2018.

to ensure that women-owned businesses are prepared to become suppliers to the state and to take advantage of the new tools and policies that have been implemented, particularly with regards to the new participating women-owned businesses. At the same time, it will also provide training to procurement officials to more effectively include women-owned businesses in the public procurement market. This will include the transfer of knowledge and exchange with countries that have already implemented such programs. The component will include the following activities: (i) training for women-owned businesses in accessing the public procurement market and in the use of digital tools. This will include online and face-to-face workshops; and (ii) training for public procurers including gender aspects in public procurement and in the use of the *SEM*.

- 3.4 **Component 3. Knowledge and dissemination (US \$120,000).** The objective of this component is to expand the program and knowledge about it for the implementation of the *SEM*. This component will also provide resources to disseminate the products generated by the program to reach as many people as possible as well support the implementation of pilot projects. This component will include: (i) the development and implementation of a communication plan to expand knowledge about the program during this second phase of implementation; (ii) communication activities that implement the plan, including dissemination in the media, workshops (including a regional one to bring together lessons learned and next steps Knowledge event with other countries from the region that have developed SEM programs to identify lessons learned and next steps. and industry fairs with suppliers and buyers among others. This will be critical to increase registration of suppliers and use by public purchases of women-owned businesses; a study that includes lessons learned and results from the implementation of the program for the promotion of women in public procurement in Honduras; and (iii) implementation of at least two pilot projects.
- 3.5 ONCAE, as the entity responsible for public procurement policy and monitoring in Honduras, will carry out the activities of all the components. The activities of each of the three components will contribute to the objectives of the program as they will have a comprehensive approach, providing women-owned businesses with the tools that will promote their participation, but also those that will level the playing field so that they can transact with the State more effectively, including training, accessibility and digitalization.
- 3.6 **Expected results.** This TC will support the modernization of Honduras's PFM practices, focusing on the quality of public spending.
- 3.7 **Beneficiary.** This TC is targeted at the Republic of Honduras through ONCAE. The technical assistance program will benefit women-owned businesses in Honduras, as well as the public sector, including procuring agencies who will be able to more successfully include women-owned businesses in public procurement processes.¹³

¹³ The exact number is not known in this instance. This technical assistance program will aim to develop tools to identify them and quantify their participation in public procurement.

- 3.8 **Budget.** The estimated budget for the operation amounts to US\$345,000 financed by the Bank through the WeForLac: "Women Entrepreneurs for Latin America and the Caribbean" proposal from the Women's Entrepreneurship Finance Initiative (We-Fi) (GN-2906) , and in accordance with the following cost table. This Technical Cooperation (TC) does not include a local counterpart contribution. The execution period of this TC is 36 months, and the disbursement period is also 36 months.

Table 1. Indicative Budget

Activity/Component	Description	BID/W2C	IDB/Fund Funding (US\$)
Component 1. Digital tools	Tools to expand the use of SEM and the participation of women-owned businesses, including a: (i) draft policy for Sello Mujer program; and (ii) design of technological developments for the expansion and increased use of the Sello Mujer.	125,000	125,000
Component 2. Capacity building	Trainings for participating businesses and public purchasers, including a: (i) training program for the private sector; and (ii) training program for public purchasers.	100,000	100,000
Component 3. Knowledge and dissemination	Knowledge products and events to build awareness about the program, including a: (i) communication plan for phase II activities; (ii) working paper on results and lessons learned from Sello.	120,000	120,000
Total		345,000	345,000

- 3.9 **Supervision, Monitoring, and Evaluation.** The products and results achieved through the Technical Cooperation (TC) will be communicated and disseminated in a timely manner to all stakeholders. The Disbursement Responsible Unit will be the Country Office in Honduras. The project will be monitored and evaluated in accordance with the annual goals and the outcome and output indicators outlined in the TC's results matrix, as established in the document *The Technical Cooperation Monitoring and Reporting System (OP-1385-4)*. The Team Leader (IFD/FMM) of the project will be responsible for and will carry out the supervision of the activities developed under this TC.
- 3.10 **Lessons learned.** In the monitoring and evaluation of the TC, the lessons learned, and good practices derived from the proposed interventions will be identified and systematized. These lessons learned will be disseminated in workshops and publications.

IV. Executing agency and execution structure

- 4.1 **Executing Agency.** The IDB will be the Executing Agency of the TC, at the request of the beneficiary country, in accordance with the IDB's Technical Cooperation Policy (GN-2470-2) and the Procedures for the Processing of TC Operations (OP-619-4). The Government of Honduras is requesting that the IDB execute the program given the IDB's highly specialized technical knowledge and experience implementing similar programs in the topic in the region. The technical responsibility for overseeing the TC will be the Fiscal

Management Division (FMM) of the Institutions for Development Sector (IFD). The Unit of Disbursement Responsibility (UDR) will be the IDB Country Office in Honduras.

- 4.2 **Procurement.** All procurements to be executed under this TC have been included in the Procurement Plan (Annex IV) and will be contracted in accordance with the Bank's applicable policies and regulations, as follows: (a) Hiring of individual consultants, as established in the Supplementary Workforce Regulation -6 (AM-650), and (b) Hiring of services provided by consulting firms in accordance with the Institutional Procurement Policy (GN-2303-33) and its Guidelines.
- 4.3 The knowledge products generated within the framework of this TC will be the property of the Bank and may be made available to the public under a Creative Commons license, in accordance with the Procedure for the Publication of Knowledge Products (AM-331). However, at the beneficiary's request, the intellectual property of said products may also be assigned or licensed.
- 4.4 **Protection of Personal Data.** If the Bank's team needs to receive, manage, or use information that may contain personal data or sensitive information as part of the activities funded by the TC, the Data Privacy team must be consulted to ensure compliance with the Bank's Personal Data Privacy Policy (GN-3030).

V. Major issues

- 5.1 The main risk to the TC achieving its objective is that the country would not have the capacity to carry out the activities of this TC given the multiple demands of the OPR. This will be mitigated by the IDB executing the program as well as providing continuous technical support on behalf of the project team. In addition, Trinidad and Tobago participates in the regional program to support public procurement in the Caribbean (ATN/FC-20408-RG). This program facilitates south-south collaboration among the countries, which will enable Trinidad and Tobago to have the support of other Caribbean countries in their modernization process. Finally, this TC includes capacity building activities. Integrity clauses and special intellectual property agreements that need to be included in TC agreement, if any, should be specified.

VI. Exceptions to Bank policy

- 6.1 No exceptions to the Bank's policies are identified.

VII. Environmental and Social Aspects

- 7.1 This Technical Cooperation is not intended to finance pre-feasibility or feasibility studies for specific investment projects or associated environmental and social studies; therefore, this TC does not have applicable requirements of the Bank's Environmental and Social Policy Framework (ESPF).

Required Annexes:

[Request from the Client_71402.pdf](#)

[Results Matrix_85196.pdf](#)

[Terms of Reference_32248.pdf](#)

[Procurement Plan_67076.pdf](#)